

STATE OF VERMONT FISCAL YEAR 2012



BUDGET RECOMMENDATIONS

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**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Administration**

Agency Mission Statement

The Agency of Administration exists to insure the fiscal integrity of the state, to provide centralized support services for state government as well as providing selected services to Vermont municipalities and Vermont citizens, and to carry out the policy objectives of the Governor and the laws of Vermont.

Description of Departments in Agency

Information and Innovation - provides strategic direction, oversight and accountability for all activities related to Information Technology (IT) in state government.

Finance and Management - promotes, monitors and reports upon the fiscal condition and integrity of state government.

Buildings and General Services - delivers quality operational services and facilities management, enabling government agencies to fulfill their missions.

Taxes - collects the proper amount of taxes in a timely and efficient manner.

Libraries - fosters and co-ordinates resource sharing and access to information for the citizens of Vermont

Human Resources - provides leadership to and works in partnership with State government in order to promote managerial and work force excellence while fostering an understanding and observance of regulatory requirements.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Secretary of Administration	5	5	4	44,534,125	39,233,796	39,241,364	715,852
Information and Innovation	61	75	78	9,899,731	10,047,976	9,620,452	13,327,861
Finance and Management	38	35	36	3,894,065	4,142,153	4,324,191	4,222,106
Human Resources	45	39	75	4,513,205	4,758,092	7,697,539	7,959,036
Libraries	32	26	26	3,347,798	3,724,721	3,435,205	3,376,670
Tax	178	173	169	14,658,778	15,724,216	15,462,158	15,256,942
Buildings and General Services	401	366	366	44,495,071	43,687,324	42,457,621	43,476,728
TOTAL	760	719	754	125,342,773	121,318,278	122,238,530	88,335,195
FUND TYPE							
General Fund				23,782,898	25,393,921	24,652,168	20,764,449
Transportation Fund				0	0	0	3,989,279
Special Fund				1,805,100	1,591,392	1,763,042	1,696,892
American Recovery & Reinvestment Act				43,665,801	38,575,036	38,575,036	0
Federal Revenue Fund				887,105	955,372	878,439	878,355
Enterprise Fund				81,360	136,377	43,373	108,002
Global Commitment Fund				179,284	0	0	0
Internal Service Fund				49,262,900	49,000,654	47,957,558	52,122,602
Interdepartmental Transfer				5,678,325	5,665,526	8,368,914	8,775,616
TOTAL				125,342,773	121,318,278	122,238,530	88,335,195

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary of Administration

Department Mission Statement

The Agency of Administration exists to provide centralized support services to all agencies and departments of state government as well as providing selected services to Vermont municipalities and Vermont citizens. The Agency also exists to ensure that the fiscal resources of the state are properly managed. The Agency also takes a leadership role on those issues that cross agency lines, such as health care reform and strategic change in government.

The goal of the Agency is to ensure the uniform and consistent functioning of state government, to provide centralized support services for all components of state government, to work consistently to deliver better services to the citizens of Vermont at the lowest possible costs, and to carry out the policy objectives of the Governor and the laws of Vermont.

The Agency was formed by the General Assembly by Act 92 of 1971. The Agency's organization and authority is described in 3 V.S.A. Chapter 45.

Description of Appropriations, Divisions, & Programs

The Secretary of Administration is both principal aide to the Governor and executive manager of the Agency of Administration. The office of the Secretary assists in the development and implementation of policies and programs throughout state government, coordinates and controls functions within state government, and manages the Agency of Administration.

Through the Secretary, the Agency provides first-line assistance to the Governor. The Secretary is a member of the Governor's Cabinet. He also coordinates budget and appropriations testimony to the General Assembly.

Along with the Secretary's office, the agency includes the departments of Buildings and General Services, Finance and Management, Information and Innovation, Libraries, Human Resources, and Taxes.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary of Administration

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Secretary of Administration's Office	5	5	4	44,534,125	39,233,796	39,241,364	715,852
<hr/>							
TOTAL	5	5	4	44,534,125	39,233,796	39,241,364	715,852
FUND TYPE							
General Fund				689,040	658,760	666,328	715,852
American Recovery & Reinvestment Act				43,665,801	38,575,036	38,575,036	0
Global Commitment Fund				179,284	0	0	0
<hr/>							
TOTAL				44,534,125	39,233,796	39,241,364	715,852

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary of Administration's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	763,588	584,928	565,437	640,938
Operating Expenses	62,739	73,832	100,891	74,914
Grants	43,707,798	38,575,036	38,575,036	0
<hr/>				
TOTAL	44,534,125	39,233,796	39,241,364	715,852
FUND TYPE				
General Fund	689,040	658,760	666,328	715,852
American Recovery & Reinvestment Act	43,665,801	38,575,036	38,575,036	0
Global Commitment Fund	179,284	0	0	0
<hr/>				
TOTAL	44,534,125	39,233,796	39,241,364	715,852

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Information and Innovation

Department Mission Statement

Vision Statement:

The Department of Information & Innovation will be the leading information technology resource for state government producing results through people, process improvement and collaboration.

Mission Statement:

DII will focus on exceeding customer expectations at every opportunity. Through collaboration with all state agencies we will continue to implement and support enterprise applications. DII's goal will be to enhance the value of information technology projects across state government through our knowledge and commitment to excellence.

Strategic Goals:

- Reduce government costs
- Drive effective technology contracting
- Leverage shared technology operations
- Promote innovative use of technology that adds value
- Protect technology and information assets

Description of Appropriations, Divisions, & Programs

The Department of Information and Innovation (DII) was created to establish a single department whose core competencies and business drivers are Information Technology. DII has two separate but related functions. The Commissioner of DII serves as the State's Chief Information Officer as well as the Commissioner of the operations group. This dual role means that the department has two missions to fulfill. The CIO's core function is strategic. It consists of creating and implementing an enterprise technology vision for all of state government, creating statewide IT policies and procedures, recommending technology solutions that will be "right sized" to meet various needs across the enterprise and communicating enterprise IT goals and objectives to other state partners.

Detailed below are DII's core operational duties. The department provides access to communications for most of the state's workforce. DII coordinates the state's land based telephone service, providing day-to-day telephone service as well as equipment installation and repair, toll-free calling, voice mail, call distribution, and calling cards.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Information and Innovation

Network design, implementation and maintenance also fall under the purview of DII, which manages the Wide Area Network that serves government offices in Montpelier, Waterbury, Burlington and district offices in cities and towns statewide. The network provides for complete inter-agency and inter-departmental information access through a single system servicing all agencies on a cooperative basis. DII manages the state fiber optic backbone, enabling the state to not only connect to state offices, but to the rest of the world.

DII also manages the state enterprise Exchange email platform and is continuing the rollout of additional enterprise applications.

DII has developed an Enterprise Project Management Office. The goal is to assist all agencies and departments in implementing information technology project management best practices. The CIO is responsible for procuring an independent review of any IT project over \$500,000 dollars.

In addition, the Project Management office monitors and maintains the state's IT planning database, called Plan IT.

DII Desktop Solutions team manages technical support for various smaller departments, boards and commissions primarily in the Montpelier complex including the Governor and Lt. Governor's offices. The team is finalizing the transition of desktop computing support for the Criminal Justice Training Council and Veterans Affairs.

DII has taken control of the *Technical Services Section* of the Department of Finance & Management. This section performs two primary roles, technical support and functional support. Technical support responsibilities include support for all the modules within VISION, support of interfaces to and from VISION, technical report writing, database administration, and hardware support. Functional support responsibilities include providing on-going training to end users in the departments, providing support services for problems and issues as they are called in to a central helpdesk. Other responsibilities include seeking, researching, and developing and upgrading system enhancements that will continue to improve the functionality and best practices of the VISION system.

DII has also taken over the technical staff from the Department of Human Resources responsible for the maintenance of the state's human resource management information system. In addition, DII has taken over the IT staff of the Department of Libraries.

Finally, DII is currently wrapping up the IT consolidation within the Agency of Administration and has started the process of transferring certain infrastructure support personnel from the Tax Department to DII. The software development staff will remain with the Tax Department.

DII is also responsible for computer hosting services. The department maintains server rooms at 133 State Street and at National Life housing computers that run software from various departments and

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Information and Innovation

agencies around the state. This includes internal servers that are a part of the state network as well as Internet servers allowing the state to communicate to the entire world. A second type of hosting that is provided is the hosting of applications on the state's mainframe computer. This provides several state departments and agencies with a high speed, high volume computing environment for various applications. Included in the hosting services is also the management of the facilities and the individual computers, disaster recovery planning and management, and the ability to warehouse data.

The Director of System Security is responsible for working with experts across state government in protecting the State's electronic information and information technology assets.

Other various services provided by DII to state government include technical training and a complete customer assistance center to respond to the needs of the agencies and departments DII supports.

DII's role continues to evolve, just as technology itself continues to evolve.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Information and Innovation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Information Technology Leaders (VITL)	0	0	0	68,572	0	0	0
Comm & Info Technology	61	75	78	9,831,159	10,047,976	9,620,452	13,327,861
<hr/>							
TOTAL	61	75	78	9,899,731	10,047,976	9,620,452	13,327,861
FUND TYPE							
General Fund				114,062	20,911	49,392	20,911
Special Fund				68,572	0	0	0
Internal Service Fund				9,196,472	10,027,065	9,571,060	13,306,950
Interdepartmental Transfer				520,625	0	0	0
<hr/>							
TOTAL				9,899,731	10,047,976	9,620,452	13,327,861

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Information Technology Leaders (VITL)**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,794	0	0	0
Grants	65,778	0	0	0
<hr/>				
TOTAL	68,572	0	0	0
FUND TYPE				
Special Fund	68,572	0	0	0
<hr/>				
TOTAL	68,572	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Comm & Info Technology**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Comm & Info Technology**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	6,524,571	6,842,098	6,726,006	7,111,349
Operating Expenses	2,906,588	2,505,878	2,594,446	5,466,512
Grants	400,000	700,000	300,000	750,000
<hr/> TOTAL	<hr/> 9,831,159	<hr/> 10,047,976	<hr/> 9,620,452	<hr/> 13,327,861
FUND TYPE				
General Fund	114,062	20,911	49,392	20,911
Internal Service Fund	9,196,472	10,027,065	9,571,060	13,306,950
Interdepartmental Transfer	520,625	0	0	0
<hr/> TOTAL	<hr/> 9,831,159	<hr/> 10,047,976	<hr/> 9,620,452	<hr/> 13,327,861

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Finance and Management

Department Mission Statement

To promote, monitor and report upon the fiscal condition of State government. This mission is achieved through (1) the establishment and maintenance of centralized accounting functions that incorporate appropriate internal controls and generate reliable financial information that is in accord with established accounting principles; and (2) the development, maintenance and advocacy for fiscally responsible budgets and related management recommendations for the Secretary of Administration and the Governor.

Description of Appropriations, Divisions, & Programs

The department consists of two divisions - Budget and Management and Financial Operations:

Budget and Management assists in the development of the Governor's recommended budget, monitors and defends the passage of the budget through the legislature, and manages the adopted budget throughout the fiscal year.

Financial Operations maintains and operates the state's centralized accounting system (VISION), provides related controls and services for managers and employees of state government, provides the payroll services for all three branches of state government, and generates reliable financial information in accordance with Generally Accepted Accounting Principles (GAAP).

Budget and Management:

The Budget and Management Division is responsible for maintaining the State's sound fiscal condition and maintains a liaison relationship with all departments in state government to assure proper application of spending and compliance with the various appropriations bills and other key statutes. The Division also is responsible for revenue projecting and reporting. In meeting its responsibilities the Division works to limit spending growth at sustainable levels and to maintain budget stabilization reserves of at least 5% of prior year total appropriations in the General Fund, Transportation Fund, and Education Fund. The Division seeks to limit reliance on supplemental appropriations through the Budget Adjustment Act and works with the Department of Buildings and General Services to ensure that the Governor's Capital Bill recommendations comply with recommendations of the Debt Affordability Committee. Another important role of the Division is to assure compliance with Administration Bulletin 3.5, the contracting review and approval process. In addition the Commissioner or other staff represents the Administration through membership on various boards (e.g. State Retirement Board) and various Legislative study committees.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Finance and Management

Financial Operations:

Financial Operations is responsible for the establishment and maintenance of centralized accounting functions that incorporate appropriate internal controls and generate reliable financial information that is in accord with established accounting principles. This division also oversees and processes all payroll services for the entire state. Statute requires that all state disbursements by the Treasurer be approved first by the Commissioner of Finance and Management, with warrants then being provided to the Treasurer. Financial Operations is responsible for the processing and monitoring of these warrants.

The Financial Operations Division consists of two distinct areas: the Financial Services Section and the Payroll Section.

The Financial Services Section performs two primary roles, accounting and auditing. Accounting responsibilities include establishing and monitoring appropriations, as approved by the legislature. Additionally, Financial Services is the primary resource for departments on proper accounting procedures. Audit responsibilities include assuring that departments are functioning within the framework of all policies and procedures set forth by the Department of Finance and Management and the Agency of Administration and to assure that departments are maximizing the information opportunities and the best practices available within VISION. In addition to accounting and internal auditing, Financial Services publishes the state's Comprehensive Annual Financial Report (CAFR) and works closely with the State Treasurer in projecting and monitoring the cash flow of state government.

The Payroll Section is responsible for issuing accurate and timely payments of salaries, expenses and other benefits to all Executive, Legislative, and Judicial branches of state government.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Finance and Management**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Budget and Management	11	10	10	1,034,866	1,115,386	1,140,799	1,296,966
Financial Operations	27	25	26	2,859,199	3,026,767	3,183,392	2,925,140
<hr/>							
TOTAL	38	35	36	3,894,065	4,142,153	4,324,191	4,222,106
FUND TYPE							
General Fund				819,483	882,783	908,196	1,053,132
Internal Service Fund				2,859,199	3,026,767	3,183,392	2,925,140
Interdepartmental Transfer				215,383	232,603	232,603	243,834
<hr/>							
TOTAL				3,894,065	4,142,153	4,324,191	4,222,106

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Budget and Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	873,076	880,871	913,364	1,080,093
Operating Expenses	161,790	234,515	227,435	216,873
<hr/>				
TOTAL	1,034,866	1,115,386	1,140,799	1,296,966
FUND TYPE				
General Fund	819,483	882,783	908,196	1,053,132
Interdepartmental Transfer	215,383	232,603	232,603	243,834
<hr/>				
TOTAL	1,034,866	1,115,386	1,140,799	1,296,966

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Financial Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,565,228	2,474,557	2,592,538	2,645,289
Operating Expenses	293,971	552,210	590,854	279,851
<hr/>				
TOTAL	2,859,199	3,026,767	3,183,392	2,925,140
FUND TYPE				
Internal Service Fund	2,859,199	3,026,767	3,183,392	2,925,140
<hr/>				
TOTAL	2,859,199	3,026,767	3,183,392	2,925,140

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Resources

Department Mission Statement

The Department of Human Resources provides leadership to and works in partnership with state agencies and departments to recruit, develop and sustain a premier workforce while ensuring the observance of legal and contractual requirements.

Description of Appropriations, Divisions, & Programs

Operations Appropriation:

The Recruitment Unit, which is part of the newly organized Division for Workforce Recruitment, Development & Wellness, strives to hire quality applicants of diverse backgrounds to enable agencies and departments to meet their short and long term objectives. The Workforce Development Unit provides training and programs that increase employee effectiveness, health and job satisfaction. The Human Resources Field Operations Division provides human resources services and guidance to managers and supervisors throughout state government to assist them in implementing best practices. The Employment Services Division classifies positions within state government and manages the human capital management system to ensure that all employees are compensated in accordance with statutes, collective bargaining agreements and state policies. The Labor Relations Division negotiates, interprets and administers collective bargaining agreements and provides labor relations advice and expertise to department managers and employees. The Legal Services Division, including the Investigations Unit within the Division, handles complex personnel investigations and cases before the Labor Relations Board, Human Rights Commission and state and federal courts, and conducts statewide trainings on best practices. The Administrative Services Division provides compensation analysis, conducts data analysis and manages information requests, including public records requests.

Benefits and Wellness Appropriation:

The Benefits Unit of the Administrative Services Division manages benefits programs covering nearly 22,000 lives in order to provide effective and efficient services to state employees, retirees and others. The Wellness Unit, as part of the Division for Workforce Recruitment, Development & Wellness, helps state employees improve their health and well being, particularly through health screenings and its flu vaccination programs.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Resources

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Operations	32	28	64	2,894,648	2,958,192	6,012,025	6,174,998
Employee Benefits & Wellness	13	11	11	1,618,557	1,799,900	1,685,514	1,784,038
<hr/>							
TOTAL	45	39	75	4,513,205	4,758,092	7,697,539	7,959,036
FUND TYPE							
General Fund				1,997,037	1,689,278	2,172,681	1,819,211
Special Fund				129,887	280,835	233,008	280,835
Internal Service Fund				1,578,704	1,760,047	1,648,082	1,734,044
Interdepartmental Transfer				807,577	1,027,932	3,643,768	4,124,946
<hr/>							
TOTAL				4,513,205	4,758,092	7,697,539	7,959,036

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,548,383	2,543,406	5,460,465	5,454,543
Operating Expenses	346,265	414,786	551,560	720,455
<hr/>				
TOTAL	2,894,648	2,958,192	6,012,025	6,174,998
FUND TYPE				
General Fund	1,997,037	1,689,278	2,172,681	1,819,211
Special Fund	129,887	280,835	233,008	280,835
Interdepartmental Transfer	767,724	988,079	3,606,336	4,074,952
<hr/>				
TOTAL	2,894,648	2,958,192	6,012,025	6,174,998

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,056,192	1,152,032	1,093,432	1,086,751
Operating Expenses	562,365	647,868	592,082	697,287
<hr/>				
TOTAL	<hr/> 1,618,557	<hr/> 1,799,900	<hr/> 1,685,514	<hr/> 1,784,038
FUND TYPE				
Internal Service Fund	1,578,704	1,760,047	1,648,082	1,734,044
Interdepartmental Transfer	39,853	39,853	37,432	49,994
<hr/>				
TOTAL	<hr/> 1,618,557	<hr/> 1,799,900	<hr/> 1,685,514	<hr/> 1,784,038

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Libraries

Department Mission Statement

Guided by 22 V.S.A. §601-635, the mission of the Department of Libraries (DOL) is to collect, organize, and disseminate information and library materials in a variety of formats to the three branches of State government, libraries statewide, the general public, and Vermonters with special needs; to support and strengthen local libraries; to foster new means for statewide cooperation and resource sharing among all types of libraries; and to increase public awareness of libraries and their services and to act as an advocate on their behalf. The DOL:

- Provides access to information in a variety of formats to the three branches of Vermont State Government in order to contribute to effective and efficient government;
- Provides consultation, training and other services to librarians, public library board members and elected officials and offers resources, services and grants to qualifying libraries in order to strengthen their capacity to deliver quality library service;
- Enables resource sharing between all types of libraries;
- Provides all Vermonters with qualifying visual and physical disabilities access to quality library services and the special format materials they need in order to enjoy recreational reading, to engage in lifelong learning and to improve their economic self-sufficiency.

Inherent in this mission is the Department's advocacy of the right of Vermont citizens to read and have full access to information by ensuring that libraries and their resources are readily accessible to all Vermonters regardless of their geographic location, their level of income, access to technology or disability, and, as the official depository for Vermont state documents, the preservation of the record of Vermont state government for public scrutiny. In offering our services we espouse the core concept that libraries are social and community centers, which provide equal access to quality information, designed to increase the level of knowledge in a community. Libraries represent social capital that makes people's lives better. They are non-sectarian service-oriented institutions for all age groups. They are a safe place fostering intellectual freedom and inventiveness.

Description of Appropriations, Divisions, & Programs

State Librarian's Office: The State Librarian serves as administrative head of the Department and Secretary to the Board of Libraries. The State Librarian's Office provides administrative support to the Board and for the Board's geographic naming activities; administers state and federal plans, and grants; receives and distributes state documents; arranges for and designates depositories of state documents.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Libraries

[Location: 109 State St., Montpelier]

Statewide Library Development: With the Midstate Library Service Center (Berlin), four Regional Library Consultants and a Youth Services Consultant, provides a service of advice and consultation to all libraries in the state. Also: compiles annual public library statistics; offers continuing education and a certification programs for librarians in the state. [Locations: 109 State St., Montpelier; Midstate Library Service Center, Berlin; Northeast regional office, St. Johnsbury, Southeast Office, Bellow Falls; Southwest Office, Rutland.]

Reference & Law Information Services: Includes the Vermont State Library, Law & Documents collections, Reference and Interlibrary Loan Services, University of Vermont (UVM) Access Office, and the Technical Services Division. Provides and maintains a law library to serve the supreme court, the attorney general, other members of the judiciary, the legal profession, members of the legislature, officials of state government and the general public; maintains a collection of state documents and acts as a federal depository library; maintains a Vermontiana collection; provides reference services to state government, citizens and local libraries; provides centralized cataloging and related services to libraries; encourages libraries to share resources through interlibrary loan and other means; acts as a liaison to the libraries of the UVM and maintains an office at UVM to provide statewide access to the resources of its library collections. [Locations: 109/111 State St., Montpelier; Bailey Howe Library, UVM, Burlington.]

Special Services to the Visually and Physically Handicapped and State-Supported Institutions: Provides a service of advice and consultation to libraries in state institutions; provides and maintains reading materials for the blind and physically handicapped and selected state institutions; targets library and information services to persons having difficulty using a library; maintains a separate online catalog of materials available for the public. Special Services Unit, Midstate Library Service Center, Berlin.

Vermont Automated Libraries System (VALS): Serves as one of the primary access point for state information, and provides advice on state information technology policy; plans for and implements library-related information technology and information databases for libraries and Vermont citizens; establishes electronic linkages among or between libraries as well as electronically linking libraries with educational, social, or information services; assists libraries in accessing information through electronic networks; assists with the costs for libraries to acquire or share computer systems and telecommunications technologies; assists libraries in cooperative acquisition of online resources and statewide database licensing. [Location: 109 State St., Montpelier]

Related Activities:

Vermont Public Library Foundation (22 VSA §610) The Vermont Public Library Foundation administers two grant programs: (1) Grants to public libraries using interest earned from the Freeman Foundation Endowment; and (2) Winnie Belle Learned grants, established in 2007 and supported by financial gifts from Dr. Burnett Rawson of Essex, to support services to youth and children in public libraries.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Libraries

Vermont Online Library (VOL) - The *Vermont Online Library* (VOL) is designed to provide citizen access to a selection of subscription online information databases designed to serve the state's most common research needs. VOL includes resources for the general public, student research and homework help, business research, professional development for educators, consumer health research, information on careers and support for job-seekers, foreign language learning, small business resources, and information on current issues and biography, all tailored to different age groups. The purpose of the *Vermont Online Library* is to ensure statewide, online access for all Vermont residents and students in Vermont schools and colleges to a core set of high quality, full-text information resources through the licensing of online/electronic information database products. The VOL is made possible with three sources of funding: (1) state general funds; (2) federal LSTA (Library Services and Technology Act) funds; and (3) membership fees from participating libraries.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Libraries

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Libraries	32	0	0	3,347,798	0	0	0
Department of Libraries	0	26	26	0	3,724,721	3,435,205	3,376,670
<hr/>							
TOTAL	32	26	26	3,347,798	3,724,721	3,435,205	3,376,670
FUND TYPE							
General Fund				2,323,454	2,534,917	2,334,139	2,297,383
Special Fund				121,153	132,656	121,969	99,156
Federal Revenue Fund				810,857	955,372	878,439	878,355
Interdepartmental Transfer				92,334	101,776	100,658	101,776
<hr/>							
TOTAL				3,347,798	3,724,721	3,435,205	3,376,670

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Libraries

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,861,917	0	0	0
Operating Expenses	1,431,611	0	0	0
Grants	54,270	0	0	0
<hr/>				
TOTAL	3,347,798	0	0	0
FUND TYPE				
General Fund	2,323,454	0	0	0
Special Fund	121,153	0	0	0
Federal Revenue Fund	810,857	0	0	0
Interdepartmental Transfer	92,334	0	0	0
<hr/>				
TOTAL	3,347,798	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Department of Libraries**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	0	1,857,236	1,853,081	1,850,467
Operating Expenses	0	1,804,985	1,527,044	1,471,123
Grants	0	62,500	55,080	55,080
<hr/>				
TOTAL	0	3,724,721	3,435,205	3,376,670
FUND TYPE				
General Fund	0	2,534,917	2,334,139	2,297,383
Special Fund	0	132,656	121,969	99,156
Federal Revenue Fund	0	955,372	878,439	878,355
Interdepartmental Transfer	0	101,776	100,658	101,776
<hr/>				
TOTAL	0	3,724,721	3,435,205	3,376,670

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tax

Department Mission Statement

The mission of the Department of Taxes is to collect the proper amount of tax revenue in a timely and efficient manner to pay for the goods and services people receive from State government; to administer property tax assistance programs through highly efficient means; to serve local governments by striving to improve local property tax assessment practices; and to assist and service taxpayers, legislators and others to the maximum extent feasible.

Description of Appropriations, Divisions, & Programs

Administration:

The Administrative division has overall management control of the entire department. The division responds to all tax policy inquiries from the Governor and the General Assembly, issues rulings and technical bulletins to implement tax legislation, conducts tax appeal hearings, and represents the department in any civil or criminal litigation.

The Administrative division also encompasses all mailroom/stockroom operations, including processing all out-going mail, preparation and distribution of tax forms, refund checks, delinquency notices/bills and any special mailings to taxpayers. The division also includes coordination of all aspects of the growing "substitute forms program" as a result of processing performed with imaging/scanning equipment.

Compliance:

Compliance is the enforcement division of the Department of Taxes. In addition to standard audit selection and collection activity, the goal is to continue to implement technology-based compliance initiatives to enhance revenue collections and encourage voluntary compliance with tax statutes. To supplement the in-house collection activities, the department also places delinquent accounts with private collection agencies as authorized by 32 VSA §3109.

Compliance also administers the refund offset program for 21 State and Federal agencies. The department also places qualifying debts with the U. S. Treasury Offset Program (TOPS). The TOP program allows for the offset of federal income tax refunds to pay State of Vermont personal income and withholding debts. This ongoing program collects millions of dollars from federal refund offsets or from payments received directly from taxpayers as a result of certified letters advising them of potential placement of their debt with the TOPS.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tax

Information Systems:

The Information Systems division provides the majority of technology solutions and support to the entire department. The division is responsible for enterprise architecture and infrastructure, business systems development and support as well as IT security. The division's technology efforts allow the department to serve the hundreds of thousands of taxpayers in Vermont in a timely and efficient manner.

Property Valuation and Review:

Property Valuation and Review (PVR) provides administrative support for Vermont's property tax system, staff support for the development of property tax policies and administration of several property tax related programs including the State's current use and payment in lieu of taxes programs as well as fulfilling key roles in the determination of school property tax rates and the education property tax liabilities for all school districts. Most major functions assigned to the division involve taxes and programs that are primarily administered by municipal governments; hence PVR works extensively with local governments in performance of its duties. Beyond issues related to the property tax the Division also administers the State property transfer and land gains taxes and the real estate withholding system for nonresidents who sell Vermont property.

Revenue Accounting & Returns Processing:

RAARP is responsible for all revenue accounting and returns processing needs for the department. Those duties include: receipt, opening, extraction and routing of all incoming mail; document preparation for scanning/imaging; data capture of all documents via scanning/imaging technology or data entry; daily bank deposits, refunds and related cash management functions including electronic funds transfers and credit card payments; bank account/general ledger reconciliations; and finally, preparing year-end GAAP/GASB 34 reports. The division is also responsible for overseeing the receipt and posting of an ever-increasing number of returns and payments filed electronically via a number of different applications made available to taxpayers over the past few years.

Taxpayer Services:

The Taxpayer Services Division provides assistance to taxpayers by responding to questions, resolving tax problems, distributing educational materials, encouraging voluntary compliance with Vermont tax laws and reviewing tax return information. The Division administers 27 taxes, 6 licensing programs and the property tax and renter rebate programs. The Division also distributes and processes applications for the Lifeline and V-Script programs.

The division participates in workshops for taxpayers and volunteer groups. The Division trains volunteer groups such as the Vermont Income Tax Assistance and Tax Counseling for the Elderly (VITA/TCE) that help citizens complete income tax returns.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tax

The Division maintains and supports several electronic filing systems for individual taxpayers and business taxpayers. The *VTBizFile* and the *VTW-2efile* applications allow business taxpayers to file and pay their business trust fund taxes (withholding, sales & use and meals & rooms) electronically. The Division also maintains a filing site for individual taxpayers to file their Homestead Declarations and Property Tax Adjustment Claims electronically

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tax**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration / Collection	178	173	169	14,658,778	15,724,216	15,462,158	15,256,942
<hr/> TOTAL	<hr/> 178	<hr/> 173	<hr/> 169	<hr/> 14,658,778	<hr/> 15,724,216	<hr/> 15,462,158	<hr/> 15,256,942
FUND TYPE							
General Fund				13,235,845	14,399,315	13,792,379	13,932,041
Special Fund				1,172,678	1,127,901	1,358,065	1,266,901
Interdepartmental Transfer				250,255	197,000	311,714	58,000
<hr/> TOTAL				<hr/> 14,658,778	<hr/> 15,724,216	<hr/> 15,462,158	<hr/> 15,256,942

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration / Collection

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	11,526,202	12,586,124	12,314,696	12,363,208
Operating Expenses	3,132,576	3,138,092	3,147,462	2,893,734
TOTAL	14,658,778	15,724,216	15,462,158	15,256,942
FUND TYPE				
General Fund	13,235,845	14,399,315	13,792,379	13,932,041
Special Fund	1,172,678	1,127,901	1,358,065	1,266,901
Interdepartmental Transfer	250,255	197,000	311,714	58,000
TOTAL	14,658,778	15,724,216	15,462,158	15,256,942

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Buildings and General Services

Department Mission Statement

"The employees of the Department of Buildings & General Services deliver quality goods, services and facilities management, enabling all government agencies to fulfill their missions to the rest of government as well as the Vermont taxpayer."

This mission is intended to reflect the department's desire to provide quality goods and services to its customers. It is the intent of the Department of Buildings & General Services to locate space where the best service to the occupant and their clients can be achieved. This is accomplished by allocating sufficient space to the client, complete with all necessities. These necessities extend beyond basic custodial and maintenance services and into functional areas including mail services, curatorial services, copying and printing, centralized purchasing and contracting, insurance protection, fleet management, and disposal of surplus property. In addition, the department serves Vermonters and the traveling public by providing clean and safe places to stop for respite and information along the State and Federal highway systems.

BGS is fully committed to providing quality services while seeking customer satisfaction.

Description of Appropriations, Divisions, & Programs

ADMINISTRATIVE SERVICES

The mission of the Administrative Services Division is to provide departmental oversight and leadership by the appointed staff, to deliver timely, accurate, and useful information and services to all of BGS in the areas of accounting, budgeting, auditing, management, and legal allowing each program to achieve its objectives and fulfill its stated goals.

The goals of the Administrative Services Division are: (a) leadership (b) to produce timely and accurate financial statements, budget requests, program analysis, chargeable rates, and accounting services for all programs as established by the legislature; and (c) to provide all BGS programs the management and legal support that they need to better serve their customers and achieve their departmental goals and objectives.

FACILITIES OPERATIONS

(Fee for Space)

The mission of the Fee for Space Program is to provide a safe, clean, economical, and productive

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Buildings and General Services

working environment in which State employees/occupants of State Facilities can accomplish their missions. This program deals with the areas of housekeeping, security, grounds, heat and electricity, snow removal, pest control, maintenance, and space allocation among others.

The goal is customer satisfaction through less down time for maintenance repairs, attractive and safe buildings/grounds, and physical plant maintenance consistent with code requirements.

PROPERTY MANAGEMENT

(Leases and Purchases)

Property Management's mission is to provide State agencies with safe, comfortable, and efficient office space with its effort focused on leasing, space planning, purchases and sales, space assignments, and space move requests. In addition to the space provided to State agencies and departments, surplus space may be leased or sold to the general public. The goals of this program are (1) to efficiently plan, provide, and manage State-owned and leased office space and specialty space to minimize the impact on the State's budget; (2) to facilitate changes to existing space in a timely manner to enable occupants to adapt to changes in programs; and (3) to maintain an inventory of space to facilitate proposed back charging of space to users.

ENGINEERING AND CONSTRUCTION

The mission of the Engineering & Construction program is to plan and develop accessible office complexes, buildings, and spaces that are safe, efficient, environmentally friendly, aesthetically attractive, and professionally appropriate for conducting the business of the State of Vermont.

The engineering program provides planning, engineering, and architectural services to State Government based on appropriations in the annual capital construction bill. The program also provides oversight to the maintenance and custodial efforts of the fee for space program.

Engineers manage the execution of the annual Capital Construction Act by designing and planning for new and renovated space, completing all work in a cost-effective and timely manner. Results are achieved through the use of qualified staff and qualified professional consultants. All spaces must be attractive, environmentally friendly, safe, and professionally appropriate for the occupants.

POSTAL CENTER

The mission of the Postal Center is to provide state and local government entities with economical and convenient access to postal and courier services within the state governmental structure. This includes providing the Montpelier and Waterbury complexes with mail and parcel screening and delivery tracking to promote a safe work environment. Goals are to maintain the automation of the mail processing through the continued investment in technology, provide rate savings, reduce labor costs, increase speed and accuracy of sorts & delivery, and to avoid potential staff exposure to explosives or

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Buildings and General Services

other dangerous items typically routed through mail and delivery systems. Working with other agencies and departments, the program will look to provide additional services including bulk mailing services.

FLEET MANAGEMENT SERVICES

The mission of the Fleet Management program is to provide clean, well-maintained vehicles to all agencies and departments of the state for use by employees traveling on state business; to ensure the efficient use of state owned vehicles and resources to provide safe, cost effective transportation for employees while performing their official duties; and to demonstrate the State's commitment to our environment by reducing the environmental impact of state employee travel.

Goals of the program are to: (1) reduce the environmental impact of State government's daily activities; (2) save money by replacing mileage reimbursement expenses with the use of state owned vehicles that are operated at a lower per-mile cost; (3) demonstrate the State's commitment to preserving our environment, (4) set a positive example for businesses statewide by showing that successful business operations are compatible with environmentally responsible operations; and (5) create increased market demand for hybrid and low emission vehicles.

PRINT SHOP

The mission of the Print Shop is to provide state and local government entities with economical and convenient access to printing, finishing and walk-up copier services. In order to achieve this, RFP's are used to acquire equipment, products, and services at competitive and economical prices. Market basket comparisons are used to assure competitive pricing and surveys conducted to determine customer satisfaction and future needs.

PURCHASING AND CONTRACT ADMINISTRATION

The mission of Purchasing and Contract Administration is to provide state agencies with exceptional products and services that meet agency requirements effectively, at the lowest cost, through a process that meets all applicable laws and administrative requirements. Its mission is to provide leadership and services for innovative, responsive and accountable public purchasing.

BGS Purchasing and Contract Administration have two primary functions. One is to manage the acquisition of material, equipment, supplies, fuels, and printing for all state agencies. Such purchases are done through "spot" Request for Quotations or by establishing contracts to handle those types of items that are frequently purchased. With vendor approval, contracts are made available to the State's political subdivisions such as cities, towns and schools.

Contract Administration, the second function of the program, is responsible for bidding and contracting for planning, design, construction, renovation, repair, maintenance, and various services for facilities statewide. This includes facilities managed by other State Agencies such as the Agency of

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Buildings and General Services

Transportation and the Agency of Natural Resources as well as facilities that are managed by BGS. Contract Administration is also responsible for oversight of the contracting process to ensure compliance with Bulletin 3.5 and relevant state statutes and executive orders.

STATE AND FEDERAL SURPLUS PROPERTY

State and Federal Surplus Property provide state and local government entities with economical and convenient vending services for acquiring and disposing of surplus government property. The programs attempt to increase the reuse of equipment and to conserve the acquisition and disposal costs associated with dealing with surplus property.

The State Surplus program is the final destination for excess goods available for sale to the general public. This function has expanded, working with Fleet Management, to provide for the sale of used fleet vehicles at the BGS facility in Middlesex, VT.

RISK MANAGEMENT - INSURANCE SERVICES

The mission of the Risk Management program is to protect the State's assets - human, physical and financial. Operations encompass the following programs: Workers Compensation Coverage (self-insurance), Auto & General Liability (self-insurance), All Other Insurance (commercially purchased coverage), Property Insurance and valuation, and Loss Prevention.

The program accomplishes this mission by fostering safe workplaces and safe work habits, by providing optimum care when injuries or illnesses do occur, by efficiently and effectively managing claims, by structuring appropriate insurance programs to minimize the financial impact of losses, and by being accountable for their actions.

The first focus of these programs is to protect our human resources, our employees. Loss Prevention works to prevent accidents through training, loss investigation, and on-site occupational safety and health surveys. Workers Compensation works to secure the best possible care for injured workers. The Liability program has the goal to treat all of the claimants in a fair and equitable fashion and everyone is treated with respect.

The Workers' Compensation program now administers the Sarcoidosis Benefit Trust fund established by the General Assembly by Act 53 of the 2007 Session (An Act Relating to Closure of the Bennington State Office Building).

INFORMATION CENTERS

The program's mission is to promote the economy of the State of Vermont by providing hospitality, convenience, safe harbor, and information to the traveling public.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Buildings and General Services

Core responsibilities involve marketing, promotions and customer relations in an attempt at influencing the buying practices and purchasing behaviors of the Vermont tourists. In addition, providing clean, safe, and well lighted accommodations for truck drivers as well as the motoring public are essential services provided by the division. The program currently provides internet connections for travelers through hot spots at selected facilities.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Buildings and General Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration	16	17	19	1,516,059	1,640,430	1,719,110	1,818,257
Engineering	22	22	22	2,363,445	2,465,785	2,361,061	2,428,803
Information Centers	55	32	31	4,043,184	4,429,880	3,953,892	4,039,279
Purchasing	11	10	11	826,382	792,361	789,445	890,203
Postal Services - Interdepartmental	12	11	0	36,116	785,379	0	0
Postal Services - External	0	0	11	780,873	0	760,329	735,797
Copy Center	13	11	10	797,140	837,598	699,644	751,502
Fleet Management Services	7	8	8	711,814	593,524	610,672	681,536
Federal Surplus Property	1	1	1	81,360	136,377	43,373	108,002
State Surplus Property	1	1	1	196,325	166,780	196,935	173,773
Property Management	21	16	17	3,930,307	2,577,952	2,498,608	2,128,848
All Other Insurance	0	0	0	69,426	70,000	57,978	52,518
General Liability Insurance	3	3	3	405,097	380,245	349,659	332,025
Workers' Compensation Insurance	17	16	15	1,567,194	1,566,492	1,605,158	1,436,185
Fee For Space	222	216	216	27,170,349	27,244,521	26,811,757	27,900,000
TOTAL	401	366	366	44,495,071	43,687,324	42,457,621	43,476,728
FUND TYPE							
General Fund				4,603,977	5,207,957	4,729,053	925,919
Transportation Fund				0	0	0	3,989,279
Special Fund				312,810	50,000	50,000	50,000
Federal Revenue Fund				76,248	0	0	0
Enterprise Fund				81,360	136,377	43,373	108,002
Internal Service Fund				35,628,525	34,186,775	33,555,024	34,156,468
Interdepartmental Transfer				3,792,151	4,106,215	4,080,171	4,247,060
TOTAL				44,495,071	43,687,324	42,457,621	43,476,728

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,234,094	1,487,119	1,556,773	1,635,705
Operating Expenses	205,717	153,311	162,337	182,552
Grants	76,248	0	0	0
<hr/>				
TOTAL	1,516,059	1,640,430	1,719,110	1,818,257
 FUND TYPE				
Federal Revenue Fund	76,248	0	0	0
Interdepartmental Transfer	1,439,811	1,640,430	1,719,110	1,818,257
<hr/>				
TOTAL	1,516,059	1,640,430	1,719,110	1,818,257

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Engineering**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,011,260	2,124,181	2,041,950	2,095,457
Operating Expenses	352,185	341,604	319,111	333,346
<hr/>				
TOTAL	2,363,445	2,465,785	2,361,061	2,428,803
 FUND TYPE				
General Fund	25,924	0	0	0
Interdepartmental Transfer	2,337,521	2,465,785	2,361,061	2,428,803
<hr/>				
TOTAL	2,363,445	2,465,785	2,361,061	2,428,803

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Information Centers

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,655,474	3,060,509	2,856,051	2,930,114
Operating Expenses	1,367,280	1,324,371	1,052,841	1,064,165
Grants	20,430	45,000	45,000	45,000
<hr/>				
TOTAL	4,043,184	4,429,880	3,953,892	4,039,279
FUND TYPE				
General Fund	3,730,374	4,379,880	3,903,892	0
Transportation Fund	0	0	0	3,989,279
Special Fund	312,810	50,000	50,000	50,000
<hr/>				
TOTAL	4,043,184	4,429,880	3,953,892	4,039,279

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Purchasing**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	635,705	642,843	645,945	737,204
Operating Expenses	190,677	149,518	143,500	152,999
<hr/>				
TOTAL	826,382	792,361	789,445	890,203
FUND TYPE				
General Fund	811,563	792,361	789,445	890,203
Interdepartmental Transfer	14,819	0	0	0
<hr/>				
TOTAL	826,382	792,361	789,445	890,203

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Postal Services - Interdepartmental**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	0	636,412	0	0
Operating Expenses	36,116	148,967	0	0
<hr/>				
TOTAL	36,116	785,379	0	0
FUND TYPE				
General Fund	36,116	35,716	0	0
Internal Service Fund	0	749,663	0	0
<hr/>				
TOTAL	36,116	785,379	0	0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Postal Services - External

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	668,672	0	613,771	619,966
Operating Expenses	112,201	0	146,558	115,831
<hr/>				
TOTAL	780,873	0	760,329	735,797
FUND TYPE				
General Fund	0	0	35,716	35,716
Internal Service Fund	780,873	0	724,613	700,081
<hr/>				
TOTAL	780,873	0	760,329	735,797

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Copy Center**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	639,029	715,491	581,680	636,262
Operating Expenses	158,111	122,107	117,964	115,240
<hr/> TOTAL	<hr/> 797,140	<hr/> 837,598	<hr/> 699,644	<hr/> 751,502
FUND TYPE				
Internal Service Fund	797,140	837,598	699,644	751,502
<hr/> TOTAL	<hr/> 797,140	<hr/> 837,598	<hr/> 699,644	<hr/> 751,502

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fleet Management Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	545,057	473,550	478,491	549,846
Operating Expenses	166,757	119,974	132,181	131,690
<hr/> TOTAL	<hr/> 711,814	<hr/> 593,524	<hr/> 610,672	<hr/> 681,536
FUND TYPE				
Internal Service Fund	711,814	593,524	610,672	681,536
<hr/> TOTAL	<hr/> 711,814	<hr/> 593,524	<hr/> 610,672	<hr/> 681,536

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Federal Surplus Property**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	80,688	91,690	7,190	71,447
Operating Expenses	672	44,687	36,183	36,555
<hr/> TOTAL	<hr/> 81,360	<hr/> 136,377	<hr/> 43,373	<hr/> 108,002
FUND TYPE				
Enterprise Fund	81,360	136,377	43,373	108,002
<hr/> TOTAL	<hr/> 81,360	<hr/> 136,377	<hr/> 43,373	<hr/> 108,002

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	57,322	66,974	98,870	87,630
Operating Expenses	139,003	99,806	98,065	86,143
TOTAL	196,325	166,780	196,935	173,773
FUND TYPE				
Internal Service Fund	196,325	166,780	196,935	173,773
TOTAL	196,325	166,780	196,935	173,773

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Property Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	954,853	1,120,071	1,016,211	1,047,876
Operating Expenses	475,739	1,457,881	1,482,397	1,080,972
Other Financing Uses Budget	2,499,715	0	0	0
<hr/>				
TOTAL	3,930,307	2,577,952	2,498,608	2,128,848
 FUND TYPE				
Internal Service Fund	3,930,307	2,577,952	2,498,608	2,128,848
<hr/>				
TOTAL	3,930,307	2,577,952	2,498,608	2,128,848

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
All Other Insurance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	19,829	39,531	30,993	29,129
Operating Expenses	49,597	30,469	26,985	23,389
<hr/> TOTAL	<hr/> 69,426	<hr/> 70,000	<hr/> 57,978	<hr/> 52,518
FUND TYPE				
Internal Service Fund	69,426	70,000	57,978	52,518
<hr/> TOTAL	<hr/> 69,426	<hr/> 70,000	<hr/> 57,978	<hr/> 52,518

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
General Liability Insurance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	283,701	304,042	271,444	268,325
Operating Expenses	121,396	76,203	78,215	63,700
<hr/> TOTAL	<hr/> 405,097	<hr/> 380,245	<hr/> 349,659	<hr/> 332,025
FUND TYPE				
Internal Service Fund	405,097	380,245	349,659	332,025
<hr/> TOTAL	<hr/> 405,097	<hr/> 380,245	<hr/> 349,659	<hr/> 332,025

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,271,801	1,295,161	1,323,454	1,158,422
Operating Expenses	295,393	271,331	281,704	277,763
<hr/> TOTAL	<hr/> 1,567,194	<hr/> 1,566,492	<hr/> 1,605,158	<hr/> 1,436,185
FUND TYPE				
Internal Service Fund	1,567,194	1,566,492	1,605,158	1,436,185
<hr/> TOTAL	<hr/> 1,567,194	<hr/> 1,566,492	<hr/> 1,605,158	<hr/> 1,436,185

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fee For Space**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	13,267,724	13,357,546	12,979,016	13,773,992
Operating Expenses	13,902,625	13,886,975	13,832,741	14,126,008
<hr/>				
TOTAL	<hr/> 27,170,349	<hr/> 27,244,521	<hr/> 26,811,757	<hr/> 27,900,000
 FUND TYPE				
Internal Service Fund	27,170,349	27,244,521	26,811,757	27,900,000
<hr/>				
TOTAL	<hr/> 27,170,349	<hr/> 27,244,521	<hr/> 26,811,757	<hr/> 27,900,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Geographic Information System

Department Mission Statement

The Vermont Center for Geographic Information (VCGI) will pursue a comprehensive strategy for the development, maintenance and use of the Vermont Geographic Information System (GIS), and provide GIS services and support to all Vermonters.

VCGI will accomplish its mission by:

- Assuring that all VCGI data is of high quality and is compatible with, useful to, and shared with other public-sector data users.
- Encouraging the same high standards of quality and compatibility in other Vermont GIS cooperators.
- Promoting the efficient development and use of geographic information by agencies of the state, its political subdivisions, Vermont businesses and citizens.
- Facilitating the growth of commercial services within Vermont for the provision of spatial data, products, and services.

Description of Appropriations, Divisions, & Programs

VCGI is a public non-profit supported in part by the State of Vermont (through the property transfer tax) and in part through grants and fees paid for the products and services it provides to clients (e.g. the VT Agency of Transportation and the VT Enhanced 9-1-1 Board).

The storage and provision of free digital geographic data created by members of the VT GIS community are two of the most important tasks that VCGI performs.

VCGI also does the following:

- Develops data standards, guidelines, and procedures
- Develops and assists in the development of essential statewide databases
- Develops and hosts interactive map applications to increase the public's access to information
- Performs outreach and training to current and potential GIS users
- Supports the VT Spatial Data Partnership (an informal membership organization)

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Geographic Information System**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Geographic Information System	0	0	0	408,700	408,700	408,700	408,700
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 408,700	<hr/> 408,700	<hr/> 408,700	<hr/> 408,700
FUND TYPE							
Special Fund				408,700	408,700	408,700	408,700
<hr/> TOTAL				<hr/> 408,700	<hr/> 408,700	<hr/> 408,700	<hr/> 408,700

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Geographic Information System**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	408,700	408,700	408,700	408,700
TOTAL	408,700	408,700	408,700	408,700
FUND TYPE				
Special Fund	408,700	408,700	408,700	408,700
TOTAL	408,700	408,700	408,700	408,700

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Executive Office

Department Mission Statement

Office of the Governor -- the staff supports the Governor as he fulfills his constitutional and statutory duties as Vermont's Chief Executive. Functions of the Governor's Office include communication of development of Governor's administrative and legislative agenda/priorities, representing the state at the state, national and international levels, managing appointments to Boards and Commissions, tracking policy changes in the legislature, and inter-agency coordination. Provides communication and referrals with the public, and other activities as appropriate.

The Governor's senior staff consists of six positions: a Chief of Staff; a Legal Counsel; a Secretary of Civil & Military Affairs; and three others. The Governor is also supported by an Executive Assistant for scheduling; and an Assistant for Board and Commission appointments. Administrative and office systems management support for the Governor is provided by a Business Manager and two administrative assistants. The Governor's Office is supported by two Constituent Correspondents who assist the public with dealings with state government.

Description of Appropriations, Divisions, & Programs

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Governor's Office	14	14	14	1,545,978	1,560,354	1,550,444	1,617,044
<hr/>							
TOTAL	14	14	14	1,545,978	1,560,354	1,550,444	1,617,044
FUND TYPE							
General Fund				1,352,478	1,366,854	1,356,944	1,423,544
Interdepartmental Transfer				193,500	193,500	193,500	193,500
<hr/>							
TOTAL				1,545,978	1,560,354	1,550,444	1,617,044

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Governor's Office

Description of Appropriations, Divisions, & Programs

Office of the Governor - The Office of the Governor staff provides support to the Governor as he fulfills his statutory duties as Vermont's Chief Executive. The Governor's senior staff consists of a Chief of Staff; a Special Assistant; a Legal Counsel; a Secretary of Civil & Military Affairs; an assistant who serves as Press Secretary; and, for planning policy research and development, a Director of Policy and Research (who also serves as Legislative Liaison) along with three policy analysts. The Governor is also supported by an Assistant for scheduling; and an Assistant for Board and Commission appointments. Administrative and office systems management support for the Governor is provided by a Business Manager and clerical support for the senior staff is provided by an Administrative Secretary. The Governor is also served by one Receptionist; two Information Officers who provide communication with the public; and one Special Assistant who works on special projects. The policy research and development staff is also supported by an Administrative Secretary.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Governor's Office**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,103,329	1,169,079	1,155,221	1,193,165
Operating Expenses	442,649	391,275	395,223	423,879
<hr/>				
TOTAL	1,545,978	1,560,354	1,550,444	1,617,044
 FUND TYPE				
General Fund	1,352,478	1,366,854	1,356,944	1,423,544
Interdepartmental Transfer	193,500	193,500	193,500	193,500
<hr/>				
TOTAL	1,545,978	1,560,354	1,550,444	1,617,044

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
National and Community Service

Description of Appropriations, Divisions, & Programs

A National and Community Service grant office is administered through the Governor's Office. The office serves as the funding conduit for AmeriCorps programs in the state. Technical assistance and program development services are provided through three limited service positions (an Executive Director, a Resource Specialist, and an Information & Education Specialist). The grant was presented to and accepted by the Joint Fiscal Committee in FY94, and approved in subsequent years by the full Legislature. The staff works in collaboration with a Governor-appointed board to expand service and volunteer programs in the state. Funds are predominantly federal funds. A small state appropriation provides essential funds for dollar for dollar match required for the Corporation for National Service Federal Administration Grant.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislative Council**

Department Mission Statement

The mission of the Legislative Council is to support the Legislature by providing legal and legislative research, bill drafting and administrative services to all members, committees, and both chambers of the Legislative branch.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislative Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Legislative Council	24	24	25	2,304,107	2,282,993	2,266,596	2,277,429
Legislative Information Technology	4	4	4	891,499	880,587	876,922	941,753
<hr/>							
TOTAL	28	28	29	3,195,606	3,163,580	3,143,518	3,219,182
FUND TYPE							
General Fund				3,195,606	3,163,580	3,143,518	3,219,182
<hr/>							
TOTAL				3,195,606	3,163,580	3,143,518	3,219,182

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislative Council**

Appropriation Key Budget Issues

The Legislative Council budget request falls \$95,000 short of anticipated FY2012 need. Savings achieved in FY2011 are expected to offset up to \$95,000 of this deficit in FY2012, but the deficit will pose a challenge in FY2013. This budget includes a staff furlough equivalent to 3% of salaries for employees earning above \$60,000.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislative Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,125,409	2,090,029	2,073,632	2,078,823
Operating Expenses	178,698	192,964	192,964	198,606
<hr/> TOTAL	<hr/> 2,304,107	<hr/> 2,282,993	<hr/> 2,266,596	<hr/> 2,277,429
FUND TYPE				
General Fund	2,304,107	2,282,993	2,266,596	2,277,429
<hr/> TOTAL	<hr/> 2,304,107	<hr/> 2,282,993	<hr/> 2,266,596	<hr/> 2,277,429

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislative Information Technology

Appropriation Key Budget Issues

The Legislative Information Technology budget request falls \$24,000 short of anticipated FY2012 need. Savings achieved in FY2011 are expected to offset up to \$24,000 of this deficit in FY2012, but the deficit will pose a challenge in FY2013. This budget includes a staff furlough equivalent to 3% of salaries for employees earning above \$60,000. The DII Allocated Charge for the entire legislative branch is paid out of the Legislative IT budget, and this cost increased by nearly \$110,000 over the FY2011 level.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislative Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	359,957	376,107	372,442	364,696
Operating Expenses	531,542	504,480	504,480	577,057
<hr/> TOTAL	<hr/> 891,499	<hr/> 880,587	<hr/> 876,922	<hr/> 941,753
 FUND TYPE				
General Fund	891,499	880,587	876,922	941,753
<hr/> TOTAL	<hr/> 891,499	<hr/> 880,587	<hr/> 876,922	<hr/> 941,753

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislature

Department Mission Statement

The mission of the Legislature, as set out in the State's Constitution, Chapter II, sections 1 and 2 direct the Senate and House of Representatives to exercise the "Supreme Legislative power" and that, together with the Governor, the Senate and House of Representatives shall "govern the State of Vermont." The legislature establishes state policy, enacts laws, raises revenue, and authorizes and oversees the expenditure of funds and operations of state government.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislature

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Legislature	19	19	18	6,926,533	6,937,568	6,929,603	7,060,444
<hr/>							
TOTAL	19	19	18	6,926,533	6,937,568	6,929,603	7,060,444
FUND TYPE							
General Fund				6,902,444	6,937,568	6,929,603	7,060,444
Special Fund				24,089	0	0	0
<hr/>							
TOTAL				6,926,533	6,937,568	6,929,603	7,060,444

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislature

Appropriation Key Budget Issues

The Legislature's budget request falls \$140,000 short of anticipated FY2012 need. Savings achieved in FY2011 are expected to offset up to \$140,000 of this deficit in FY2012, but the deficit will pose a challenge in FY2013. This budget includes a staff furlough equivalent to 3% of salaries for employees earning above \$60,000.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Legislature

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	3,888,037	3,608,557	3,600,592	3,723,861
Operating Expenses	3,038,496	3,329,011	3,329,011	3,336,583
<hr/>				
TOTAL	6,926,533	6,937,568	6,929,603	7,060,444
 FUND TYPE				
General Fund	6,902,444	6,937,568	6,929,603	7,060,444
Special Fund	24,089	0	0	0
<hr/>				
TOTAL	6,926,533	6,937,568	6,929,603	7,060,444

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

Department Mission Statement

To provide the Vermont Legislature with sound research, analysis, forecasts and recommendations on state government revenues and spending. To provide the members with high quality work that is factually-based and delivered in a timely, professional, and non-partisan manner, so they can make informed decisions that are in the best interests of the citizens of Vermont.

Description of Appropriations, Divisions, & Programs

The governing board is the 10 member Joint Fiscal Committee established pursuant to 2 V.S.A. Chapter 15 (§ 501-504).

Statute Regarding Functions of Joint Fiscal Committee:

2 V.S.A. Chapter 15 § 503

Functions:

- (a) The joint fiscal committee shall direct, supervise and coordinate the work of its staff and secretaries.
- (b) The joint fiscal committee shall:
 - (1) Furnish research services and secretarial services of a fiscal nature to the committee on appropriations, the senate committee on finance, the house committee on ways and means, the committees on transportation and the joint fiscal committee;
 - (2) Carry on a continuing review of the fiscal operations of the state, including but not limited to revenues, budgeting and expenditures;
 - (3) Accept grants, gifts, loans, or any other thing of value, approved by the governor; under the provisions of 32 V.S.A. § 5, when the general assembly is not in session.
 - (4) Keep minutes of its meetings and maintain a file thereof.

Description of Staff Responsibilities:

The staff of the House and Senate Appropriations and Transportation Committees performs the following core functions: analyzes agency budget requests; analyzes the Governor's budget recommendation; prepares alternative budget recommendations; provides technical, preparatory support to the Committees; prepares fiscal notes; and provides staff support to the Joint Fiscal Committee.

The staff of the House Ways and Means Committee and the Senate Finance Committee performs the following core functions: economic forecasting; revenue forecasting; tax analysis; economic analysis; analysis of education funding alternatives; and provides staff support to the Joint Fiscal Committee.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

The following functions are performed as part of the Joint Fiscal Office's ongoing fiscal oversight activities when the Legislature is not in session: carry out studies generated through legislation, committee directives and legislative inquiries; keep legislators informed through newsletters, creation of the fiscal fact book, a WEB page, and other forms of communication; and monitoring revenues and expenditures.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Joint Fiscal Committee**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Joint Fiscal Committee	12	12	12	1,278,170	1,504,666	1,496,633	1,465,429
<hr/>							
TOTAL	12	12	12	1,278,170	1,504,666	1,496,633	1,465,429
 FUND TYPE							
General Fund				1,263,532	1,504,666	1,496,633	1,465,429
Interdepartmental Transfer				14,638	0	0	0
<hr/>							
TOTAL				1,278,170	1,504,666	1,496,633	1,465,429

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

Appropriation Key Budget Issues

The Joint Fiscal Committee's budget request falls \$9,000 short of anticipated FY2012 need. Savings achieved in FY2011 are expected to offset up to \$9,000 of this deficit in FY2012, but the deficit will pose a challenge in FY2013. This budget includes a staff furlough equivalent to 3% of salaries for employees earning above \$60,000.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Joint Fiscal Committee**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,192,195	1,391,465	1,383,432	1,359,656
Operating Expenses	85,975	113,201	113,201	105,773
<hr/>				
TOTAL	1,278,170	1,504,666	1,496,633	1,465,429
 FUND TYPE				
General Fund	1,263,532	1,504,666	1,496,633	1,465,429
Interdepartmental Transfer	14,638	0	0	0
<hr/>				
TOTAL	1,278,170	1,504,666	1,496,633	1,465,429

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Sergeant at Arms**

Department Mission Statement

To serve the Legislators and constituents on a year-round basis as well as tourists. Maintain order in the Capitol Building, arrange meetings, schedule rooms, and distribute mail, maintain furnishings and the building. Organize and supervise the 30 Legislative pages, provide telephone services, and cafeteria services. Provide statehouse security.

Description of Appropriations, Divisions, & Programs

Duties involve overseeing the activities in the State House and maintaining the same; this includes furnishings. The staff consists of the Sergeant at Arms, Assistant Sergeant at Arms, and other office staff. Door keepers, traffic and security officer and custodians are managed by the Sergeant at Arms.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Sergeant at Arms

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Sergeant at Arms	6	6	6	513,299	559,433	556,067	511,664
<hr/> TOTAL	<hr/> 6	<hr/> 6	<hr/> 6	<hr/> 513,299	<hr/> 559,433	<hr/> 556,067	<hr/> 511,664
FUND TYPE							
General Fund				512,186	559,433	556,067	511,664
Special Fund				1,113	0	0	0
<hr/> TOTAL				<hr/> 513,299	<hr/> 559,433	<hr/> 556,067	<hr/> 511,664

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Sergeant at Arms

Appropriation Key Budget Issues

The Sergeant at Arms budget request for FY2012 reflects the impact of the return of staff from military deployment. The Sergeant at Arms budget request falls \$71,000 short of anticipated FY2012 need. Savings achieved in FY2011 are expected to offset up to \$71,000 of this deficit in FY2012, but the deficit will pose a challenge in FY2013.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Sergeant at Arms

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	458,716	477,005	473,639	443,809
Operating Expenses	53,470	82,428	82,428	67,855
Grants	1,113	0	0	0
<hr/>				
TOTAL	513,299	559,433	556,067	511,664
FUND TYPE				
General Fund	512,186	559,433	556,067	511,664
Special Fund	1,113	0	0	0
<hr/>				
TOTAL	513,299	559,433	556,067	511,664

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Lieutenant Governor

Department Mission Statement

The powers and duties of the Lieutenant Governor are constitutionally assigned. (See Chapter II, Section 19 of the Vermont constitution.) The Lieutenant Governor serves as President of the Senate. Although he presides over the Senate, he has no vote unless the Senate is equally divided. The Constitution provides that in case of death, resignation, or other disability of the Governor, the powers, duties and emoluments of the office shall devolve upon the Lieutenant Governor for the remainder of the term.

Description of Appropriations, Divisions, & Programs

The Lieutenant Governor's office works with citizens, public officials, legislators, and state agencies on a daily basis. Under the direction of the Lieutenant Governor, meetings and task forces are coordinated and research projects are undertaken. The office acts as an ombudsman for Vermont citizens by providing information and support. The Lieutenant Governor serves as the acting governor whenever the Governor leaves the territorial boundaries of the state until the Governor physically returns to the state. The Lieutenant Governor's office is staffed with one full-time employee and uses part-time, temporary employees as needed.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Lieutenant Governor**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Lieutenant Governor	2	2	2	151,893	167,212	170,000	170,402
TOTAL	2	2	2	151,893	167,212	170,000	170,402
FUND TYPE							
General Fund				151,893	167,212	170,000	170,402
TOTAL				151,893	167,212	170,000	170,402

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Lieutenant Governor**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	140,601	150,836	143,204	143,631
Operating Expenses	11,292	16,376	26,796	26,771
<hr/> TOTAL	<hr/> 151,893	<hr/> 167,212	<hr/> 170,000	<hr/> 170,402
FUND TYPE				
General Fund	151,893	167,212	170,000	170,402
<hr/> TOTAL	<hr/> 151,893	<hr/> 167,212	<hr/> 170,000	<hr/> 170,402

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

Department Mission Statement

The mission of the Vermont State Auditor's Office is to be a catalyst for good government by promoting professional audits, financial training, efficiency and economy in government, and service to cities and towns

Description of Appropriations, Divisions, & Programs

Description of Office

The State Auditor is a constitutional officer, elected biennially by the citizens of Vermont. The Auditor's principal duties are generally defined by 32 V.S.A. §§ 163, 167 and 168. These duties include the following:

- (1) performance of and/or contracting to perform the Federal Single Audit which includes the compliance audit of federal programs and the audit of the state's financial statements;
- (2) discretionary government audits and examinations of any department, institution and agency of the state and certain county officers;
- (3) special audits as requested by the Governor;
- (4) audits or reviews as statutorily required by the Legislature, such as the recent law requiring the audit of the sex offender registry.

Guiding Values

The Vermont State Auditor's Office is dedicated to providing government entities, the Vermont Legislature, and the public with professional audit services that are:

- useful;
- timely;
- accurate;
- objective;
- of high quality;
- audited in a fair manner; and
- performed in conformance with Generally Accepted Government Auditing Standards.

In addition, the Office is committed to improving the professional skills of the staff, sharing knowledge with others, and maintaining a work environment that is ethical, supportive, respectful, collaborative and

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

productive.

Significant Recent Achievements of the State Auditor's Office

In FY2008 the Office changed its focus toward an “accountability office” model, and negotiated a five-year contract with KPMG to perform both the CAFR and the A-133 Single Audit at very competitive prices. This contract allows the office to do more performance audits and special reviews to assess the efficiency and effectiveness of the programs and operations of state government. We developed our plan to transition to performance auditing, including initiating and completing multiple performance audits prior to the end of calendar year 2009, developing and finalizing a performance audit manual, and providing training to all audit staff. As of the end of calendar year 2010, we have (1) successfully completed the move to an effective performance auditing office, (2) issued numerous performance audit reports, (3) completed our performance audit manual and (4) provided two multi-day trainings focusing on performance auditing to all audit staff.

2010 was the first full fiscal year with a significant allocation of audit staff resources to performance audits. We completed several significant projects, including:

- *Issued a performance audit report on the Department of Motor Vehicles:* This report examines the goals and measures the DMV has established to determine how well the goals and measures align to the department's mission and if they achieve the desired outcomes. The report contains a variety of findings and recommendations, including that DMV develop a strategic plan.
- *Department of Economic Development and Vermont Economic Progress Council Performance Measures:* During this performance audit we assessed whether the Department of Economic Development and the Vermont Economic Progress Council have performance measurement systems in place that are used to effectively manage their programs. Further, we ascertained the extent to which the Department and the Council tracked and reported on the success of their respective programs. The report recommends that both entities develop written strategic plans that clearly define how the programs are to help achieve overall objectives and develop a mix of measures that help track progress toward goals.
- *Review of VISON Payments Made During 2007 and 2008 for Improper Payments:* This report provides the results of our review of payments from the VISION system identified by our office using various data-mining techniques. From the \$8 billion in payments made through VISION in 2007 and 2008, 271 transactions totaling \$2.7 million were reviewed by our office. We identified 52 transactions totaling \$263,000 as duplicate payments to vendors, most of which had been recovered by the state.
- *Report on Internal Control Weaknesses discovered during audit of the VISON System for Improper*

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

Payments: This report, a companion to the VISION payment report, evaluated the accounts payable process of 25 departments against the state's accounts payable internal control guidance. Overall, we found that the departments are generally following the state's accounts payable and internal control guidance, but many departments have not implemented some of the key elements of this guidance. This report makes a number of recommendations intended to improve the controls over the accounts payable function and make the process more efficient.

- *Completed a data reliability audit of the Vermont Sex Offender Registry:* This report provides the results of our audit of the state's sex offender registry, which found a significant number of errors in the system. We made recommendations to improve the sex offender registry's data reliability and controls.
- *Completed the FY 2009 state financial statement audit and Federal single audit on time:* Although we contributed a significant number of hours to this contract to keep costs down (2,000 hours in FY2010), KPMG bore the overall responsibility of the audit and contributed the bulk of the staff time. Contracting with KPMG for the financial statement audit has had significant benefits to the SAO and the state as a whole. In particular, audit efficiencies were derived by having a single entity be responsible for both the financial statement audit and the Single Audit. In addition, with a large firm being responsible for the financial statement audit rather than our small office, we have substantially reduced our risks due to staffing limitations while also taking advantage of the specialized accounting knowledge available in such a firm (e.g., pension, pollution remediation, etc.).

Statutorily Required Audits

In FY2010, the State Auditor's Office completed the following statutorily required audits:

- *CAFR (Basic Financial Statement Audit).* The Office's most resource-intensive audit. The objective of this audit is to express an opinion on whether the state's financial statements are free of material misstatement and to report on the state's internal controls over financial reporting and compliance with certain provisions of law and regulation. The CAFR audit is performed annually and this year the audit was performed by KPMG with a very significant contribution of hours from our Office. The audit for the period ending June 30, 2009 was completed on time.
- *Federal Single Audit.* This annual audit reviews the more than \$1.3 billion Vermont receives annually from the federal government to ensure that it is spent in compliance with all applicable laws and regulations. It is performed by an independent audit firm (KPMG) with the assistance of the State Auditor's Office.
- *Litigation Report for Calendar Year 2009.* Required by Act 80, Section 22a. This report details spending by the Attorney General's office in defending the state in pharmaceutical regulation

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

litigation.

- Sex Offender Registry*: As required by Act 58, this is a performance audit of the state's sex offender registry.
- Vermont Employment Growth Incentive*: 32 V.S.A. §163(10) requires the State Auditor's Office to conduct a biennial audit of the Vermont Economic Growth Incentive program (VEGI). This biennium we conducted a performance audit on the claims review process, during which we found that the process in place to administer claims for VEGI incentives could benefit from additional controls. We made recommendations that, if implemented, should improve the efficiency and consistency of the claims review process and reduce the risk of inaccurate payments.

Other Audits and Reviews

As time and staff resources permit, the State Auditor's Office completes performance audits and other reviews. These audits and reviews are initiated based upon the Office's assessment of risk areas within state government or as a result of whistleblower allegations.

The following performance measurement audits were started in FY 2009 and were completed in FY 2010.

- Department of Motor Vehicles
- Department of Economic Development and Vermont Economic Progress Council
- Improper payments

Other Significant Activities

At the request of members of the legislature, we reviewed whether the Vermont Yankee Decommissioning Trust Fund (DTF) is managed and used in a way that best benefits the State and its citizens. We reported two primary recommendations.

(1) The State should increase the frequency of its fund adequacy reviews to every 2.5 years which would improve the State's capability to perform systematic monitoring and to require that additional funding assurance be provided, if needed.

(2) The State should assess whether the current DTF investment policy reflects an approach that is prudent and if not, suggest implementing guidelines for investment policies of decommissioning trust funds.

This year FY2011 we have started the process of following up on the implementation of recommendations made during past performance audits. Audit recommendation follow-up is an

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

important internal control function of management and provides important feedback to our office. It is our policy that, as a part of our annual work plan, we follow up on audit recommendations made in performance audits issued by the Office. The follow-up is performed in the years of the second and fourth anniversaries of the audit report. Recommendations not implemented subsequent to the fourth year may continue to be tracked at the discretion of the State Auditor. The follow-up records, including any data provided by the audited agency, will be maintained and will contribute to the annual performance measurement system of SAO.

The statutory requirement that this office perform audits of the Tax Increment Finance (TIF) districts, which include Milton, Newport, Winooski and Burlington by the end of calendar year 2011 will drain nearly all staff resources not consumed by the work on the CAFR and A-133 audits, which will allow for only a minimal number of performance audits in FY2012. The requirement that these audits be performed by the State Auditor's Office every three years should be reconsidered by the legislature if the Auditor's Office is to be an effective performance measurement office.

In addition to audits, the State Auditor's Office has taken the initiative to work with state agencies to continually monitor whether they have put policies and procedures in place to address audit findings and recommendations resulting from the Single Audit as well as from citizen complaints received by our office. Audit findings that are repeated year after year add to the state's audit costs and, more importantly, indicate management's failure to fix known problems. By committing sustained attention to this issue, the Office hopes to reduce such repetitive and costly findings in the future.

The State Auditor's Office has also worked extensively with municipalities and sheriffs' departments to improve their financial operations. For example, the Auditor's office met once a month for 18 consecutive months with the Vermont Sheriffs and their bookkeepers to revise the uniform accounting manual, develop a uniform chart of accounts and facilitate the adoption of a uniform accounting software. We continue to meet on a bi-monthly basis to focus on accounting issues, and to review policies and procedures to insure best management practices.

In June 2010 the State Auditor's Office partnered with the Vermont League of Cities and Towns (VLCT), with the cooperation of the Government Finance Officers Association (GFOA), and the Vermont Municipal Clerks and Treasurers Association (VMCTA) to hold their second annual training for financial managers in towns, schools and state government. Eighty-two attendees representing state and municipal organizations, schools, CPA firms, and others came from across the state to hear presentations on conflict in the workplace, grants management, enterprise fund accounting, lease agreements, revolving loan programs, fraud risk assessment, and auditing standards.

Planning is under way for the 2011 training scheduled for June 21st.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Auditor of Accounts	14	15	15	2,960,453	3,634,076	3,624,880	3,908,707
<hr/>							
TOTAL	14	15	15	2,960,453	3,634,076	3,624,880	3,908,707
 FUND TYPE							
General Fund				442,544	399,951	390,755	396,853
Special Fund				51,709	53,099	53,099	53,099
Internal Service Fund				2,466,200	3,181,026	3,181,026	3,458,755
<hr/>							
TOTAL				2,960,453	3,634,076	3,624,880	3,908,707

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

Department Mission Statement

The mission of the Auditor's Office is to be a catalyst for good government by promoting professional audits, financial training, efficiency and economy in government, and service to cities and towns.

Appropriation Key Budget Issues

The upcoming fiscal year 2012 budget process is significantly impacted by Federal requirements to audit programs receiving American Recovery and Reinvestment Act (ARRA) funds. At this time, under federal audit guidelines we anticipate that a total of 33 programs will require federal compliance audits, 18 more than normally anticipated. Fifteen A-133 audits are included in the contract with KPMG. The estimated cost of the 18 additional audits is \$720,000.

Funding Targets

Our funding targets must be viewed together with the Single Audit Revolving Fund (SARF). Title 32, Chapter 3, section 168 of the Vermont Statutes establishes "...a single audit revolving fund within the state treasury, to be administered by the auditor of accounts." This is the state's mechanism to capture the costs of the federal compliance audit, the basic financial statement audit, and other audit services. These costs are billed to all agencies and departments, and this year will reflect the additional audits required as a result of the ARRA funds Vermont has received.

Expenditures

Office staff salaries and benefits are a major component of our budget, along with the fee paid to the contractor for the CAFR and the A-133 Single Audit. In order to more fully describe the assumptions incorporated into the budget, we will address these items separately.

Personal Services

Salary and Wages - The Office currently has 15 authorized positions, including one audit staff position we did not request funding for in FY2011. Although there are continuing budget pressures, we are

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

asking for funding for that position for FY2012 at an estimated cost in salary and benefits of \$83,000. The transformation of the office from a financial audit shop to a performance audit office is now complete and the benefit to the state in increased efficiency and effectiveness resulting from additional performance audits out-weigh the cost of the audit position. Therefore we are asking for funding for 15 positions included in this budget request at a budgeted cost of salaries and benefits of \$1,576,162. These include the Auditor and three appointed (exempt) positions and 11 classified positions. Although one funded classified position recently became vacant, candidate searches are on-going to fill that position. As such, this position is budgeted at full value.

Benefits - Employee benefits for Social Security, retirement and life insurance increase in relative proportion to increases in salary and wages.

Non-employee Personal Services

The most significant component is the fee paid to KPMG for the audit of the state's financial statements and the A-133 audit of federal funds. In order to control the rate of growth in these costs, we entered into a five-year contract in 2008 at a very competitive price to perform the audits. The contracted price to perform the audit of the CAFR and A-133 audit for the term of the contract is:

<u>Year Audited</u>	<u>Cost</u>
FY2008:	\$1,127,000
FY2009:	\$1,375,000
FY2010:	\$1,392,000
FY2011:	\$1,392,000
FY2012:	\$1,400,000

The prices of the audits for the two option years of FY2013 and FY2014 are \$1,450,000 and \$1,500,000 respectively.

Although we negotiated competitive pricing for the CAFR and A-133 audits, the KPMG contract is premised upon 15 federal program audits per year. Factors that cause the number of program audits to exceed 15, such as ARRA funding and repeat non-compliance findings, will result in increased audit costs.

Due to the expenditure of ARRA funds, FY2012 will again see an increase in the number of federal programs required to be included in the scope of the A-133 audit beyond the pre-ARRA number of 15.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

Generally, each program with ARRA funding is required to have an audit. Prior to ARRA, the state's federal programs were audited on a rotational basis (once every 3 years), which typically resulted in 15 programs audited each year. We estimate approximately 33 programs will need to be audited during FY2012 – an 18-program increase over the base contract number requiring an estimated additional cost of \$720,000.

Re-audits are another driver of audit costs. FY2010's A-133 audit identified 16 federal programs with significant noncompliance findings which will result in repeat audits of these programs. There are seven (7) programs still being reviewed which may require repeat audits. The 16 programs which would require re-audits in FY 2012 regardless of receiving ARRA funds are:

Medicaid *
Vocational Rehabilitation *
TANF *
SNAP *
Adoption Assistance *
DWSRF *
Highway Planning and Construction *
WIA Cluster *
Unemployment Insurance *
Employment Services Cluster *
Weatherization *
State Fiscal Stabilization Fund *
Child Support Enforcement *
Formula Grant *
Capitalization Grants- State Revolving Funds *
Public Assistance Grants Cluster

Note: Those programs with an * after their name have ARRA related findings.

A failure to correct the audit findings in these programs promptly in the coming year will result in \$640,000 to \$920,000 in additional audit costs in FY2013; money that could be spent providing needed services.

Four of these programs have been habitual repeat audit offenders and for multiple years have cost the state approximately \$180,000 per year in additional audit costs. These programs are:

Immunization Grants – 7 years (this program had a clean audit this year)

CDC Technical Assistance – 7 years (this program was not audited this year)

Child Support Enforcement – 8 years

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

Highway Planning and Construction – 5 of last 6 years

Non-employee personal services also include amounts budgeted for audit specialists hired directly by this office to supplement existing staff skill sets as needed (We are estimating \$40,000 needed for this service in FY2012). This category also includes the projected costs of the audits of the county sheriffs' departments. By statute this Office pays one-third of the cost of the biennial audits (\$14,133), which we have budgeted for accordingly.

We are required to have a Peer Review of our policies and procedures in FY2012 at an estimated cost of \$11,000.

Municipal Investigations

Non-employee personal services also include special reviews and investigations of municipal officials and/or municipal financial issues performed by this office. One significant impact of the reductions to our general fund appropriations over the past few years is that there are no funds available in FY2012 to cover municipal investigations.

Operating Expenses

Educational materials – These expenses include the cost of professional literature and audit resource materials.

Rentals – This represents our fee for space allocation. This is our share of the cost allocation from BGS.

Data processing – These costs are also based on cost allocation plans charged by the Department of Information and Innovation.

Dues, Subscriptions, Registrations – This line item includes our cost of continuing professional education (CPE). Under professional standards prescribed by the US Government Accountability Office, each member of the audit staff must complete a specified number of CPE credits on an annual basis. The amount budgeted in this line item reflects the elevation of Auditor staff qualifications, and the reality that CPE is not only required but essential to the effective delivery of audit services.

Travel – Represents estimated cost for staff to travel to audit locations, conferences and trainings. The TIF audits for Winooski and Burlington required to be completed by 12/31/11 will significantly impact our normal travel costs.

Data Processing Hardware / Software – The efficient and effective delivery of audit services relies on

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

the use of technology. For FY2012 we anticipate the replacement / upgrade of computers purchased more than 4 years ago. The budget also includes the renewal of software licenses.

Conclusion

Based on our initial analysis of the funding targets provided, it appears that the Office of the State Auditor will be capable of supporting its funded operations within those funding targets.

Performance Program Information

A separate document outlining our office's performance program is included as part of the legislative testimony.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Auditor of Accounts

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,825,967	3,494,631	3,485,885	3,758,362
Operating Expenses	134,486	139,445	138,995	150,345
TOTAL	2,960,453	3,634,076	3,624,880	3,908,707
FUND TYPE				
General Fund	442,544	399,951	390,755	396,853
Special Fund	51,709	53,099	53,099	53,099
Internal Service Fund	2,466,200	3,181,026	3,181,026	3,458,755
TOTAL	2,960,453	3,634,076	3,624,880	3,908,707

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Treasurer

Department Mission Statement

The office of the State Treasurer is a service and administrative department performing duties prescribed by statute. It is responsible for the management and accounting of the State's cash balances; processing of checks and EFT payments, and reconciliations of cash and associated accounts; administration and operation of three pension plans, the deferred compensation plan and defined contribution plans for State and Municipal employees; management of temporary investments of State funds; selling and servicing bonds authorized by the General Assembly; administration of the Unclaimed Property Act; and short-term borrowing when necessary. The mission is to carry out the mandates of the law as efficiently and cost-effectively as possible while providing related services to the public, State employees, and members of the retirement systems; and to manage the cash balances and trust funds under custody of the State Treasurer in keeping with the highest fiduciary standards in order to maximize income without undue risk.

The Auditor of Accounts audits the office annually. The performance of the office is a factor considered by the credit rating services when rating the State for the purpose of borrowing.

Funds requested are required to maintain the current range of services in a cost-effective manner. The service mix has been characterized by increases in the number of transactions and customers, particularly in the Unclaimed Property and Retirement Services divisions. Increased efficiencies have reduced the need for substantial budget increases.

The Vermont State Retirement System is the public pension plan provided by the State of Vermont for its various groups of State employees. It was created in 1944 and has undergone several major changes over the years, including a merger of the State Police and Motor Vehicles Inspectors' Retirement System and contribution and benefit reforms including the creation of a non-contributory retirement plan for rank-and-file state employees in 1981. In 1990 the Legislature mandated a return to a contributory system effective January 1, 1991 with full implementation by January 1, 1995. The system's staff is responsible for the administration of six different benefit provisions which include state police, judges and regular employees, plus an optional defined contribution plan available to exempt state employees only. The system is governed by Title 3, V.S.A., Chapter 16.

As of June 30, 2010, the system had 7,782 active members, 857 inactive members, 765 terminated vested members, and approximately 5,201 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The actuarial value of the fund was \$1,265 million as of June 30, 2010, compared with \$1,218 million as of June 30, 2009. The system paid \$80.8 million in retirement benefits during fiscal year 2010.

Health care cash payments for premiums totaled approximately \$22.5 million in 2010, rise to \$27.0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Treasurer

million in the FY2011 budget, and are budgeted at \$28 million in FY2012 in this request. Beginning in 2010, health care expenses have been funded in a separate OPEB Trust fund, enacted by the Legislature. While the cash payments or “pay-as-you-go” amounts are budgeted the State has not prefunded these per the actuarial recommendation, with the exception of a small portion of Medicare D reimbursements from the Vermont State Retirement System. The budget request includes the prefunding amount. Full funding of the ARC for OPEB on a prefunded basis is \$46,329,102. Budgeted cash payments in the pension are \$28,000,000 leaving the ARC to be funded of \$18,329,102. If prefunding does not occur, the remaining ARC cost rises significantly (\$73,100,821 total, less \$28,000,000 budgeted, leaving the ARC to be funded at \$45,100,821). Of the \$35,081,536 proposed budget, \$7,081,536 will be paid from VSRS Pension trust funds, and \$28,000,000 will be paid from VSRS OPEB trust funds.

The Vermont State Retirement System Board of Trustees is responsible for the administration of the system. This board consists of the State Treasurer, Commissioner of Human Resources, Commissioner of Finance and Management, one designated representative of the Governor, three members elected by the Vermont State Employees Association and one member elected by the Vermont Retired State Employees Association. Staff is provided by the Retirement Division of the State Treasurer's Office, which also administers the State Teachers' Retirement System and the Vermont Municipal Employees' Retirement System.

The Vermont Municipal Employees' Retirement System is a uniform, state-administered pension plan provided for municipal employees of the State of Vermont. It was established effective July 1, 1975 and is governed by Title 24, V.S.A., Chapter 125.

As of June 30, 2010, the system had 428 contributing employers; 6,605 active members, 1,842 inactive members, 585 terminated vested members, and 1,644 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The actuarial value of the fund was \$376.2 million as of June 30, 2010, compared with \$331.4 million as of June 30, 2009. The system paid \$12.5 million in retirement benefits during FY2010.

The Vermont Municipal Employees' Retirement System Board of Trustees is responsible for the administration of the system. This board consists of the State Treasurer, one representative designated by the Governor, and two municipal employees and one municipal official all three of whom are elected by the membership of the system. Staff is provided by the Retirement Division of the State Treasurer's Office which also administers the Vermont State Retirement System and the State Teachers' Retirement System.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Office of the Treasurer	33	29	29	4,695,386	2,870,192	2,870,192	2,926,668
Unclaimed Property	4	4	4	567,565	913,995	913,995	913,995
Vt State Retirement System	0	0	0	7,895,827	34,305,495	34,305,495	35,081,536
State Retirement DBP - OPEB	0	0	0	20,953,011	0	0	0
Municipal Employees' Retirement	0	0	0	1,937,700	2,453,743	2,453,743	2,478,979
<hr/>							
TOTAL	37	33	33	36,049,489	40,543,425	40,543,425	41,401,178
FUND TYPE							
General Fund				1,032,894	1,130,500	1,130,500	1,065,828
Special Fund				1,947,184	1,636,099	1,636,099	1,744,843
Permanent Trust Fund				1,170,903	0	0	0
Pension Trust Fund				31,246,920	36,759,238	36,759,238	37,560,515
Private Purpose Trust Fund				567,565	913,995	913,995	913,995
Interdepartmental Transfer				84,023	103,593	103,593	115,997
<hr/>							
TOTAL				36,049,489	40,543,425	40,543,425	41,401,178

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,106,628	2,522,619	2,522,619	2,561,936
Operating Expenses	361,371	331,089	331,089	348,248
Grants	1,220,903	16,484	16,484	16,484
Other Financing Uses Budget	6,484	0	0	0
TOTAL	4,695,386	2,870,192	2,870,192	2,926,668
FUND TYPE				
General Fund	1,032,894	1,130,500	1,130,500	1,065,828
Special Fund	1,947,184	1,636,099	1,636,099	1,744,843
Permanent Trust Fund	1,170,903	0	0	0
Pension Trust Fund	460,382	0	0	0
Interdepartmental Transfer	84,023	103,593	103,593	115,997
TOTAL	4,695,386	2,870,192	2,870,192	2,926,668

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Unclaimed Property**

Performance Program Information

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Unclaimed Property**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	405,191	670,521	670,521	660,757
Operating Expenses	162,374	243,474	243,474	253,238
<hr/> TOTAL	<hr/> 567,565	<hr/> 913,995	<hr/> 913,995	<hr/> 913,995
FUND TYPE				
Private Purpose Trust Fund	567,565	913,995	913,995	913,995
<hr/> TOTAL	<hr/> 567,565	<hr/> 913,995	<hr/> 913,995	<hr/> 913,995

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt State Retirement System**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	5,505,556	6,370,747	6,370,747	6,065,656
Operating Expenses	2,390,271	27,934,748	27,934,748	29,015,880
<hr/> TOTAL	<hr/> 7,895,827	<hr/> 34,305,495	<hr/> 34,305,495	<hr/> 35,081,536
FUND TYPE				
Pension Trust Fund	7,895,827	34,305,495	34,305,495	35,081,536
<hr/> TOTAL	<hr/> 7,895,827	<hr/> 34,305,495	<hr/> 34,305,495	<hr/> 35,081,536

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Retirement DBP - OPEB

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Operating Expenses	20,953,011	0	0	0
<hr/> TOTAL	<hr/> 20,953,011	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
Pension Trust Fund	20,953,011	0	0	0
<hr/> TOTAL	<hr/> 20,953,011	<hr/> 0	<hr/> 0	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,614,062	2,002,388	2,002,388	1,992,423
Operating Expenses	323,638	451,355	451,355	486,556
<hr/> TOTAL	<hr/> 1,937,700	<hr/> 2,453,743	<hr/> 2,453,743	<hr/> 2,478,979
FUND TYPE				
Pension Trust Fund	1,937,700	2,453,743	2,453,743	2,478,979
<hr/> TOTAL	<hr/> 1,937,700	<hr/> 2,453,743	<hr/> 2,453,743	<hr/> 2,478,979

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Labor Relations Board**

Department Mission Statement

It is the mission of the Labor Relations Board to resolve various labor relations disputes primarily in the public sector in Vermont. It is the overall goal of the Board to promote harmonious and productive labor relations among employers, unions and employees. Besides resolving disputes, the Board includes within its mission an educational role in labor relations.

Description of Appropriations, Divisions, & Programs

The Labor Relations Board is mandated to resolve labor relations disputes under the State Employees Labor Relations Act, the Municipal Employee Relations Act, the Labor Relations for Teachers Act, the State Labor Relations Act, and the Judiciary Employees Labor Relations Act. The Board determines appropriate bargaining units, conducts representation elections, and adjudicates unfair labor practice charges in cases involving relations between employers (State of Vermont, Vermont State Colleges, University of Vermont, municipal employers, school districts, and small private employers) and their employees. Also, with respect to the State, State Colleges and UVM, the Board makes final determination on employee grievances, and provides assistance in resolving negotiation disputes. In addition, there are other miscellaneous statutory provisions granting the Board jurisdiction to resolve disputes in various areas.

The Board consists of six citizen members who are paid on a per diem basis. At present, the Board has two employees - Executive Director and Clerk.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Labor Relations Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
State Labor Relations Board	2	2	2	204,829	200,275	200,110	209,455
<hr/> TOTAL	<hr/> 2	<hr/> 2	<hr/> 2	<hr/> 204,829	<hr/> 200,275	<hr/> 200,110	<hr/> 209,455
FUND TYPE							
General Fund				194,515	194,699	194,534	203,879
Special Fund				7,973	2,788	2,788	2,788
Interdepartmental Transfer				2,341	2,788	2,788	2,788
<hr/> TOTAL				<hr/> 204,829	<hr/> 200,275	<hr/> 200,110	<hr/> 209,455

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Labor Relations Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	158,577	161,823	162,198	169,121
Operating Expenses	46,252	38,452	37,912	40,334
<hr/> TOTAL	<hr/> 204,829	<hr/> 200,275	<hr/> 200,110	<hr/> 209,455
FUND TYPE				
General Fund	194,515	194,699	194,534	203,879
Special Fund	7,973	2,788	2,788	2,788
Interdepartmental Transfer	2,341	2,788	2,788	2,788
<hr/> TOTAL	<hr/> 204,829	<hr/> 200,275	<hr/> 200,110	<hr/> 209,455

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VOSHA Review Board**

Department Mission Statement

The Vermont Occupational Safety and Health Review Board was created by Act 205, Laws 1971, charged with carrying out the responsibilities given it under 21 V.S.A. Section 226(c), (d) and 230; specifically hearing and deciding cases involving employer contest of alleged safety and health violations under the Vermont Occupational Safety and Health Act Code. This quasi-judicial Board's goals and objectives are the fulfillment of the statutory requirement of timely processing of the contested cases filed with it. Caseload is directly dependent upon the activities of the Vermont Department of Labor, Division of Occupational Safety and Health, through its inspections of Vermont workplaces and subsequent citations issued to those employers alleged to be in violation of the Code.

Description of Appropriations, Divisions, & Programs

The VOSHA Review Board program operates statewide, involving employers contesting citations brought against them by the Commissioner of the Vermont Department of Labor, through the Division of Occupational Safety and Health. The goal of this quasi-judicial board with clear-cut statutory requirements is the timely processing of contested cases filed with them. Comprised of three members, serving staggered six-year terms appointed biennially by the Governor with the advice and consent of the Senate, are paid on a per diem basis. The Board employs one part-time Clerk who acts as the sole administrative/clerical support to the Board. Using paid hearing officers to conduct hearings and prepare written findings and decisions, the Board has the ultimate review and determination of all decisions.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VOSHA Review Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
VOSHA Review Board	1	1	0	37,311	53,166	26,002	61,228
<hr/>							
TOTAL	1	1	0	37,311	53,166	26,002	61,228
 FUND TYPE							
General Fund				18,656	26,583	13,001	30,614
Interdepartmental Transfer				18,655	26,583	13,001	30,614
<hr/>							
TOTAL				37,311	53,166	26,002	61,228

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VOSHA Review Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	27,598	42,635	3,642	7,038
Operating Expenses	9,713	10,531	22,360	54,190
<hr/>				
TOTAL	37,311	53,166	26,002	61,228
FUND TYPE				
General Fund	18,656	26,583	13,001	30,614
Interdepartmental Transfer	18,655	26,583	13,001	30,614
<hr/>				
TOTAL	37,311	53,166	26,002	61,228

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

Department Mission Statement

To assist in preserving Vermont's productive agricultural and forest lands, enrolled properties are taxed on their use value rather than fair market value. This program was changed effective July 1, 1996 to require that municipalities list all enrolled property at use value and was further changed by the passage of Act 60 where the impact of use value on education property tax revenue is addressed by the statewide funding of education. This program continues to reimburse communities for only the loss of municipal property tax revenue resulting from the use value appraisal of enrolled properties.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Use Tax Reimbursement Fund	0	0	0	10,655,146	11,700,000	11,700,000	12,400,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 10,655,146	<hr/> 11,700,000	<hr/> 11,700,000	<hr/> 12,400,000
FUND TYPE							
General Fund				10,655,146	11,700,000	11,700,000	12,400,000
<hr/> TOTAL				<hr/> 10,655,146	<hr/> 11,700,000	<hr/> 11,700,000	<hr/> 12,400,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	10,655,146	11,700,000	11,700,000	12,400,000
<hr/> TOTAL	<hr/> 10,655,146	<hr/> 11,700,000	<hr/> 11,700,000	<hr/> 12,400,000
FUND TYPE				
General Fund	10,655,146	11,700,000	11,700,000	12,400,000
<hr/> TOTAL	<hr/> 10,655,146	<hr/> 11,700,000	<hr/> 11,700,000	<hr/> 12,400,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Lottery Commission

Department Mission Statement

To operate a State Lottery that will produce the maximum amount of net revenue consonant with the dignity of the State and the general welfare of the people.

Description of Appropriations, Divisions, & Programs

The Lottery currently offers eight products to the playing public: Instant Games; and On-line games known as Powerball, Hot Lotto, Mega Millions, Tri-State Megabucks Plus!, Tri-State Weekly Grand, and the Tri-State Daily Numbers Games of Pick 3 and Pick 4.

Licensed Vermont Lottery agents offer lottery games to players. Currently, there are approximately 700 licensed Vermont Lottery agents. All agents sell instant games as well as On-line games.

The Vermont Lottery was established in 1977, under Public Acts Number 82, now codified as 31 VSA Chapter 14, for the establishment and management of the Lottery. A small staff of professionals consisting of twenty one full-time employees operates the Vermont Lottery. It is one of the smallest staffs of any lottery in the United States. Public oversight is provided by a five-person policy setting Board of Commissioners, appointed by the Governor and approved by the State Senate.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Lottery Commission**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Lottery Commission	21	21	21	2,882,589	2,755,201	2,755,201	2,892,961
<hr/> TOTAL	<hr/> 21	<hr/> 21	<hr/> 21	<hr/> 2,882,589	<hr/> 2,755,201	<hr/> 2,755,201	<hr/> 2,892,961
FUND TYPE							
Enterprise Fund				2,882,589	2,755,201	2,755,201	2,892,961
<hr/> TOTAL				<hr/> 2,882,589	<hr/> 2,755,201	<hr/> 2,755,201	<hr/> 2,892,961

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Lottery Commission**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,558,562	1,658,986	1,658,986	1,629,989
Operating Expenses	1,174,027	1,096,215	1,096,215	1,262,972
Grants	150,000	0	0	0
<hr/> TOTAL	<hr/> 2,882,589	<hr/> 2,755,201	<hr/> 2,755,201	<hr/> 2,892,961
FUND TYPE				
Enterprise Fund	2,882,589	2,755,201	2,755,201	2,892,961
<hr/> TOTAL	<hr/> 2,882,589	<hr/> 2,755,201	<hr/> 2,755,201	<hr/> 2,892,961

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

Department Mission Statement

The PILOT program provides state payments to municipalities to offset the tax burden resulting from the presence of untaxed, state buildings and other state owned facilities.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Payments in Lieu of Taxes	0	0	0	4,900,000	5,650,000	5,650,000	5,650,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 4,900,000	<hr/> 5,650,000	<hr/> 5,650,000	<hr/> 5,650,000
FUND TYPE							
Special Fund				4,900,000	5,650,000	5,650,000	5,650,000
<hr/> TOTAL				<hr/> 4,900,000	<hr/> 5,650,000	<hr/> 5,650,000	<hr/> 5,650,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	4,900,000	5,650,000	5,650,000	5,650,000
<hr/> TOTAL	<hr/> 4,900,000	<hr/> 5,650,000	<hr/> 5,650,000	<hr/> 5,650,000
FUND TYPE				
Special Fund	4,900,000	5,650,000	5,650,000	5,650,000
<hr/> TOTAL	<hr/> 4,900,000	<hr/> 5,650,000	<hr/> 5,650,000	<hr/> 5,650,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Montpelier PILOT**

Department Mission Statement

This PILOT program provides state payments to the capital city to offset its unique tax burden resulting from the presence of untaxed, state buildings and other state owned facilities.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Montpelier PILOT**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Montpelier PILOT	0	0	0	184,000	184,000	184,000	184,000
TOTAL	0	0	0	184,000	184,000	184,000	184,000
FUND TYPE							
Special Fund				184,000	184,000	184,000	184,000
TOTAL				184,000	184,000	184,000	184,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Montpelier PILOT**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	184,000	184,000	184,000	184,000
<hr/> TOTAL	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000
FUND TYPE				
Special Fund	184,000	184,000	184,000	184,000
<hr/> TOTAL	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections PILOT

Department Mission Statement

The corrections PILOT program provides state payments to municipalities to offset the tax burden resulting from the presence of untaxed correctional facilities.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections PILOT**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Corrections PILOT	0	0	0	40,000	40,000	40,000	40,000
TOTAL	0	0	0	40,000	40,000	40,000	40,000
FUND TYPE							
Special Fund				40,000	40,000	40,000	40,000
TOTAL				40,000	40,000	40,000	40,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections PILOT**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	40,000	40,000	40,000	40,000
<hr/> TOTAL	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000
FUND TYPE				
Special Fund	40,000	40,000	40,000	40,000
<hr/> TOTAL	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Special Investigative Units

Department Mission Statement

Special Investigation Units were created by the Legislature with the support of Governor Douglas to provide comprehensive investigations and prosecution of child sexual abuse criminal cases. The first SIU was created in Chittenden County over a decade ago. It now serves every community in the county providing specially trained investigators and prosecutors for crimes against children. This model is the guide for all the SIUs statewide.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Special Investigative Units**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Special Investigative Units	0	0	0	238,030	1,060,950	1,057,483	1,253,719
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 238,030	<hr/> 1,060,950	<hr/> 1,057,483	<hr/> 1,253,719
FUND TYPE							
General Fund				205,796	1,060,950	1,057,483	1,153,719
Federal Revenue Fund				32,234	0	0	100,000
<hr/> TOTAL				<hr/> 238,030	<hr/> 1,060,950	<hr/> 1,057,483	<hr/> 1,253,719

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Special Investigative Units

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	30,654	0	0	0
Operating Expenses	1,637	0	0	0
Grants	205,739	1,060,950	1,057,483	1,253,719
<hr/> TOTAL	<hr/> 238,030	<hr/> 1,060,950	<hr/> 1,057,483	<hr/> 1,253,719
FUND TYPE				
General Fund	205,796	1,060,950	1,057,483	1,153,719
Federal Revenue Fund	32,234	0	0	100,000
<hr/> TOTAL	<hr/> 238,030	<hr/> 1,060,950	<hr/> 1,057,483	<hr/> 1,253,719

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Attorney General

Department Mission Statement

The Attorney General's Office prosecutes crimes and enforces civil rights, consumer and environmental laws. The Office represents the State's interests in legal proceedings in all courts and before administrative tribunals. The Office advises state officials and seeks to protect the health and safety of all Vermonters.

Description of Appropriations, Divisions, & Programs

Civil Division

The Civil Division represents state officers and employees who are named in civil lawsuits brought in state and federal courts, including personal injury, wrongful death, employment, and civil rights actions. It also defends legislative acts and administrative rules that are challenged on constitutional or other grounds. In addition, the Division may bring affirmative claims on behalf of the state, for example, to recover money claims for the State. The Division also litigates civil appeals before appellate tribunals such as the Vermont Supreme Court, the United States Courts of Appeals, and the United States Supreme Court.

Criminal Division

The Criminal Division is a statewide prosecutorial agency. The Division's caseload consists primarily of homicides, violent felonies including child abuse and sexual assault, computer crimes, public corruption, and drug trafficking. The Criminal Division reviews all incidents involving the use of deadly force by Vermont police officers. The Division works closely with county, state and federal law enforcement and provides technical assistance and personnel support to county prosecutors as needed. The Division works with the Legislature on a wide range of criminal justice issues and is an active participant on a number of committees and working groups that shape criminal justice policy in Vermont. The Division also provides guidance to law enforcement agencies on complex policing issues. Two examples include the Attorney General's *A Study and Report on the Use of Tasers and Less Lethal Means of Force by Vermont Law Enforcement* and the Attorney General's *Proposed Policy: Bias-Free Policing*. Both of these publications are available on the AGO website.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Attorney General

A specialized *Drug Unit* within the Criminal Division provides prosecutorial support to the Vermont Drug Task Force. The Drug Unit and the Vermont Drug Task Force have been in place for over twenty years and both are primarily federally funded. Federal funds currently support the equivalent of one attorney. Over the last several years the State has experienced continued and significant cuts in federal funding which has resulted in the loss of one full time and one half time attorney position within the Unit.

Another specialized unit, the *Medicaid Fraud and Residential Abuse Unit*, investigates and prosecutes Medicaid provider fraud and violations of Vermont's Medicaid fraud laws. This Unit participates in civil actions, both locally and nationally, to recoup fraud losses for the Medicaid Program. In FY 2010, the Unit recovered more than \$3.1 million. In addition, the Unit investigates and prosecutes complaints of patient abuse, exploitation or neglect in health care facilities that receive Medicaid funds. In recent years the Unit has investigated and prosecuted an increasing number of complaints that health care providers diverted drugs from patients. These enforcement activities are 75% federally-funded.

Environmental Protection Division

The Environmental Protection Division litigates environmental cases of statewide importance. The Division files civil and criminal actions (the latter in conjunction with the Criminal Division) to enforce Vermont's environmental laws based on referrals from the Agency of Natural Resources and the Natural Resources Board. The Division also brings civil cases to recover monies expended by the state environmental clean-up funds on contaminated properties. The Division defends the State of Vermont and its agencies when they are sued in state or federal court over environmental matters and handles appeals of decisions from the Environmental Court and Superior Courts involving environmental issues. On a national level, the Division participates in a variety of environmental cases and joint initiatives with other states. In addition, the Division provides legal advice and counsel to the Vermont Agency of Natural Resources, the Natural Resources Board and other state agencies on environmental matters.

Over the past year, the Division completed its successful defense of a challenge to Vermont's automobile greenhouse gas emissions regulations in federal court. The Division participated in a national settlement with the automobile manufacturers that ended the automobile manufacturers' challenge to the State's regulations. The Division also successfully prosecuted a Rutland County man for felony environmental crimes relating to the burial of drums with hazardous materials. In addition, the Division concluded various civil enforcement cases with civil penalties for violations of state environmental laws, including actions against a salvage yard owner, a ski resort and a gas station owner. In connection with contaminated properties, the Division pursued various cases recovering monies for the State's environmental clean-up funds. In FY 2010, the Division recovered \$194,800 for the State of Vermont along with additional payments shared with the EPA in the amount of \$2 million over five years for cleanup of a large contaminated property in the state and the potential for additional recovery of costs with the EPA in future years.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Attorney General

General Counsel Division

The General Counsel Division advises and represents Vermont's constitutional officers, the retirement boards, the pension investment committee, the buildings and general services department, liquor control and other state agencies. It handles public records and open meetings issues and lawsuits, reviews and negotiates state contracts and handles elections cases. It investigates and prosecutes disciplinary complaints against physicians. The Division's appellate unit briefs and argues civil appeals in the Vermont Supreme Court and in the federal Appellate Courts including the United States Supreme Court. It assists other staff and other state agencies in complex trials and appeals. The Division also administers the statewide juvenile and adult court diversion programs.

Public Protection Division

The *Civil Rights Unit* within the Public Protection Division enforces laws that protect victims of hate crimes and protect all Vermonters (except State employees) from discrimination and harassment in the workplace. It produces informational materials and sponsors education programs for businesses, workers, and youth entering the work force. In FFY 2010, the Unit issued 93 new charges of employment discrimination and investigated a total of 171 charges. During that period, the Unit resolved 109 employment discrimination claims, investigated 8 complaints of hate crimes, and responded to 1,250 inquiries about Vermont's civil rights laws. In addition, in the past year the Unit has taken a lead role in increasing cooperation among New England civil rights agencies and working with those agencies and the Equal Employment Opportunities Commission to develop best practices.

The *Consumer Protection* and *Antitrust Units* investigate and prosecute frauds against consumers and unfair, deceptive and anticompetitive business practices. The units handle a wide variety of matters both in Vermont and nationally, including litigation concerning foreclosure practices, toxins in housing or consumer products, pharmaceuticals, security breaches, deceptive advertising, telemarketing and internet fraud, cramming (unauthorized third-part billing on telephone bills), fraud-induced wire transfers, and tobacco.

In response to systemic problems or initiatives undertaken by the Attorney General, the units also recommend or support legislation or promulgate regulations to protect consumers. In FY 2010, staff testified on a number of important issues in the legislature, including foreclosure mediation, menu labeling, safe and habitable housing, and regulation of bisphenol A in consumer products.

In FY 2010 the Consumer Protection and Antitrust Units obtained \$2.3 million in civil penalties and damages for the State of Vermont, and recovered nearly \$1.2 million for consumers. The majority of settlements reflect violations of Vermont's Consumer Fraud Act and other laws by pharmaceutical companies, internet tobacco sellers, debt adjusters, and landlords.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Attorney General

In addition to casework, the units continued to take a leading role in creating a working relationship between the states and the Consumer Product Safety Commission, issued new regulations for propane dealers, issued its seventh annual Pharmaceutical Marketing Disclosures report on disclosures of payments by manufacturers of pharmaceuticals, implemented substantial changes to the disclosure law, and issued a report requested by the legislature on the Advisability of Requiring Disclosure of Free Samples Distributed by Manufactures of Prescribed Products to Vermont Health Care Providers.

In February 2010, the Attorney General announced his Vermont Healthy Weight Initiative, inviting more than 100 stakeholders to recommend ways in which Vermont can combat this most serious public health challenge. The report and recommendations were released in November 2010.

In cooperation with UVM, the Attorney General operates the *Consumer Assistance Program (CAP)* to educate consumers about consumer issues and charitable giving, and to resolve consumer complaints on an informal basis. In FY 2010, CAP received over 6,500 complaints and requests for information, approximately one-third of the complaints were resolved, including consumer recoveries of approximately \$375,000 (included in the \$1.2 million above). The number of complaints received by email has nearly doubled in the past year. In addition, the CAP website was redesigned to be more accessible to consumers and to allow consumers to receive alerts automatically.

The *Tobacco Group* enforces Vermont's tobacco statutes, including laws that prohibit the sale of tobacco to minors, sales of tobacco over the Internet, smoking in workplaces and public places and laws that require all cigarettes sold in the state to meet reduced ignition standards. The Group implements the 1998 Tobacco Master Settlement Agreement and related statutes. In FY 2010, the Unit continued defending the State's receipt of Master Settlement Agreement payments owed for 2003, representing the State in an arbitration against the Agreement's Participating Manufacturers before a panel of retired federal judges. At issue in the arbitration is a potential adjustment to the Manufacturers' 2003 payments to the settling States totaling over \$1 billion. Vermont's potential exposure ranges from over \$3 million to over \$25 million. Also in FY 2010, the court ruled in Vermont's favor on the liability of R. J. Reynolds for false advertising and marketing of "reduced-harm" cigarettes; we continue working on post-judgment motions and the damages phase of the trial.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Attorney General**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Attorney General	71	76	77	7,516,741	8,037,564	7,926,992	8,244,223
<hr/> TOTAL	<hr/> 71	<hr/> 76	<hr/> 77	<hr/> 7,516,741	<hr/> 8,037,564	<hr/> 7,926,992	<hr/> 8,244,223
FUND TYPE							
General Fund				3,659,348	3,785,911	3,669,734	3,835,621
Special Fund				1,499,184	1,615,000	1,620,605	1,593,000
Federal Revenue Fund				610,426	707,526	707,526	685,000
Interdepartmental Transfer				1,747,783	1,929,127	1,929,127	2,130,602
<hr/> TOTAL				<hr/> 7,516,741	<hr/> 8,037,564	<hr/> 7,926,992	<hr/> 8,244,223

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Attorney General

Appropriation Key Budget Issues

The Fiscal 2012 funding levels will sustain the core mission and activities of the Attorney General's Office. This is possible in part due to expenditure reductions implemented in FY11 and additional reductions of expenditure levels planned for FY12 resulting in funding available to partially cover other FY12 cost increases. The budget continues the Fiscal 2011 special fund (fees and recoveries) replacement of general funds and increases the funding level from another revenue stream (prescribed drug and medical devices).

Vacancy and turnover savings continue to be budgeted at \$184,278.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Attorney General**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	6,551,448	6,942,359	6,837,957	7,147,070
Operating Expenses	965,293	1,095,205	1,089,035	1,097,153
<hr/> TOTAL	<hr/> 7,516,741	<hr/> 8,037,564	<hr/> 7,926,992	<hr/> 8,244,223
FUND TYPE				
General Fund	3,659,348	3,785,911	3,669,734	3,835,621
Special Fund	1,499,184	1,615,000	1,620,605	1,593,000
Federal Revenue Fund	610,426	707,526	707,526	685,000
Interdepartmental Transfer	1,747,783	1,929,127	1,929,127	2,130,602
<hr/> TOTAL	<hr/> 7,516,741	<hr/> 8,037,564	<hr/> 7,926,992	<hr/> 8,244,223

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Court Diversion

Department Mission Statement

The mission of Vermont court diversion programs is to engage community members in responding to the needs of crime victims, the community, and those who violated the law, holding the latter accountable in a manner that promotes responsible behavior.

Court Diversion is a locally governed community justice program begun in the 1970's to divert minor offenders out of the court system to community-based programs staffed largely by volunteers. It provides a community-based alternative to the formal court process for youth and adult offenders. Its goals are to

- Use citizen involvement and a restorative model to make victims whole
- Restore to the community any loss it sustained
- Redirect offenders in a more productive direction
- Reduce recidivism
- Reduce the workload on Vermont courts

Description of Appropriations, Divisions, & Programs

Through Court Diversion, offenders have the opportunity to accept responsibility for their actions, to repair the harm done, and to avoid a criminal record. The State's Attorney refers individuals to the county program. The majority of diversion clients are first-time offenders charged with misdemeanors; typical violations are disorderly conduct, simple assault, retail theft, and alcohol and marijuana violations. Statewide referrals increased 10% over FY 2009, and it is anticipated that referrals will grow with changes to the Diversion statute made by Challenges for Change.

In FY 2010, 2,248 individuals were referred to Court Diversion and 3,251 youth to the Teen Alcohol Safety Program. Last fiscal year close to 85 percent of the adults and youth completed their court diversion contracts successfully. Clients paid over \$105,000 in restitution and charitable donations during the past year. Staffed by 30 full-time staff equivalents and 500 volunteers, programs provided these services at a cost of approximately \$200 per case in General Fund dollars. 93% of the GF appropriation is awarded as grants to the private non-profit agencies that run Court Diversion in each county.

Court Diversion is a cost-effective program that holds offenders accountable, helps offenders to repair the harm caused to victims and the larger community, and works to prevent future criminal behavior. It is a valuable investment that reduces the workload and cost of the Courts, State's Attorneys, and that of the Department of Corrections.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Court Diversion

Community members on review boards meet with clients to develop contracts that address the offense and the underlying reasons for the client's actions. Victims are invited to voice their opinion, and clients through their contracts may agree to pay restitution, participate in counseling or substance abuse treatment, write letters of apology, etc. Participation in the program is voluntary and upon successful completion of the program, the State's Attorney dismisses the case. If an offender does not complete the terms of the contract, the case is returned for prosecution.

In addition, Court Diversion programs run the Teen Alcohol Safety Program (TASP). Youth who violate Vermont's underage possession and consumption of alcohol laws (7 VSA §656 and §657) are referred by law enforcement to the Teen Alcohol Safety Program. Participants pay a fee, meet with a licensed substance abuse counselor for a screening or assessment and must follow the recommendations of the counselor, and may participate in an educational program and perform community service. If an individual fails to complete the contract, the ticket is sent to the Vermont Judicial Bureau, which levies a fine, and the individual's driver's license is suspended.

The Vermont Association of Court Diversion Programs is made up of 14 court diversion programs housed in 13 community based non-profit agencies. Two programs (Caledonia and Essex Counties) are based in the same agency. A community board of directors governs each program, designated by the Attorney General and the Vermont Association of Court Diversion Programs (VACDP) as the diversion agency serving a particular county.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Court Diversion

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Court Diversion	0	0	0	1,866,774	1,724,773	1,724,773	1,837,247
<hr/>							
TOTAL	0	0	0	1,866,774	1,724,773	1,724,773	1,837,247
FUND TYPE							
General Fund				1,204,533	1,204,776	1,204,776	1,317,250
Special Fund				662,241	519,997	519,997	519,997
<hr/>							
TOTAL				1,866,774	1,724,773	1,724,773	1,837,247

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Court Diversion

Appropriation Key Budget Issues

The state General Fund appropriation was level funded from FY 2004 through FY 2011, except in FY 2007 an increase of approximately \$79,000 was awarded to raise wages in seven counties. On average, the state grant supports approximately 60% of the annual costs of each Court Diversion program, and fees provide 25% of program revenue. In recent years, directors have spent a growing amount of time working to raise the remainder, through annual campaigns, special events, town appropriations and the United Way. While town support is important for some programs, there has been little growth in these appropriations, and many towns have more stringent and time-consuming conditions for requesting funds. United Way support varies significantly by community and has decreased in some regions. Approximately one-third of Court Diversion programs do not receive any support from towns, and a similar number do not receive United Way funding.

As revenues decline, expenses continue to escalate. Rising costs of health insurance, liability insurance, workers compensation insurance, financial audits, and mileage reimbursement have all contributed to mounting operating expenses.

Statewide referrals to Court Diversion increased 10% last fiscal year, and this trend is likely to continue as Challenges for Change expanded the purpose of Adult Diversion from assisting “adult first-time offenders” to adults who have been charged with a first or second misdemeanor or a first felony. State’s attorneys retain discretion in which cases to refer, but as pressures grow to reduce the workload of the Courts and the Department of Corrections, it is likely that more cases will be referred to these community programs. Programs report that individuals who are referred to Court Diversion after a second charge typically present more challenging issues and require more case manager supervision and support.

As each Court Diversion program is run by an independent locally governed non-profit agency, strategies to deal with rising costs, declining revenue, and increased workload vary around the state. Some agencies reduce staff hours and reduce, or eliminate, benefits. The trend in some regions is that staff spend more time working to raise other funds and have less time to work with clients, providing less support to offenders, victims, and review board members. Court Diversion's approach of addressing the underlying causes for clients' behavior may be compromised, and the percentage of clients who complete their Court Diversion contract may drop.

Special Fund: Court Diversion Fees

The FY 2012 Court Diversion Special Fund is budgeted at \$519,997. Court Diversion programs collect fees from clients and report the amount collected and spent quarterly to the Attorney General’s Office (AGO). As of July 2010, programs no longer submit fee revenue for deposit in the Court Diversion Special Fund, according to 3 VSA §166. A uniform statewide fee schedule was adopted in January 2009. Programs may reduce or waive fees to account for participants’ financial situation.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Court Diversion

Performance Program Information

Current key indicators of Court Diversion programs' success include the percentage of clients who complete their contracts, percentage of victims who receive financial compensation, amount of restitution and donations paid by clients, and hours of community service performed by clients.

<u>FY 2010</u>	<u>Youth CD</u>	<u>Adult CD</u>	<u>TASP</u>
Successful Completion Rate	85%	82%	81%
Victims Financially Compensated	99%	91%	NA
Restitution & Charitable Donations	\$17,868	\$70,432	\$17,647
Hours of Community Service	6,493	10,062	8,695

A major focus of the Vermont Association of Court Diversion Programs (VACDP) is to create uniform practices, while still preserving local control and governance. Performance standards are encompassed in the Compliance Standards that serve as the basis for each program's peer review, conducted every three years. Following the peer review, a program develops a plan to implement improvements, and the Court Diversion Director, of the Attorney General's Office, monitors that implementation plan.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	1,866,774	1,724,773	1,724,773	1,837,247
TOTAL	<u>1,866,774</u>	<u>1,724,773</u>	<u>1,724,773</u>	<u>1,837,247</u>
FUND TYPE				
General Fund	1,204,533	1,204,776	1,204,776	1,317,250
Special Fund	662,241	519,997	519,997	519,997
TOTAL	<u>1,866,774</u>	<u>1,724,773</u>	<u>1,724,773</u>	<u>1,837,247</u>

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Defender General

Department Mission Statement

The over-arching duty of the Office of Defender General remains the assurance that persons entitled to appointed counsel receive effective legal advocacy. The Office of Defender General has an obligation to provide adequate representation to needy individuals in a cost-efficient manner, thereby serving not only its clients, but all citizens of the State of Vermont. The provision of representation with reasonable diligence and promptness, and a zealous commitment and dedication to the interests of clients charged with serious crime is a necessary component to the fair administration of the criminal justice system.

Description of Appropriations, Divisions, & Programs

In 1972, the Vermont Legislature passed the Public Defender Act, Title 13, Chapter 163 and created the Office of the Defender General (ODG) which began discharging the constitutional right of needy persons charged with serious crimes to representation. The ODG is also statutorily required to provide counsel consistent with its attorney's ethical obligations and the Rules of Civil and Criminal Procedure in the following matters: to children who are the subject of juvenile proceedings as alleged delinquents; to parties in juvenile proceedings including children in need of care and supervision (CHINS) as required by the interests of justice; to children in the custody of the Commissioner of the Department of Children and Families, to persons in the custody of the Commissioner of Corrections; and, to needy persons in extradition, or probation or parole revocation proceedings.

The Office of the Defender General has evolved into a complex service delivery system consisting of two separate programs, Public Defense and Assigned Counsel. There are three tiers of service provision, with the first being the local public defense staff offices. When there are conflicts with public defense, the case is then assigned to a local assigned counsel contractor. And when there are conflicts with both the public defenders and the assigned counsel contractors, the court assigns an attorney on an ad hoc basis. In FY 2002 the ODG implemented three Serious Felony Units (SFU) to cost-effectively handle life in prison and other serious felony cases where conflicts exist. A fourth SFU was added in FY 2004.

Public Defense

There are twelve full-time public defense field offices located throughout the State. Seven of these offices are staff offices. Five of these offices are public defense contract offices, that is, private law firms that have entered into a contract with the Defender General to provide public defense services. Two attorneys have small contracts in Addison and Caledonia/Essex Counties to provide representation to parties in juvenile proceedings. In FY 2004 a public defense contract Serious Felony Unit was established to handle the most serious cases throughout the state. In FY 2008 budget constraints forced the elimination of the designated serious felony staff attorney which was established in FY 2005. A part-time special projects contract attorney was added in FY 2008 in an attempt to fill that void, and in

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Defender General

FY 2009 this contract was expanded to encompass additional serious felony cases. In FY 2005 a Public Defense Caseload Relief contract was established to provide relief to counties experiencing caseload spikes and backlogs, primarily in the southern counties. In FY 2006 a second Caseload Relief contract was established focusing on the northern counties. The contract public defenders provide substantial savings to the state over a staff office with salary, benefit and operating costs.

Post-Adjudication Office and Juvenile Representation

There are also two offices which handle matters post adjudication. The Appellate Defender handles appeals to the Supreme Court. The Prisoners' Rights Office represents persons in the custody of the Commissioner of Corrections. Based upon the recommendation in the "Investigative Report on the Deaths of Seven Inmates and Related Issues", in FY 2005 four positions were added to the Prisoners' Rights Office, doubling the office's staff. The Juvenile Defender's Office represents juveniles in state custody, and, at times, the parents of juveniles in state custody in matters of delinquency, CHINS and termination of parental rights.

Assigned Counsel

The Defender General contracts with a part-time Assigned Counsel Coordinator to oversee the daily operations of the assigned counsel program.

Assigned Counsel Contractors

The Assigned Counsel Contractors are private attorneys who contract with the Defender General to provide services in criminal and juvenile cases when there are conflicts with the public defenders. The objective is to assure that in most counties there are at least two contractors to take conflict cases. There are presently 79 separate contracts for assigned counsel services, including 2 attorneys who handle appeals and 2 attorneys who handle post-conviction relief cases.

Ad Hoc Counsel

Ad hoc counsel are assigned by the court when there are conflicts with all staff and contract attorneys. Services provided by ad hoc counsel represent less than 2% of the caseload. However, it is the most expensive means of service, with an hourly rate of \$50. Recent efforts at expanding the contract system and implementation of the Serious Felony Units have yielded from the first quarter of FY 2002 to the first quarter of FY 2008 a 72% reduction in ad hoc debentures (bills for services), and an 86% decrease in added ad hoc clients.

Serious Felony Units

The Legislature in 2001 authorized the creation of three Serious Felony Units (SFU) designed to provide representation in cases involving potential life term imprisonment and major felonies which would have ordinarily been assigned to an assigned counsel contractor or ad hoc counsel. In FY 2002 the ODG implemented all three SFUs as contracts and realized first year savings of \$112,000.00. The units are projected to realize savings of up to approximately \$170,000 per year, and they provide stability and quality representation to clients charged with the most serious crimes. In FY 2004 a fourth SFU was implemented. Over the period of time since implementation of these units, the ODG has saved in excess

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Defender General

of two million dollars for representation on major felony cases. Additionally, the implementation of the SFUs has rendered budgeting much more predictable.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Defender General**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Public Defense	66	66	69	7,906,880	8,522,395	8,654,324	8,872,303
Assigned Counsel	2	2	2	3,361,116	3,456,498	3,450,349	3,492,089
<hr/>							
TOTAL	68	68	71	11,267,996	11,978,893	12,104,673	12,364,392
 FUND TYPE							
General Fund				10,695,213	11,340,341	11,462,531	11,725,840
Special Fund				567,629	638,552	638,552	638,552
Interdepartmental Transfer				5,154	0	3,590	0
<hr/>							
TOTAL				11,267,996	11,978,893	12,104,673	12,364,392

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Defense

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2012 continues current services, and provides funding for a litigation support/Appellate attorney in response to the increased number and seriousness of sex crimes. The Governor's recommended budget also adds one new attorney position to be shared between the Prisoners' Rights Office and the Appellate Defender's Office. The salaries of top level staff attorneys were reduced by 5% in FY 2009, and remain frozen in FY 2012. The FY 2012 recommended funding also provides funds for staff benefit increases (primarily health insurance and retirement), various interdepartmental cost increases, case-associated increases such as witnesses and transcripts, an increase for one public defender contract already negotiated, leased office rent increases, and for computer upgrades and replacements. Funding for travel to out-of-state facilities housing Vermont inmates is restored. Most other operating line items are level funded.

With this level of funding, the Office of the Defender General expects to continue to fund the various improvements made to the delivery of cost-effective public defense services over the last few years. Specifically, the Public Defense Serious Felony Units, the special projects Serious Felony contract attorney, and two Public Defense caseload relief contracts are expected to be continued.

The ODG will continue the cost containment measures implemented in FY 2002 such as holding vacant positions open for at least 60 days, hiring replacement staff at a lower rate, contracting the after-hours DWI on-call coverage, and entering into long-term personal services contracts whenever possible. Also, in FY 2003, the ODG eliminated quarterly adjustments in the public defense contracts. This results in predictability for budget purposes, and fairly compensates the contractor based upon the prior year's caseload.

In FY 2002 the Defender General began negotiating longer terms to primary public defense contracts to bring fiscal stability to the system, and financial certainty to the contractors. Most of the larger public defense contracts are three-year contracts that will not expire until FY 2013. The ODG hopes to level fund the few DUI, SFU and caseload relief contracts that are up for renewal in FY 2012.

Public Defense Caseload Activity

One of the prime measures of the demand for defense services is the number of added clients during a fiscal year. Public defenders routinely represent significantly more clients than is recommended under guidelines developed in 1973 to assure competent representation by the National Advisory Commission on Criminal Justice Standards and Goals. This Lawyer Equivalency Caseload (LEC) Guideline, provides that no single lawyer should accept more than either 150 added felony clients, 400 added misdemeanor clients or 200 juvenile clients in a year, or some combination of the three categories. For many years, the ODG has utilized this LEC formula as a measure of the workload of its staff. Chittenden County handles nearly 30% of the state's caseload. The Addison office currently has the highest rate of understaffing at 44.4%.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Defense**

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Defense

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	7,171,778	7,631,450	7,532,589	7,931,011
Operating Expenses	735,102	890,945	1,121,735	941,292
<hr/> TOTAL	<hr/> 7,906,880	<hr/> 8,522,395	<hr/> 8,654,324	<hr/> 8,872,303
FUND TYPE				
General Fund	7,424,871	8,009,107	8,137,446	8,359,015
Special Fund	476,855	513,288	513,288	513,288
Interdepartmental Transfer	5,154	0	3,590	0
<hr/> TOTAL	<hr/> 7,906,880	<hr/> 8,522,395	<hr/> 8,654,324	<hr/> 8,872,303

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Assigned Counsel

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2012 in Assigned Counsel pays for existing staff benefit increases, and level funds Assigned Counsel Contractors and Assigned Counsel Serious Felony Unit contractors. Assigned counsel contractors are the most cost-efficient means of providing public defense services. The cost effectiveness of expanding the number of assigned counsel contracts is now well documented. The predictability of the cost and savings of diverting cases to assigned counsel contractors has eliminated the need to request budget adjustment for assigned counsel for nine consecutive fiscal years. The ODG will continue to make every effort to use assigned counsel contractors whenever possible, and the four serious felony units will be continued. It has become increasingly difficult to attract assigned counsel contractors, particularly in rural counties, and for juvenile representation.

Changes in sex crimes immediately and inadvertently impacts potential ad hoc assignments and debentures. Legislative increases in penalties for sex offenses to include indeterminate probationary sentences with the potential for life in prison increases ad hoc compensation, per the Court's existing Administrative Order 4, from a maximum allowable compensation of \$5,000 per case to \$25,000 per case, with the potential for additional supplemental payments. The increased attention to sex crimes also impacts expert expenditures, and this budget provides funding for slight increases in case-associated costs such as witnesses and transcripts, and mileage costs associated with these most serious felony cases.

Ad Hoc Counsel is the most expensive means of providing public defense services, and it is only used when there are no public defense or assigned counsel contractors who can ethically provide representation. The ODG continues to minimize the use of ad hoc counsel and to keep costs as low as possible. The FY 2012 funding for Ad Hoc Counsel should be sufficient if the caseload responds to reallocation of contract resources employed in FY 2011.

Additionally, the cost containment measures implemented in FY 2002 and FY 2003 will be continued, most significantly including: reduction in excess compensation in ad hoc cases, elimination of payment for frivolous ad hoc post-conviction relief assignments, and elimination of quarterly adjustments for assigned counsel contractors.

Assigned Counsel Caseload Activity

Over the five-year period ending FY 2003 added clients assigned to assigned counsel contractors increased 49%. Starting in FY 2002 there has been a major shift in cases assigned to assigned counsel contractors and serious felony units versus ad hoc counsel, with a significant reduction in cases assigned to ad hoc counsel. There was an 86% reduction in added ad hoc clients from first quarter FY 2002 to first quarter FY 2008. Ad hoc debentures received in FY 2007 totaled only \$184,834, a reduction of 67% from FY 2001. The ad hoc program, however, has reached a level of "frictional ad hoc," that is, ad hoc that is created at the margins of what could be diverted to assigned counsel contractors. While FY

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Assigned Counsel

2008, FY 2009, and FY 2010 saw an increase in amount of debentures and number of added ad hoc cases, the ODG believes that redeployment of assigned counsel contracts will maintain an essentially "frictional ad hoc" caseload.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	3,298,962	3,414,589	3,410,675	3,443,180
Operating Expenses	62,154	41,909	39,674	48,909
<hr/>				
TOTAL	3,361,116	3,456,498	3,450,349	3,492,089
FUND TYPE				
General Fund	3,270,342	3,331,234	3,325,085	3,366,825
Special Fund	90,774	125,264	125,264	125,264
<hr/>				
TOTAL	3,361,116	3,456,498	3,450,349	3,492,089

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary

Department Mission Statement

The Vermont Judicial Branch of state government was established under the Vermont Constitution to protect the rights of all Vermonters by providing equal access to justice and to the courts, and to provide an opportunity for the merits of every legal dispute to be impartially heard and timely decided. The Judiciary, as a co-equal branch of government, is an important element in the constitutional balance of power between the Executive, the Legislative, and the Judicial Branches. The courts provide a forum for resolution of disputes involving the range of human conflict, including cases that address the protection of individual rights, public safety, and business and commercial concerns. The purpose of the Courts is identified in our constitution and is essential to the maintenance of an orderly society.

It is the mission of the Vermont Judicial Branch to provide a justice system that engenders public trust and confidence through impartial decision-making and accountability for the use of public resources. The general public and those who use the court system will refer to it as accessible, fair, consistent, responsive, free of discrimination, independent and well-managed.

Key Constitutional Concepts

Article 6 of Chapter I of the Vermont Constitution states that all power is “originally inherent in and consequently derived from the people, therefore, all officers of government, whether legislative or executive, are their trustees and servants” and are legally accountable to them at all times.

Article 1 of Chapter I of the Vermont Constitution states that all people have inalienable rights to be secure in their persons, homes, properties, and pursuits.

Article 4 of Chapter I of the Vermont Constitution endows the people with the remedy of “recourse to the laws, for all injuries or wrongs” and further endows the people with the right to obtain justice “freely . . . ; completely and without any denial; promptly and without delay”.

Article 18 of Chapter I of the Vermont Constitution states that firm adherence to the fundamental principle of justice is “absolutely necessary to preserve the blessings of liberty, and keep government free”.

Article 18 of Chapter I of the Vermont Constitution endows the people with the right “to exact . . . from their legislators and magistrates” a “due and constant regard” for justice “in making and executing such laws as are necessary for the good government of the State.”

Article 4 of Chapter II of the Vermont Constitution states “The judicial power of the State shall be

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary

vested in a unified judicial system which shall be composed of a Supreme Court, a Superior Court, and such other subordinate courts as the General Assembly may from time to time ordain and establish.”

Principles for Administration of the Vermont Judiciary

- The Judicial Branch is an independent, co-equal branch of government; its judges are fair, impartial and competent, and it is composed of people of integrity who will interpret and apply the law that governs our society.
- The Supreme Court operates the state court system as a unified system, in accordance with the Vermont Constitution, Ch. II, Sec. 4, which provides that “the judicial power of the State shall be vested in a unified judicial system...”
- The Supreme Court manages, controls and is accountable for all resources and buildings that support state judicial services in Vermont in accordance with the Vermont Constitution, Ch. II, Sec. 30, which provides that “the Supreme Court shall have administrative control of all the courts of the state...”
- The Supreme Court deploys resources in a manner that is cost-efficient for the taxpayer while providing access to court services that is cost effective to litigants.
- Court services are provided in a system that is open, affordable, understandable, and with a level of service that is appropriate to the characteristics of the case.
- Court services are provided in a system that ensures access to justice and respect for all litigants and members of the bar.
- Case decisions are made by appropriately educated and well-trained judicial officers; trial court judges are capable of working in any court, hearing any case that needs to be heard on a particular day.
- Judicial officers issue timely decisions that do justice for the litigants, establish clear and ascertainable law, and apply the law correctly to the facts.
- The Judicial Branch is organized to minimize redundancies in court structure, procedures and personnel, and to provide an efficient balance of workload among courts.
- Funding authorities provide resources that are appropriate to the structure and provide long-term stability in the budgeting, funding and operations of the Judicial Branch.

Description of Appropriations, Divisions, & Programs

THE CURRENT ORGANIZATION OF THE VERMONT JUDICIARY

THE SUPREME COURT

The Chief Justice and the four Associate Justices constitute the Vermont **SUPREME COURT**.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary

Justices are appointed by the Governor from a list of qualified candidates submitted by the Judicial Nominating Board and confirmed by the Senate for six-year terms. When a justice's term expires, the General Assembly votes whether to retain the justice in office.

THE SUPREME COURT'S JUDICIAL DUTIES

The Supreme Court is the court of final appeal in Vermont. It hears cases primarily in Montpelier. The court hears appeals from the Superior, Family, District Court and Environmental Court, from certain administrative agency proceedings and from Probate Court when a question of law is involved. In special types of cases, the Supreme Court has original or exclusive jurisdiction. This is when a case is brought directly to the Supreme Court without having to be heard first in one of the lower courts.

The five justices of the Supreme Court resolve nearly 525 cases per year by deciding whether the trial court judge accurately applied Vermont law to the facts in the case. The Supreme Court does not take evidence, listen to witnesses or receive exhibits in a case. Instead, the court looks at the legal issues to determine whether the law was correctly applied to the facts in the lower court. Decisions of the Vermont Supreme Court are final unless the case presents a federal question involving the United States Constitution, statutes, or treaties. If there is a federal question, decisions of the Vermont Supreme Court may be appealed to the United States Supreme Court.

THE SUPREME COURT'S ADMINISTRATIVE DUTIES

The Vermont Constitution gives the Supreme Court the responsibility of administering the Vermont Court system. It authorizes the Supreme Court to make rules regulating practice and procedure. The General Assembly has authority to revise rules as set out in the Vermont Constitution. The Supreme Court also has the power to discipline judges and attorneys, to license attorneys and to regulate the practice of law.

The Supreme Court Justices administer the Vermont Court System with the assistance of the Administrative Judge for Trial Courts and the Court Administrator.

The **Administrative Judge** assigns the superior court judges, environmental judges, child support magistrates, judicial bureau hearing officers and assistant judges to the trial court divisions, resolves attorney conflicts, and in cooperation with the Court Administrator, assumes general administrative control of the work of the courts.

The Administrative Judge assigns each of the judges to sit in each of the trial courts for a specific length of time, generally for a year. (The environmental judges hear and dispose of most cases in the environmental court, which has statewide jurisdiction.) In the smaller counties, one judge may be assigned to sit in the Superior, District, and Family courts concurrently, especially when all three courts are located in the same building. In the larger counties, a different judge may sit in each of the trial courts.

The **Court Administrator** provides leadership and support to the judges and court staff to enable them

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary

to resolve disputes fairly, expeditiously and inexpensively. The Court Administrator is responsible for the overall management of the court system, including judicial and employee education, budgetary and personnel matters, computer services, recordkeeping and court security. The Court Administrator serves as liaison between the Supreme Court and its boards and committees and between the Judiciary and the legislative and executive branches of government.

THE VERMONT SUPERIOR COURT

The Vermont Superior Court was created by Act 154 of the 2010 session of the General Assembly. The Act reorganized the trial courts as divisions of the new Superior Court. There is a unit of the Superior Court in every county, comprised of a civil, criminal, family and probate division. The former environmental court became a statewide environmental division on the Superior Court. The former district court judges were redesignated superior court judges under the act.

CRIMINAL DIVISION

Each unit has a **Criminal Division**. The Division is responsible for the 20,000 criminal and civil suspension cases that the State's Attorneys, Attorney General and Municipal Grand Jurors file each year:

- Through jury trials, court trials and the acceptance of guilty pleas, the Superior Court Judges determine the guilt or innocence of persons charged with crimes;
- Through sentencing decisions, the Superior Court Judges:
 - punish persons who engage in acts not tolerated by society,
 - protect the public by separating violent persons from society,
 - protect the public by deterring others from violating the law, and
 - attempt to rehabilitate criminals so that they will be productive members of society.
- Through determinations of probable cause and decisions on requests for arrest warrants, search warrants, and motions to suppress evidence, the Superior Court Judges protect the public from arbitrary use of government power.

FAMILY DIVISION

Each unit has a **Family Division**. The Division is responsible for the 2,900 divorce and annulment actions, 1,700 other domestic actions (primarily parentage) and the 4,200 post-judgment actions filed each year. Most of the post-judgment actions involve attempts by parents to modify or enforce child support, visitation or custody orders.

The Family Division is also responsible for 8,100 motions to establish, modify or enforce child support, 1,100 juvenile delinquency cases, 500 cases involving the abuse and neglect of children, 200 cases in which the state seeks to terminate parental rights, 250 cases involving children who may be unmanageable and 3,700 petitions for relief from domestic abuse and other family matters including how the state should care for persons with mental illness and developmental disabilities.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary

The Administrative Judge assigns superior court judges, child support magistrates and assistant judges to Family Division. These judicial officers and court staff attempt:

- to conduct timely hearings and issue timely decisions in order to resolve disputes, to provide support to distressed litigants and to provide protection to victims of family violence and emotional abuse; and
- to provide courteous, calming and helpful service to assist family members to make informed decisions about how to resolve their disputes on their own through mediation or other community services.

CIVIL DIVISION

Each unit has a Civil Division. The Division is responsible for the 7,400 civil actions filed each year. Most of these actions involve businesses seeking the collection of unpaid debts, individuals seeking damages resulting from the negligence of others, or general lawsuits involving the failure to abide by the terms of a contract. State environmental, consumer protection and civil rights actions are filed in the Civil Division. People may go to the Civil Division to seek protection from those who have stalked or sexually assaulted them. The Division also hears appeals of some governmental actions.

There are 28 Assistant Judges in the state's Judiciary, two in each of Vermont's 14 counties. They are elected to four-year terms. Their duties are not only judicial in scope, but also include administrative and legislative functions. In their judicial capacity, the assistant judges serve in non-jury trials as members of a unique three-person panel of judges which determines disputed facts. In some counties, assistant judges sit alone to hear and decide small claims matters and traffic violations. In their administrative capacity, the assistant judges are the chief executive officers of the state's county government. In their legislative capacity, the assistant judges levy a tax on the towns in their respective counties to fund county government. The county budgets include funding for the county sheriff's departments, maintenance of a county courthouse and some expenses of Civil and Probate Divisions.

Through jury trials, court trials and pretrial conferences, the Superior Court Judges resolve disputes such as whether:

- one person should have to reimburse another for that person's actions or inaction;
- persons should start or stop acting in certain ways; and
- persons should lose their homes or other property for failure to pay their debts.

The Civil Division also decides the 11,300 small claims filed each year. Citizens and businesses seeking up to \$5,000 for unpaid debts, shoddy home improvement jobs and a return of their apartment security deposit, save the expense of hiring an attorney and look to the superior court to resolve their disputes.

ENVIRONMENTAL DIVISION

The **Environmental Division** has statewide jurisdiction and is responsible for hearing and deciding

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary

requests to enforce administrative orders issued by the Secretary of the Agency of Natural Resources and requests to review orders issued by the Secretary. The Division also hears appeals from municipal zoning boards and planning commissions and appeals from Act 250 district commissions. The Division is located in Washington County, however, cases are heard in the county where the action arises. Two Environmental Judges hear most matters filed with the Division.

PROBATE DIVISION

On February 1, 2011, the Probate Court becomes the **Probate Division** of the Superior Court and each unit will have a division. The Probate Division is responsible for the 3,500 guardianships, adoptions, decedent estates and testamentary trusts that are filed each year.

The Probate Judges and Staff (called Registers) work to:

- assist persons and families to administer and settle estates and any resulting trusts, and if necessary, resolve any disputes over the distribution of the assets of the estates;
- determine whether guardianships need to be established for incompetent persons;
- assist persons wishing to relinquish parental rights for the purpose of placing a child up for adoption;
and
- monitor the processing of the cases in the court to insure fiduciaries meet their responsibilities to the estates and guardianships.

THE JUDICIAL BUREAU

The **JUDICIAL BUREAU** is responsible for the approximately 115,000 traffic tickets issued by state and local law enforcement agencies each year. Many of the violations are speeding tickets. The Bureau is also responsible for the processing of approximately 1,250 violations of underage drinking laws, 2,700 municipal ordinance violations and 700 fish and wildlife violations each year.

- Through court trials, the hearing officers and some assistant judges determine whether the 14,000 people who contest their tickets each year have violated the law and whether they must pay civil penalties to the state and municipalities.
- Through the assistance of court developed computer programs, Bureau staff accept \$18,000,000 in civil penalties and surcharges from the 77,000 drivers who chose not to contest their traffic tickets or ordinance violations and from the 39,200 people who receive default judgments for failure to respond to their tickets.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Judiciary	356	356	359	35,113,154	37,603,867	37,605,829	39,348,918
<hr/> TOTAL	<hr/> 356	<hr/> 356	<hr/> 359	<hr/> 35,113,154	<hr/> 37,603,867	<hr/> 37,605,829	<hr/> 39,348,918
FUND TYPE							
General Fund				30,262,584	30,944,988	30,788,932	31,331,211
Special Fund				2,533,352	3,145,326	3,303,344	4,215,413
Federal Revenue Fund				469,964	1,435,418	1,435,418	1,129,259
Interdepartmental Transfer				1,847,254	2,078,135	2,078,135	2,673,035
<hr/> TOTAL				<hr/> 35,113,154	<hr/> 37,603,867	<hr/> 37,605,829	<hr/> 39,348,918

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Judiciary

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	26,657,780	27,415,175	27,401,947	29,103,880
Operating Expenses	8,385,374	10,118,692	10,133,882	10,175,038
Grants	70,000	70,000	70,000	70,000
<hr/> TOTAL	<hr/> 35,113,154	<hr/> 37,603,867	<hr/> 37,605,829	<hr/> 39,348,918
FUND TYPE				
General Fund	30,262,584	30,944,988	30,788,932	31,331,211
Special Fund	2,533,352	3,145,326	3,303,344	4,215,413
Federal Revenue Fund	469,964	1,435,418	1,435,418	1,129,259
Interdepartmental Transfer	1,847,254	2,078,135	2,078,135	2,673,035
<hr/> TOTAL	<hr/> 35,113,154	<hr/> 37,603,867	<hr/> 37,605,829	<hr/> 39,348,918

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State's Attorneys

Department Mission Statement

The core mission of the department is the prosecution of criminal cases. The public depends upon the State's Attorneys for justice since the State's Attorneys are the critical link between the police investigation of the complaint and the courts' ability to impose a sentence on a convicted person. This core mission is critical to Vermont being a state where people want to live, that businesses seek to thrive and where our children will remain to raise their families. Yet Vermont is seeing increases in serious crimes with the resulting impact on our society.

In addition to the core mission of prosecuting criminal cases (including juvenile delinquency cases), State's Attorneys have additional responsibilities. In the Family Division of Superior Court, the State's Attorneys also present cases for Children in Need of Care or Supervision (CHINS), and permanency Planning hearings (reviewing DCF plans for Children): mental health cases at the request of families seeking court ordered examination and/or treatment of a family member believed to have a mental illness.

In Civil Division, the State's Attorney represents the State in Post Conviction Relief and Habeas Corpus actions where prisoners are challenging prior criminal convictions, such as alleging ineffective assistance of defense counsel (private or public).

The Department of State's Attorneys is responsible for the fair and effective prosecution of crime in Vermont. Through impartial investigation and prosecution of crime, the Department provides and promotes public safety. The Department works collaboratively with uniformed local, State, and Federal law enforcement. As the public's voice in court, the Department translates the work of the law enforcement community into appropriate and just outcomes supported by the law and evidence.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State's Attorneys

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
State's Attorneys	126	126	120	10,374,256	10,535,578	10,759,735	10,574,104
<hr/>							
TOTAL	126	126	120	10,374,256	10,535,578	10,759,735	10,574,104
FUND TYPE							
General Fund				8,293,582	8,329,655	8,453,812	8,297,085
Special Fund				1,504	32,775	32,775	60,699
Federal Revenue Fund				5,772	31,000	31,000	31,000
Interdepartmental Transfer				2,073,398	2,142,148	2,242,148	2,185,320
<hr/>							
TOTAL				10,374,256	10,535,578	10,759,735	10,574,104

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State's Attorneys**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	9,004,305	9,398,345	9,323,084	9,433,100
Operating Expenses	1,369,951	1,137,233	1,436,651	1,141,004
<hr/> TOTAL	<hr/> 10,374,256	<hr/> 10,535,578	<hr/> 10,759,735	<hr/> 10,574,104
FUND TYPE				
General Fund	8,293,582	8,329,655	8,453,812	8,297,085
Special Fund	1,504	32,775	32,775	60,699
Federal Revenue Fund	5,772	31,000	31,000	31,000
Interdepartmental Transfer	2,073,398	2,142,148	2,242,148	2,185,320
<hr/> TOTAL	<hr/> 10,374,256	<hr/> 10,535,578	<hr/> 10,759,735	<hr/> 10,574,104

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Sheriffs**

Department Mission Statement

The Sheriffs' Department provides transport of prisoners to the courts throughout the State of Vermont. In doing so, the Sheriffs provide a real benefit to the State since the State does not bear the full cost of the program. This has been long recognized and reported to prior Administration and Legislatures as shown in the February 1994 reports of then Executive Director Paul Hannon.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Sheriffs**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Sheriffs	38	38	38	3,411,040	3,545,730	3,465,774	3,538,336
<hr/> TOTAL	<hr/> 38	<hr/> 38	<hr/> 38	<hr/> 3,411,040	<hr/> 3,545,730	<hr/> 3,465,774	<hr/> 3,538,336
FUND TYPE							
General Fund				3,411,040	3,545,730	3,465,774	3,538,336
<hr/> TOTAL				<hr/> 3,411,040	<hr/> 3,545,730	<hr/> 3,465,774	<hr/> 3,538,336

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Sheriffs**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,959,455	3,261,904	3,172,096	3,261,419
Operating Expenses	451,585	283,826	293,678	276,917
<hr/> TOTAL	<hr/> 3,411,040	<hr/> 3,545,730	<hr/> 3,465,774	<hr/> 3,538,336
FUND TYPE				
General Fund	3,411,040	3,545,730	3,465,774	3,538,336
<hr/> TOTAL	<hr/> 3,411,040	<hr/> 3,545,730	<hr/> 3,465,774	<hr/> 3,538,336

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Safety**

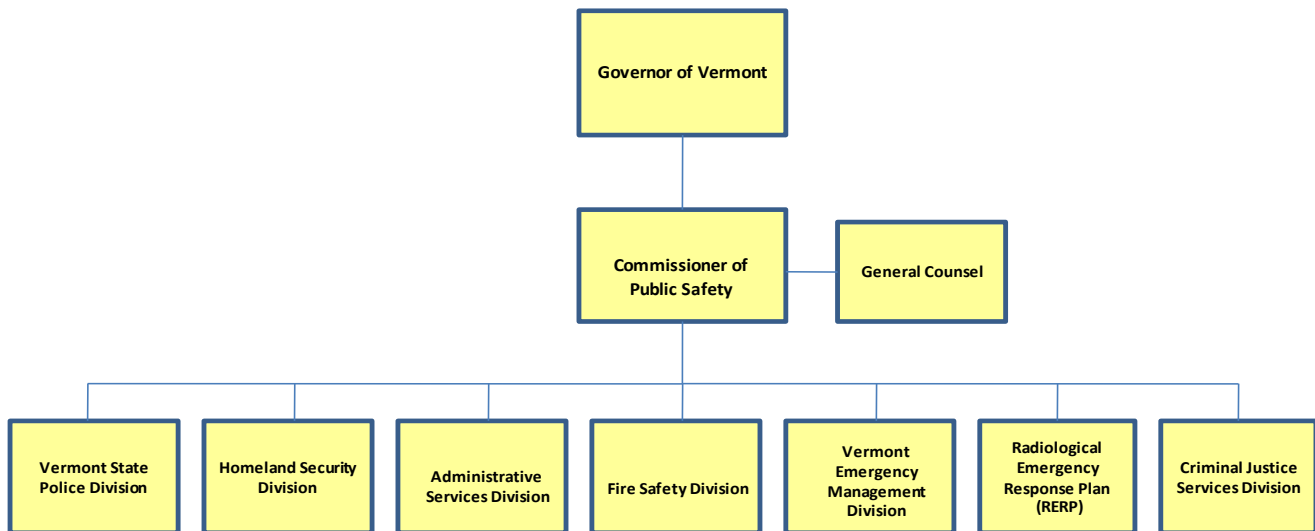
Department Mission Statement

The mission of the Department of Public Safety is to provide law enforcement services, criminal justice systems support, emergency management, fire prevention activities and fire fighter training programs for the State of Vermont.

CREATION OF THE DEPARTMENT

The Department of Public Safety was created by No. 163 of the Acts of 1947 for the "purpose of consolidating certain existing police and investigative agencies, and to promote the detection and prevention of crime generally." No. 224 of the Acts of 1951 created the Division of Civil Defense (now Vermont Emergency Management) within the Department of Public Safety. In 1996, the Governor's Highway Safety Program, inclusive of funds and personnel, was transferred from the Agency of Transportation to the Department of Public Safety by Executive Order No. 01-96A (the Acts of 1996 page 1007). No. 141 of the Acts of 2004 created the Fire Safety Division in the Department of Public Safety consisting of the Fire Prevention Division from the Department of Labor and Industry and incorporation of the Fire Service Training Council within Public Safety.

Description of Appropriations, Divisions, & Programs



STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Safety

The Department of Public Safety is organized into seven appropriations: Administrative Services, Homeland Security, Vermont State Police, Criminal Justice Services, Vermont Emergency Management, the Radiological Emergency Response Program and the Fire Safety Division; which was added in FY 2005 by combining the former Fire Prevention Division from Labor and Industry with the Fire Services Training Council.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Safety**

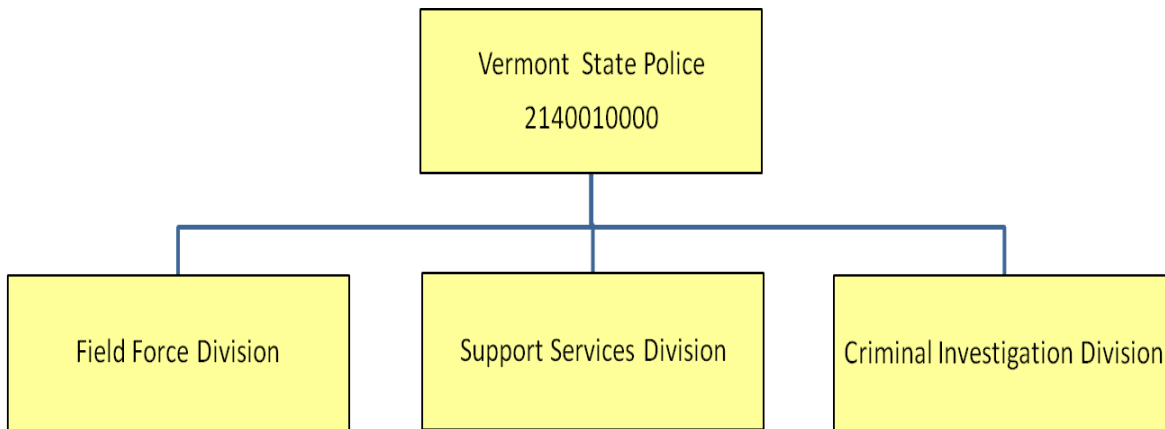
DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
State Police	461	458	455	52,015,654	54,156,900	56,781,365	52,226,122
Criminal Justice Services	65	66	64	15,487,167	15,894,209	16,294,429	15,822,642
Emergency Management	14	13	12	3,352,941	5,197,315	5,336,220	4,177,278
Fire Safety	58	57	59	5,468,792	6,290,033	6,531,782	6,626,506
Administration	22	19	17	1,583,084	1,816,419	1,835,172	1,841,714
Homeland Security	8	8	9	3,472,225	12,312,131	12,448,810	12,722,561
Radiological Emergency Response Program	8	8	8	1,991,892	1,749,576	1,765,230	2,134,309
TOTAL	636	628	623	83,371,755	97,416,583	100,993,008	95,551,132
FUND TYPE							
General Fund				10,990,360	27,833,355	27,265,472	30,172,837
Transportation Fund				25,759,838	27,635,057	30,067,328	25,238,498
Special Fund				10,200,687	11,337,855	12,018,595	10,230,366
American Recovery & Reinvestment Act				443,056	1,905,926	2,536,269	702,727
Federal Revenue Fund				18,251,476	27,243,313	27,644,267	28,109,587
Interdepartmental Transfer				17,726,338	1,461,077	1,461,077	1,097,117
TOTAL				83,371,755	97,416,583	100,993,008	95,551,132

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Police

Appropriation Key Budget Issues

STATE POLICE



The Vermont State Police are the primary law enforcement agency in the state, providing 24 hour coverage to 212 of the state's 257 towns and villages or 46% of the state population on a full-time basis. In geographic terms, this accounts for 84% of the total land area in Vermont.

The State Police is led by the Director and has three divisions identified as the Field Force or Uniform Division, Criminal Investigation Division and the Support Services Division.

Field Force Division

The Field Force Division of the Vermont State Police consists of sworn members, civilian staff members, and Emergency Communications Dispatchers.

The Uniform Division's mission is to fairly and aggressively enforce Vermont's laws and provide for the safety of the citizens of Vermont and its visitors. Troopers strive to perform their duties in an unbiased fashion reinforcing the public trust and inspiring public confidence. Our departmental resources provide services from conventional patrol and investigation to comprehensive responses to major incidents.

Troopers utilize cooperative and data driven law enforcement strategies. Beyond conventional emergency calls, Troopers protect families against sexual predators, target domestic violence, combat substance abuse, and work with all communities for emergency preparedness.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Police

The Vermont State Police have developed a variety of specialized teams and resources staffed by highly trained sworn and civilian members. These "Special Teams" include Critical Incident Dispatch Team, Search and Rescue, Tactical Services Unit, Hostage Negotiation Unit, Bomb Team, SCUBA Team, PEER Support, and Crash Reconstruction Team. The Vermont State Police have two Mobile Command Posts that respond with total dispatch capabilities (Critical Incident Dispatch Team). We stand ready to assist all our allied agencies in times of crisis both statewide and throughout New England.

The Field Force Division is responsible for operating four Public Safety Answering Points (PSAPs) staffed by professional civilian Emergency Communication Dispatchers (ECDs). Besides providing all primary radio communications for State Police, their duties include taking approximately 90% of E911 calls for service, emergency and non emergency calls for service ensuring that first responders have been dispatched to critical incidents.

Criminal Investigation Division

The Criminal Investigation Division consists of 67 sworn members, with 1 civilian member and is divided into two units, the Bureau of Criminal Investigation (BCI) and the Special Investigations Section (SIS). The Bureau of Criminal Investigation investigates all major crimes that are brought to their attention. Their primary focus is on death investigations, including homicides, fatal fires, untimely deaths and major crime cases. Secondary priorities include fire investigations, sex crimes and drug investigations. This includes the investigation of criminal conduct allegations made against Vermont law enforcement officers. A significant commitment is also made to augment the efforts of other law enforcement agencies, including federal, state, county, and local departments with their major investigations to include the processing of major crime scenes with the Vermont State Police Crime Scene Search Team (CSST).

The Special Investigations Section (SIS) is comprised of four different sections.

The Vermont Drug Task Force which is divided into two "undercover" units (North and South) along with a street level unit dedicated to combat heroin trafficking (Heroin Enforcement Action Team) "HEAT".

The Protective Services Unit provides personal security and transportation to the Governor. Members of the Protective Services Unit also evaluate threats that are made against the Governor and initiate threat investigations.

The Polygraph Unit provides both criminal and applicant polygraph examinations for all Vermont law enforcement agencies, States Attorneys, the Attorney General and the Defender General.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Police

The Special Investigations Unit (SIU) investigates crimes of a sexual nature and extreme cases of child abuse and neglect. Troopers assigned to this unit work in conjunction and cooperation with local police agencies in investigating these crimes as well as the Department of Children and Families, state prosecutors and victim advocacy organizations statewide in a multi-disciplinary team approach to the investigation and prosecution of these crimes. The unit is comprised of (1) Lieutenant, (2) Sergeants a North and South Supervisor, and (12) Detective Troopers assigned to County SIU's.

Support Services Division

The mission of the Support Services Division is to provide all civilian and sworn personnel of the Vermont State Police with the resources required to effectively perform their assigned duties and to enhance the capabilities of the Vermont State Police. Each section within the Support Services Division is an integral part of the planning and management of a broad range of services provided to the organization.

The Division is broken down into three sections, namely Staff Operations, Homeland Security and Fleet Services.

Staff Operations

The Office of Staff Operations is housed within the Support Services Division and is comprised of the Office of Professional Development, Office of Technology Services, the Vermont State Police Quartermaster and Public Information Officer.

The **Office of Professional Development/Training** supports the career and professional development of every sworn member, auxiliary trooper and emergency communications personnel and will work cooperatively with all stakeholders to:

- Establish outreach programs to recruit and hire individuals whose core values reflect those of the Vermont State Police.
- Promote individual development and advancement through continuing training and development programs designed to build and expand professional skills and knowledge.
- Endorse programs that foster the total health and well-being of our members.
- Retain talented individuals within the Vermont State Police.
- Engender a culture of mentorship throughout the department.
- Cultivate the next generation of public safety leaders.
- Engage members in the policy and procedure review and development process.

The **Office of Technology Services** enhances the productivity of our members and provides easy access

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Police

to information technology services. The Office of Technology Services is the foundation of user support and will:

- Provide a single point of contact for accessing technology based resources and services.
- Implement cost-effective technology solutions, including web-based technology support.
- Maintain the state police internet web page and the intranet resource page for VIBRS users.
- Significantly increase managerial oversight of technology purchases, inventory, and systems.
- Coordinate the technology requirements of the state police with Criminal Justice Services personnel.
- Provide oversight of building construction and renovation projects.
- Support the technology requirements of our emergency communication centers.
- Augment our ability to detect and apprehend those who exploit and victimize others through the use of technology.

The Vermont State Police **Public Information Officer** will respond to media inquiries and public relations requests as quickly, completely and accurately as possible.

The role of the **Quartermaster** is to provide supply support and field services to members of the department and will:

- Manage efficient and cost-effective equipment inventory and distribution systems
- Maintain positive relationships with department supply vendors
- Prepare and submit equipment purchase orders
- Participate in sworn staff inspection functions
- Provide Honor Guard services for special events

The **Office of Internal Affairs** was established by the legislature in 1979. The enacting legislation can be found at [20 V.S.A. §1923](#)

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=20&Chapter=113&Section=01923>. The purpose of the Office of Internal Affairs is to investigate, or cause to be investigated, all complaints regarding conduct by members of the Vermont State Police.

Fleet Services is an integral part of the Support Services Division. The Unit's responsibilities include:

- Vehicle purchase/issuance
- Maintenance and repairs
- Installation of emergency equipment

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Police

- Fuel
- Vehicle crashes
- Surplus vehicles disposal

Fleet Services performs many of the large repairs and all of the outfitting and striping of State Police vehicles. The Unit works closely with local repair facilities for overflow maintenance, routine preventative maintenance and parts procurement. In addition, Fleet Services operates an intra-department wrecker service and is responsible for capturing vehicle usage data for trend analysis and the replacement cycle. Unit personnel also work closely with Driving Instructors to support the Emergency Vehicle Operation Course training cycle by ensuring vehicles are available and ready for training.

Homeland Security Division: *See Detail in Separate Homeland Security Section Below (Homeland Security has its own appropriated budget, so is presented in separately below)*

KEY ISSUES:

- 1) Fleet management program. On-going process worked into every budget cycle to ensure a safe, well maintained fleet of patrol and detective vehicles.
- 2) Grant management- there are a number of federal and state grants that support fulltime positions, as well as, the overall mission of the state police, drug task force, homeland security and the Special Investigative Units.
- 3) Continual hiring of full time, sworn personnel on a regular cycle to build and maintain a diverse workforce that is consistent with attrition.
- 4) Working in conjunction with federal government and the VT DOH to develop a comprehensive approach to the abuses related to prescription drugs.

NUMBER OF APPROVED POSITIONS: 344 Sworn, 110.5 Civilian, TOTAL 454.5

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Police

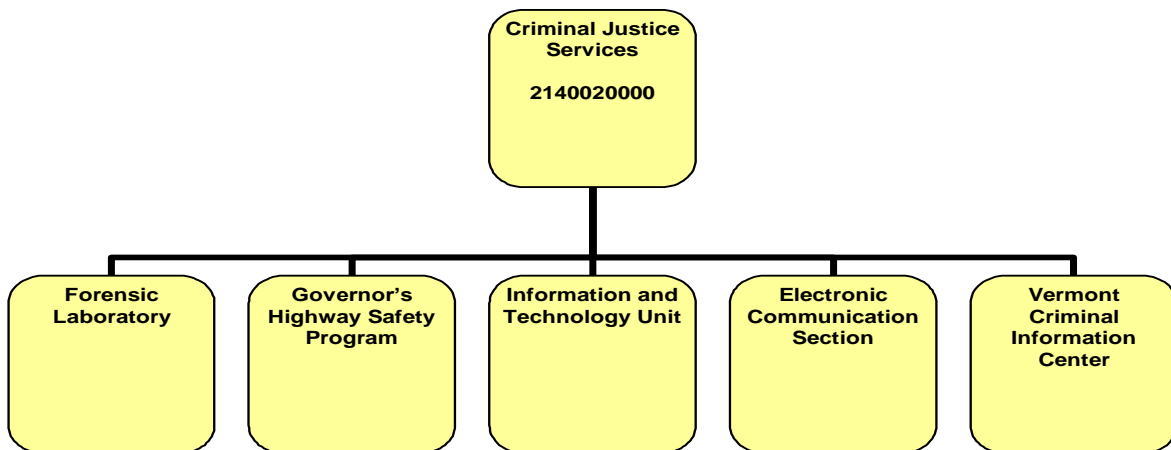
APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	40,685,963	45,090,220	44,524,286	44,208,236
Operating Expenses	10,285,439	8,211,814	11,402,213	7,046,296
Grants	1,044,252	854,866	854,866	971,590
TOTAL	52,015,654	54,156,900	56,781,365	52,226,122
FUND TYPE				
General Fund	6,793,432	19,301,332	18,921,444	21,233,922
Transportation Fund	21,507,972	27,635,057	29,729,340	25,238,498
Special Fund	2,313,365	2,116,262	2,409,262	1,003,612
American Recovery & Reinvestment Act	422,061	969,703	1,548,798	296,107
Federal Revenue Fund	3,523,145	2,826,886	2,864,861	3,401,866
Interdepartmental Transfer	17,455,679	1,307,660	1,307,660	1,052,117
TOTAL	52,015,654	54,156,900	56,781,365	52,226,122

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Criminal Justice Services

Appropriation Key Budget Issues

CRIMINAL JUSTICE SERVICES DIVISION



Criminal Justice Services, headed by a civilian Director, is responsible for providing system support to a variety of state, county and local criminal justice agencies. Evidence analysis is available from the Vermont Forensics Laboratory serving all law enforcement agencies in Vermont. The Vermont Criminal Information Center (VCIC), the state central repository for criminal information, disseminates criminal information for criminal and non-criminal justice purposes. VCIC also manages the sex offender registry program and the marijuana registry along with all NCIC information. The Electronic Radio Communication Section manages the two-way radio system for the Vermont State Police and other State agencies along with the State's digital microwave network. The Information Technology Section operates a wide area network that provides a system of electronic services to over 2100 users both at the state, county and municipal level. These services are mission-critical information technology applications for the effective and efficient support of law enforcement services throughout the state. The Governor's Highway Safety Program offers funding and advocacy to state and local jurisdictions on traffic safety issues that are designed to reduce the incidence of death, injury and property damage on Vermont's highways.

KEY ISSUES :

- 1) **Instituting a protocol for the collection of DNA samples for all individuals arraigned for a felony. The implementation of this law passed in 2009 involves providing funding for 2**

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Criminal Justice Services**

positions in the laboratory and funding for personnel to collect the samples statewide.

- 2) **Implementation of a justice information sharing system, including the support for basic information technology systems. Implementing document exchange capacities amongst the criminal justice system and providing crime analytical capacity at the local level of law enforcement. This initiative represents the coordination and connecting of all criminal justice databases throughout the state so that needed data can be shared and transferred and turned into useful information.**
- 3) **Strengthening the sex offender registry so that data integrity is maintained.**
- 4) **Building credibility back into the highway safety program through compliance with grants management procedures and developing performance measures for sub grantees.**
- 5) **Participate in the State of Vermont's telecommunication plan and work towards implementing the vision of broadband coverage throughout Vermont. We also need to ensure that public safety two way radio coverage is not adversely impacted while supporting this initiative.**

NUMBER OF APPROVED POSITIONS: 64.25 FTE.

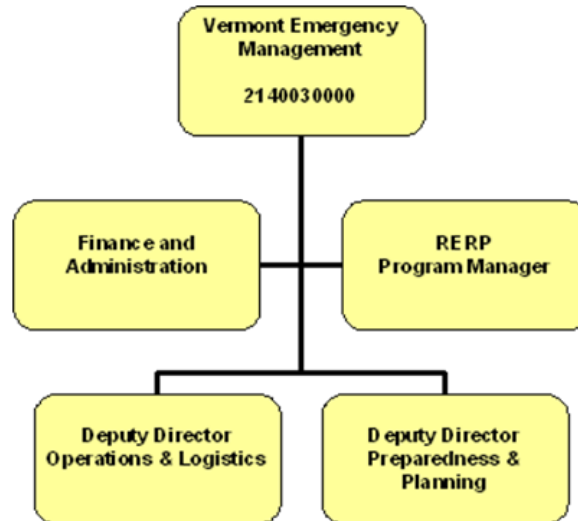
STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Criminal Justice Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	6,422,202	6,625,882	6,516,119	7,267,663
Operating Expenses	2,710,681	3,291,327	3,801,310	2,565,979
Grants	6,354,284	5,977,000	5,977,000	5,989,000
TOTAL	15,487,167	15,894,209	16,294,429	15,822,642
FUND TYPE				
General Fund	951,531	5,546,732	5,449,210	6,124,932
Transportation Fund	4,243,662	0	337,988	0
Special Fund	1,801,921	1,972,320	1,994,820	1,468,701
American Recovery & Reinvestment Act	20,995	640,956	640,956	338,466
Federal Revenue Fund	8,407,287	7,645,784	7,783,038	7,890,543
Interdepartmental Transfer	61,771	88,417	88,417	0
TOTAL	15,487,167	15,894,209	16,294,429	15,822,642

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Emergency Management

Appropriation Key Budget Issues



Vermont Emergency Management (VEM) is organized to ensure that Vermont is prepared to respond to emergencies, recover from them and mitigate their impacts. With authority derived from Title 20, VSA, VEM leads the coordination of federal, state and local resources in disaster response and recovery. With a professional staff of 20, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness (nuclear power plant), hazardous materials compliance, response and disaster prevention planning and mitigation. In addition, VEM staffs the state warning point that coordinates the assessment of response to the daily hazard incidents that occur in the state 24/7. The key to VEM's success lies in the forging of partnerships with a wide range of federal, state, regional, local and private sector entities that augment the core mission of the agency. Sub-grants are awarded to the Local Emergency Planning Committees, Community Emergency Response Teams, Regional Planning Commissions, and municipalities for recovery, mitigation and preparedness activities.

KEY ISSUES :

- 1) The temporary relocation to Weeks Bldg in Waterbury is stressful on staff while the new Emergency Operations Center is renovated and expanded. The new EOC should be operational in the spring/summer of 2011. This will provide for a state of the art facility within the Dept of Public Safety. Having adequate IT support is a challenge.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Emergency Management

- 2) The relicensing issue surrounding Vermont Yankee is up in the air. VEM is responsible for the offsite evacuation plans within the 10 mile emergency planning zone in VT around VY in Vernon. The drills and exercises are planned several years out for the aging facility. Coordination on plans with NH and MA is also necessary. Significant funds from VY support the planning and exercising program. Without funding 6.5 FTE's will be eliminated.

- 3) VEM plans and prepares for all-hazards. All other state agencies are partners as subject matter experts to help respond in any event. It is a challenge to maintain support from other state agencies during the recession as positions have been eliminated or reduced. Should a large or catastrophic event impact VT, each agency should be trained and prepared to respond within their areas of expertise.

- 4) Succession of staff is an issue since nearly 33% are retirement age or eligible for retirement now. While we are prepared for turnover, it is preferred that staff stagger their retirements. No notices have been tendered at this time.

- 5) Vermont has not had a large disaster to qualify for federal assistance since December 2008. We are overdue for a large event where the Governor will need to be involved to request a Presidential declaration. On average Vermont receives 1-2 large events per year. VEM is prepared to brief the incoming Governor, staff and new Secretaries and Commissioners as needed. A Governor's response annex to the State Emergency Operations Plan has been provided to be included with this transitional document.

- 6) See the most recent VEM Annual Report for more information.

NUMBER OF APPROVED POSITIONS: 12 FTE

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Emergency Management

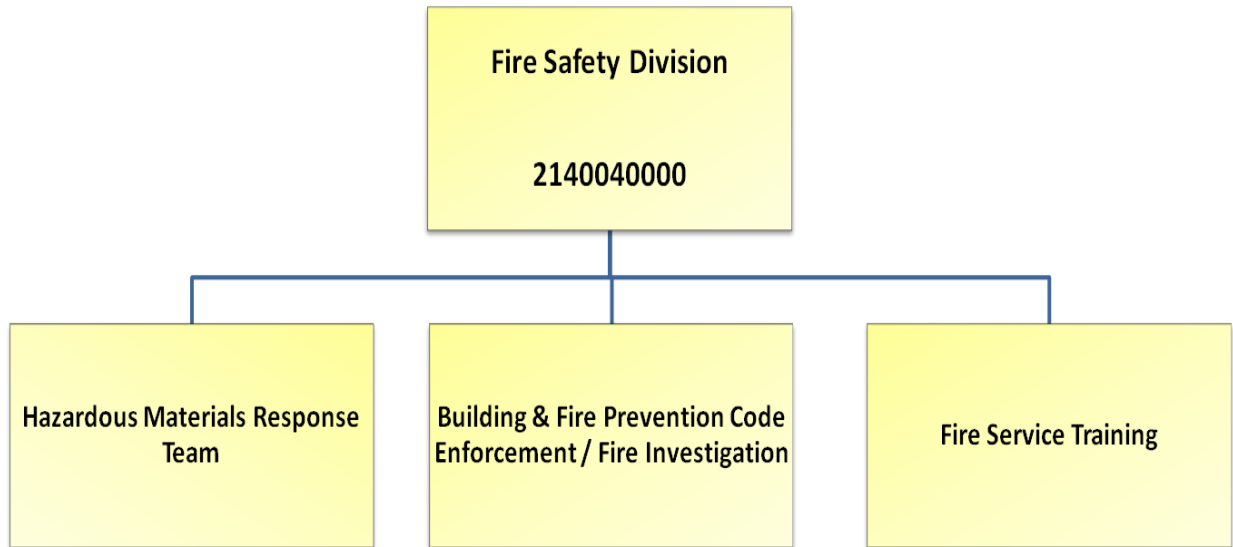
APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,167,960	2,716,202	2,706,812	1,826,537
Operating Expenses	701,385	879,113	1,027,408	970,828
Grants	1,483,596	1,602,000	1,602,000	1,379,913
<hr/> TOTAL	<hr/> 3,352,941	<hr/> 5,197,315	<hr/> 5,336,220	<hr/> 4,177,278
FUND TYPE				
General Fund	0	63,969	71,718	10,000
Transportation Fund	8,204	0	0	0
Special Fund	184,343	224,014	355,170	0
Federal Revenue Fund	2,996,521	4,889,332	4,889,332	4,167,278
Interdepartmental Transfer	163,873	20,000	20,000	0
<hr/> TOTAL	<hr/> 3,352,941	<hr/> 5,197,315	<hr/> 5,336,220	<hr/> 4,177,278

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fire Safety

Appropriation Key Budget Issues

FIRE SAFETY DIVISION



The Fire Safety Division ensures the safety of the public through enforcement, education and certification programs. The Division, with 58 positions located in Berlin, Rutland, Springfield and Williston, has responsibility for the safety and accessibility of Vermont's 80,000 public buildings. The Division administers fire, electrical, boiler/pressure vessel and plumbing safety and licensing programs. The primary activities of the division are inspecting buildings and reviewing plans to make sure that fire code and safety requirements are met, and providing educational outreach programs to stakeholders and the general public. It provides regulatory and technical assistance in the provision of barrier-free access to buildings for persons with disabilities. The Division continually works with the historic preservation community to ensure the safety of older buildings while assisting with preservation. The division provides administrative support for the Elevator Safety program. The Division has entered into cooperative inspection agreements with municipalities around the state. These agreements allow cities and towns to enforce codes and standards on the State's behalf and increase the total number of inspections conducted in the State.

Over 90% of the Division's funding comes from the Fire Prevention special fund. This special fund consists of a number of fees for permits and plan reviews, with the construction plan review permit fee generating between \$1.6 million and \$2.3 million a year. The remaining special funds are from electrical, plumbing and sprinkler inspection fees. The Division's remaining funds are general funds and

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fire Safety

transfers from other departments.

Fire Service Training was originally created as the Vermont Fire Service Training Council on May 3, 1988, when Governor Madeleine Kunin signed into law Senate Bill - S-83. The 11 member VFSTC was formed to conduct and administer training schools and courses for the firefighters of the State of Vermont, a program which continues in its present configuration within the Fire Safety Division of the Department of Public Safety. The Training Council continues to develop training and certification programs for all Vermont firefighters. The chief training officer is appointed by and reports to the Director of the Fire Safety Division.

The chief training officer oversees the operations of the Vermont Fire Academy that is located at the Emergency Services Training Facility in Pittsford, VT. The Vermont Fire Academy has a full-time staff of 10 positions and is responsible for administering, developing, delivering, and documenting the efforts of firefighting students in many different programs. Firefighter training programs are available to the 6,500 Vermont firefighters / 243 fire departments. These include Firefighter I, Fire Instructor I, Hazardous Materials, Incident Management and Terrorism related courses.

KEY ISSUES:

- 1) We are looking at a re-organization within the division. We hope to become more efficient while reducing infrastructure and providing enhanced technologies and equipment.

- 2) We have been operating with a 1988 DOS database, which we are currently updating. We hope to have the project completed by year end.

NUMBER OF APPROVED POSITIONS : 59 FTE

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fire Safety

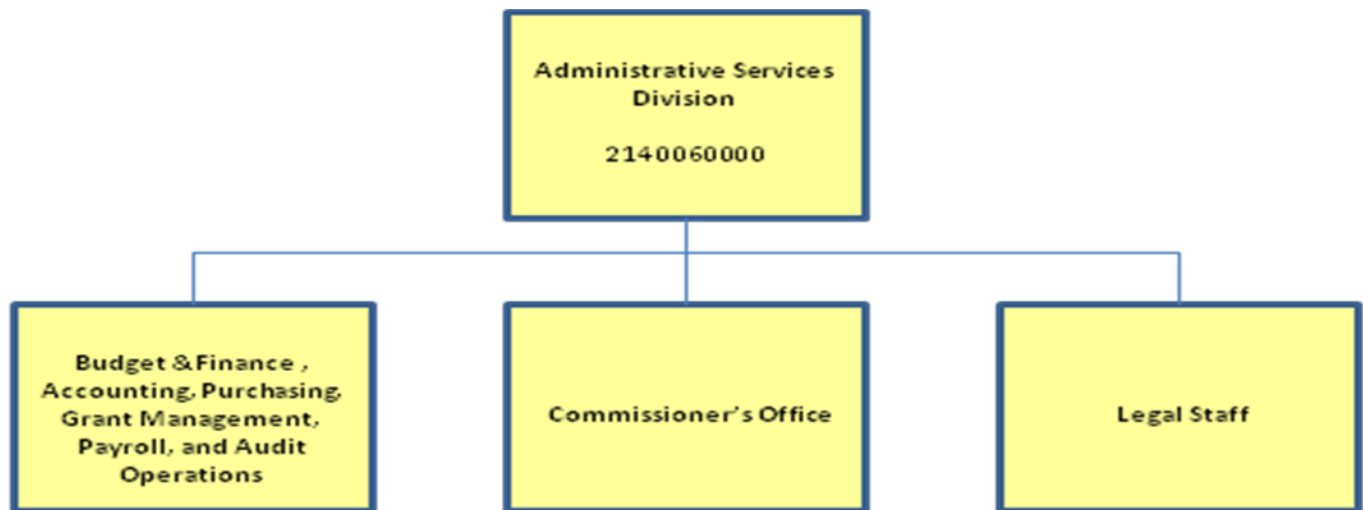
APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	4,292,815	4,953,243	4,857,862	5,027,821
Operating Expenses	1,120,977	1,281,790	1,618,920	1,441,685
Grants	55,000	55,000	55,000	157,000
<hr/> TOTAL	<hr/> 5,468,792	<hr/> 6,290,033	<hr/> 6,531,782	<hr/> 6,626,506
FUND TYPE				
General Fund	1,303,536	714,083	618,702	718,790
Special Fund	3,909,166	5,275,683	5,494,113	5,623,744
Federal Revenue Fund	211,075	255,267	373,967	238,972
Interdepartmental Transfer	45,015	45,000	45,000	45,000
<hr/> TOTAL	<hr/> 5,468,792	<hr/> 6,290,033	<hr/> 6,531,782	<hr/> 6,626,506

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

ADMINISTRATIVE SERVICES DIVISION



This Administrative appropriation includes expenditures for the DPS Commissioner, their Executive Assistant as well as DPS legal staff which includes General Counsel and a Staff Attorney.

The Administrative Services Division provides a full range of financial services, payroll administration, grants management, auditing, purchasing and contract administration for all Public Safety divisions. Budget preparation and monitoring, accounts payable and receivable, purchasing administration, payroll, and internal compliance auditing activities are all managed through a central office operation consisting of 13 positions at the department headquarters in Waterbury. The **Accounting Operations Unit** is responsible for the daily accounting operations activities including invoice payments and accounts receivable processing. The **Payroll Coordinator** manages bi-weekly payroll processing for all DPS staff. The **Purchasing Administrator** oversees contract development and approval, purchasing of general supplies, asset management, and the DPS Purchasing Card program. The **Programs and Reporting Unit** is responsible for developing, tracking, and monitoring budgets for both federal and state funded programs. The **Audit Unit** is responsible for working with both DPS staff and its' sub-grantees to ensure compliance with all federal and state regulations and guidelines for financial management, and to ensure that risk is controlled proactively with appropriate internal accounting and process controls.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration**

KEY ISSUES :

- 1) Working to incorporate statewide Challenges for Change directives into our contract and grant management processes
- 2) Currently coordinating a review of the DPS grant management procedures to ensure consistency best practices across all federal programs
- 3) Refining DPS budget development and monitoring processes to better support Division leadership, and to enhance budgetary control
- 4) Reviewing and enhancing internal accounting controls in key areas to minimize exposure

NUMBER OF APPROVED POSITIONS: 16.5 FTE

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration**

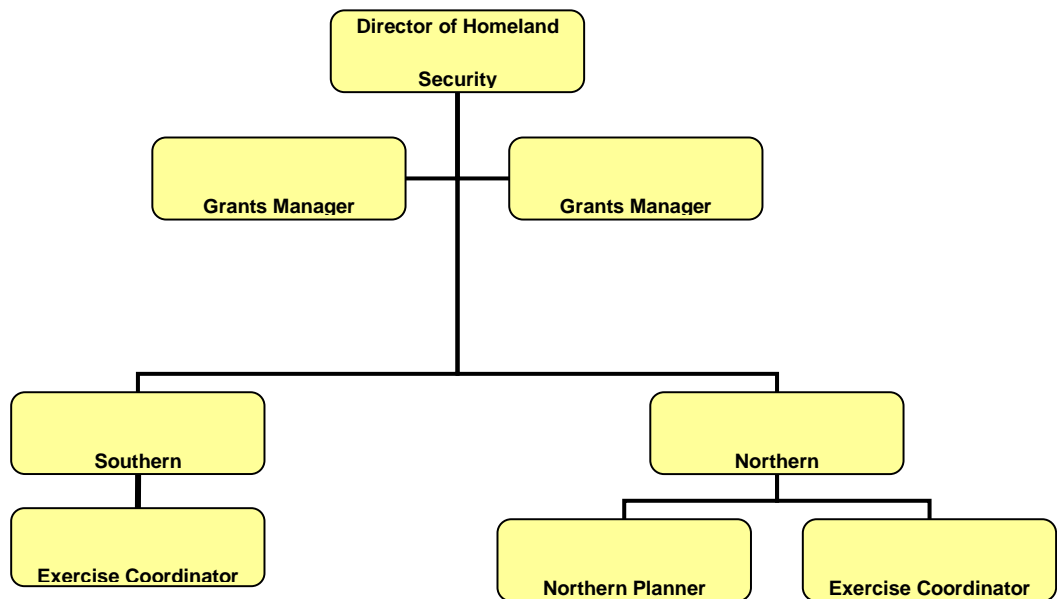
APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,407,564	1,619,185	1,580,429	1,434,666
Operating Expenses	175,520	197,234	254,743	407,048
<hr/>				
TOTAL	1,583,084	1,816,419	1,835,172	1,841,714
 FUND TYPE				
General Fund	1,549,932	1,776,694	1,795,447	1,658,186
Federal Revenue Fund	33,152	39,725	39,725	183,528
<hr/>				
TOTAL	1,583,084	1,816,419	1,835,172	1,841,714

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Homeland Security**

Appropriation Key Budget Issues

HOMELAND SECURITY DIVISION



Homeland Security

Based on the recommendation of Governor Douglas and State Legislative approval, the Homeland Security Unit (HSU) was established within the Department of Public Safety in July 2002. The primary mission of the HSU is to provide coordination and support to all local and state response organizations to ensure that the state is adequately prepared for and respond to a terrorist incident. . The HSU coordinates Homeland Security Grants to provide funding for terrorist or all-hazard preparedness efforts in the areas of planning, training, organizing, exercises, and equipment. The Homeland Security Unit encompasses three specific sections and they include the Homeland Security Unit, The Vermont Fusion Center and the Joint Terrorism Task Force.

The Homeland Security Unit has the responsibility to administer the Homeland Security Grant Program. This array of grants amounts to over \$7 million dollars a year for Vermont. This responsibility includes programmatic monitoring to ensure that the state builds capabilities within the eight National Priorities.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Homeland Security

The Vermont Fusion Center is the single criminal information center in the state. The mission of the Vermont Fusion Center is to collect, analyze, and disseminate information in an effort to identify, investigate, and prevent criminal activity and protect the citizens and critical infrastructures vital to our society.

The Joint Terrorism Task Force is a collaborative effort between the Vermont State Police and the Federal Bureau of Investigation that is dedicated to investigating all terrorist activities within and around the state of Vermont. Currently we have one Trooper assigned to the Task Force.

KEY ISSUES:

1) The Homeland Security Unit has a number of initiatives in progress in which millions of dollars will be spent to build national capabilities. These include the Interoperable communications project that has an estimated build out time of two years.

NUMBER OF APPROVED POSITIONS: 9 FTE

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Homeland Security**

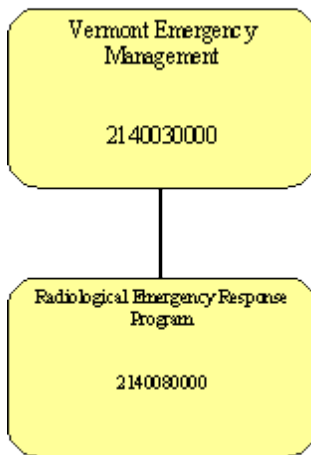
APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,328,833	9,213,757	9,192,163	9,501,852
Operating Expenses	377,482	718,374	876,647	220,709
Grants	1,765,910	2,380,000	2,380,000	3,000,000
<hr/> TOTAL	<hr/> 3,472,225	<hr/> 12,312,131	<hr/> 12,448,810	<hr/> 12,722,561
FUND TYPE				
General Fund	391,929	430,545	408,951	427,007
American Recovery & Reinvestment Act	0	295,267	346,515	68,154
Federal Revenue Fund	3,080,296	11,586,319	11,693,344	12,227,400
<hr/> TOTAL	<hr/> 3,472,225	<hr/> 12,312,131	<hr/> 12,448,810	<hr/> 12,722,561

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program

Appropriation Key Budget Issues

RADIOLOGICAL EMERGENCY RESPONSE PROGRAM (RERP)



The Radiological Emergency Response Program includes the overall planning support activity in the Waterbury office and the specific on-site support program, including evacuation, in the Emergency Planning Zone (EPZ) office located in Brattleboro. This latter effort is designed to provide a direct interface and coordination with the communities and other affected entities in the EPZ that are at risk from the nuclear power plant in Vernon. RERP is a separate appropriation within Vermont Emergency Management.

Planning: Review, revise and distribute more than 100 state and local emergency response plans for a potential incident at Vermont Yankee Nuclear Power Station in Vernon, Vermont.

Training: The staff coordinates, develops, and conducts training for staff and emergency workers at various facilities and teams. A variety of different level drills and radiological exercises are held quarterly, annually, biannually and every 6 years. The biannual and 6 year exercises are graded by FEMA and the NRC.

Coordination: Ensure that plans and training enable the various facilities and teams to work as a cohesive system.

Resource Allocation: Provide funding for communities, organizations, and state agencies to assist in being prepared for an incident.

Preparedness: Conduct tests, drills, inventories, readiness checks, etc., to ensure that facilities and equipment are prepared for an incident, including evacuation. Maintain communication structure to support the emergency planning zone within the 10-mile zone around VY.

Administration: Provide financial management, support services and logistics to participant

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program

organizations.

KEY ISSUES:

- 1) The VY power plant relicensing issue is up in the air. This means that while the program, planning and exercising continue, the long term investment in the 10-mile EPZ is in flux. If VY closes, 6.5 FTE will be eliminated. This includes 2 staff in Waterbury and the entire Brattleboro field office (4.5).
- 2) The number of state agencies and their staff that support the exercises required for VY are in transition which requires additional training to keep qualified responders prepared in the event there is a serious incident at VY.
- 3) Incidents at VY are increasing as evidenced by the number reported in the last 1.5 years. The owners are not making significant improvements due to lack of a clear 20 year permit extension. The tritium issue, misstatements by management, a recent Unusual Event, an automatic shutdown, storage of fuel rods, etc, have raised concerns.
- 4) There are many volunteers that help support the VY offsite emergency response program. It is difficult keeping trained volunteers engaged in drills and exercises, especially when many are aging, relocating, and/or moving on to other interests.
- 5) A significant VY incident will require the Governor, his Administration and many state agencies to respond. VEM coordinates this response and can brief the Governor and his Administration when requested.

NUMBER OF APPROVED POSITIONS: 8 FTE

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	641,215	657,163	643,041	729,645
Operating Expenses	162,265	215,438	245,214	184,314
Grants	1,188,412	876,975	876,975	1,220,350
<hr/> TOTAL	<hr/> 1,991,892	<hr/> 1,749,576	<hr/> 1,765,230	<hr/> 2,134,309
 FUND TYPE				
Special Fund	1,991,892	1,749,576	1,765,230	2,134,309
<hr/> TOTAL	<hr/> 1,991,892	<hr/> 1,749,576	<hr/> 1,765,230	<hr/> 2,134,309

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Military

Department Mission Statement

The state mission of the Vermont National Guard is “Soldiers and Airmen of the Vermont National Guard serve, protect, and defend the citizens of our Communities, State and Nation; ensuring our security and preserving our freedoms.” The State of Vermont Military Department commands and supports the National Guard as mandated by state and federal constitutions. The department is also required by State law to provide support to Vermont Veterans. The Department is administered by the Adjutant General and includes the Vermont Army and Air National Guard as well as a State work force integrated into these organizations. The Vermont National Guard serves as a military force available to the governor in the event of state emergencies which exceed the capability of civil authorities and as a federal force, providing an immediate operational force for both the US Army and US Air Force in times of national emergency or war.

Description of Appropriations, Divisions, & Programs

APPROPRIATIONS: In FY2010, the Military Department received approximately \$197,143,384 combined Federal and State dollars to administer the military and state work force, maintain facilities, as well as train and equip the military force. The State of Vermont provided \$3,340,462 of that total amount in general funds.

COMPONENTS: As a State force, the Military Department has provided relief services to citizens of Vermont and other states on numerous occasions. This support ranges from providing water storage units in time of drought, helping to bring power and services to storm ravaged areas, to road repair and evacuation in time of flood and other natural disasters.

During the last 6 years, the Military Department has also been tasked with providing support to over 2,500 deployed Vermont Army and Air National Guard members during their participation in combat operations in Afghanistan and Iraq, as well as other operations worldwide. This support includes maintenance support for the armories throughout the State, assisting with implementing additional security measures as required at Camp Johnson, VTANG and the Aviation Flight Facility; and providing facilities for the feeding and housing of soldiers called to duty for homeland security missions throughout the country.

ADMINISTRATIVE COMPONENT (5 Emp)
Essential Services:

1. Support the Adjutant General’s Mission
2. Financial services for the Military Department, through the budgeting process, securing **funding**

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Military

for employees' salary and benefits; along with operating funds to maintain the Vermont National Guard and state owned buildings.

3. Human Resources for the Military Department's employees has been consolidated to Department of Human Resources.
 4. Coordinate State Active Duty when called to order by the Governor for a state or national emergency.
-

AIR SERVICE COMPONENT (64 Emp)

Air Fire Department Section

1. Provide fire protection and medical services to the Vermont Air National Guard, Burlington International Airport and their tenants, and mutual aid services to Chittenden County.
2. Fire prevention services for the Vermont Air National Guard, to include code enforcement, inspection, and building code enforcement.
3. Provide heavy rescue services for the city of Winooski and first response for the Northeast area of the City of South Burlington.
4. Respond when called to order by the Governor for a state or national emergency.

Vermont Starbase Youth Program

1. Support the Vermont National Guard's community service mission.
2. Provide hands on education for at-risk, disadvantaged youth and their schools in Vermont.
3. Inspire greater student interest, knowledge and skills in STEM (science, technology, engineering and math) to address educational standards and economic security for our state and nation.
4. Teach children to work cooperatively, resist drugs and alcohol, and achieve their potential.
5. Develop and maintain successful educational partnerships with Vermont schools, giving highest priority to schools with the greatest need (Title I status).
6. Starbase is 100% federally funded by the Department of Defense.
7. Please visit www.starbasevt.org <<http://www.starbasevt.org>> for more details.

Air Environmental Management Section

1. Support the Adjutant Generals' and Air Force Mission
2. Maintain the VT Air National Guard's compliance with the following:
 - a. All federal, state and local environmental regulations
 - b. All National Guard Bureau and Air Force environmental instructions and policies
 - c. Executive Order 13423
3. Provide outreach to the local community regarding environmental issues on base.

Air Security Guard Section

1. Staffing levels mandated by Department of Defense for the Security of the Vermont Air

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Military

National Guard Base.

2. Vehicle and personal identification checks prior entry to VTANG Base.
3. 24 hour perimeter and buildings checks.
4. Respond to alarms and incidents when required.

Air Real Property Management Section

1. Real Property technician tracks capital improvements and all real property located at the Vermont Air National Guard. Tracks energy consumption and trends. Administers the acquisition, management, and disposal of property and equipment for the Vermont Military Department at the Vermont Air National Guard Base.
2. Federal Programs Administrator supports facility maintenance and operations at the Vermont Air National Guard by coordinating federal/state funding sources. Ensures expenditures are made in accordance with governing state and federal requirements.

Air Facility Operations and Maintenance Section

1. Support of the Master Cooperative Agreement created between the National Guard Bureau and the State of Vermont under the direction of the Adjutant General.
 2. Operation and Maintenance support on approximately 450,000 sq ft of VTANG Facilities and infrastructure in accordance with mandated and inspected standards.
 3. Maintaining Facility systems to have the ability to complete federal flying missions.
 4. 24 hour mission for snow removal on F-16 taxiways to be able to complete federal flying missions.
 5. Maintenance at Air Force and Industry standards of buildings that house specialized equipment.
 6. Provide resources to sustain utilities at all VTANG facilities that houses over 300 full-time Guard staff and over 1,000 part-time guard staff.
 7. Airfield mowing to dissuade bird habitat in order to prevent bird strikes in moving aircrafts; impacts flight safety.
 8. Life cycle day to day maintenance and repair of facilities at base.
-

ARMY SERVICE CONTRACT COMPONENT (39 Employees)

Army Logistical Facilities Section

Army Training Site Facilities Section

Army Facility Maintenance and Environmental Section

Army Automated Targetry System Section

Army Construction Projects Section

Army Security Guard Division Section

1. Provide access control for Camp Johnson and the Army Aviation Support Facility (AASF)
 - a. Deny access to unauthorized personnel
 - b. Log in visitors and issue visitor badges when required
 - c. Conduct vehicle searches
 - d. Inspect all deliveries to Camp Johnson and the AASF

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Military

- e. Report suspicious activity to the JOC and DOMS for follow-up
2. Conduct patrols of Camp Johnson Property to include motor pools and the Ammo Supply Point
3. Conduct building checks at Camp Johnson and the AASF
4. Write incident reports when necessary
5. Respond to alarms and incidents when required.
-

BUILDING MAINTENANCE COMPONENT(14 Employees)

Building Maintenance Section

Armory Caretaker Section

ARMY SERVICE CONTRACT AND BUILDING MAINTENANCE ESSENTIAL SERVICES:

1. Construction and maintenance of all facilities and land at over 30 locations throughout the state; to include 22 armories, 1 Army Aviation Support Facility, 6 Field Maintenance Shops, Ethan Allen Firing Range, Camp Johnson and Ethan Allen Air Force Base in support of the Vermont Army National Guard (2900+/- soldiers) and their mission for readiness, operations and training, as well as state emergency response capabilities.
 2. Provide resources to sustain utilities at all facilities and to employ approximately 42 state employees (with a combination of State and Federal funds) to accomplish the mission.
 3. Maintain community based installations with favorable demographics for the Construction Facilities Maintenance Office mission, geographically disbursed, sufficient land areas, good access and good proximity to training areas, adequate infrastructure, and the capability for expansion.
 4. Provide accessibility of armories to community organizations for various functions such as: law enforcement agencies for training, wedding receptions, auctions, tool shows, Red Cross, etc. Also for use as polling places and shelters in times of emergency situations.
 5. See attached spreadsheet which details the total square footage of all facilities (State & Federal) to include their value.
-

VETERANS AFFAIRS COMPONENT(7 Employees)

1. Advocacy for Veterans Seeking Federal Benefits - Takes power of attorney to legally represent veterans seeking benefits from the U.S. Department of Veterans Affairs, primarily Disability Compensation. As a result of advocacy work, program annually generates approximately \$3M in new benefits to veterans each year, which benefits the veteran as well as ensuring disabled veterans are supported by federal programs instead of state programs.
2. Vermont Veterans Memorial Cemetery - The state is responsible for maintaining the cemetery for perpetuity. Failure to meet minimum standards would not only result in loss of confidence of the veteran community but would result in the removal of our veteran cemetery status, requiring the state to return construction grant funds to the U.S. Department of Veterans Affairs.
3. Vermont Military Records Repository - Maintains over 160,000 military discharge records used to verify eligibility for state and federal benefits. As a result of a fire in 1973 at the national archives, many of these records are unique. Receipt of new records are the driving force behind marketing of federal benefits.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Military

4. Recognition Programs for Veterans - Operates various programs to express the state's appreciation for the service of veterans, including the Vermont Medals Program, High School Diplomas, Veteran License Plate verifications, coordinating the state's annual Memorial Day Ceremony, etc.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Military

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration	7	6	5	784,574	846,575	846,575	945,206
Air Service Contract	60	58	64	5,000,455	5,833,286	5,833,286	6,362,803
Army Service Contract	41	38	39	11,271,322	12,915,319	12,915,319	12,903,989
Building Maintenance	18	15	15	1,333,403	1,370,178	1,370,178	1,366,033
Veterans' Affairs	7	7	7	702,728	764,357	764,357	798,263
<hr/>							
TOTAL	132	124	130	19,092,482	21,729,715	21,729,715	22,376,294
FUND TYPE							
General Fund				3,116,226	3,402,624	3,402,624	3,522,791
Special Fund				98,529	83,529	83,529	84,049
American Recovery & Reinvestment Act				1,271,801	0	0	0
Federal Revenue Fund				14,605,926	18,243,562	18,243,562	18,769,454
<hr/>							
TOTAL				19,092,482	21,729,715	21,729,715	22,376,294

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

The VTNG Tuition Fund has been funded at \$100,000 for FY 2012; but this department needs authority to carry forward all unspent dollars from FY 2011 to FY 2012 to meet the anticipated high demand in FY 2012.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	610,354	548,148	548,148	468,699
Operating Expenses	174,220	198,427	198,427	376,507
Grants	0	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 784,574	<hr/> 846,575	<hr/> 846,575	<hr/> 945,206
FUND TYPE				
General Fund	784,574	846,575	846,575	945,206
<hr/> TOTAL	<hr/> 784,574	<hr/> 846,575	<hr/> 846,575	<hr/> 945,206

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Air Service Contract**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	3,878,776	4,618,657	4,618,657	5,148,174
Operating Expenses	1,121,679	1,214,629	1,214,629	1,214,629
<hr/>				
TOTAL	5,000,455	5,833,286	5,833,286	6,362,803
FUND TYPE				
General Fund	391,377	468,392	468,392	467,309
Federal Revenue Fund	4,609,078	5,364,894	5,364,894	5,895,494
<hr/>				
TOTAL	5,000,455	5,833,286	5,833,286	6,362,803

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Army Service Contract**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	4,442,596	3,729,599	3,729,599	3,718,269
Operating Expenses	6,828,726	9,185,720	9,185,720	9,185,720
<hr/> TOTAL	<hr/> 11,271,322	<hr/> 12,915,319	<hr/> 12,915,319	<hr/> 12,903,989
FUND TYPE				
General Fund	106,817	112,380	112,380	112,435
American Recovery & Reinvestment Act	1,271,801	0	0	0
Federal Revenue Fund	9,892,704	12,802,939	12,802,939	12,791,554
<hr/> TOTAL	<hr/> 11,271,322	<hr/> 12,915,319	<hr/> 12,915,319	<hr/> 12,903,989

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Building Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	819,680	983,598	983,598	979,453
Operating Expenses	513,723	386,580	386,580	386,580
<hr/>				
TOTAL	1,333,403	1,370,178	1,370,178	1,366,033
FUND TYPE				
General Fund	1,251,512	1,370,178	1,370,178	1,366,033
Special Fund	15,000	0	0	0
Federal Revenue Fund	66,891	0	0	0
<hr/>				
TOTAL	1,333,403	1,370,178	1,370,178	1,366,033

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Veterans' Affairs**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	426,126	467,788	467,788	478,017
Operating Expenses	276,602	132,754	132,754	146,431
Grants	0	163,815	163,815	173,815
<hr/> TOTAL	<hr/> 702,728	<hr/> 764,357	<hr/> 764,357	<hr/> 798,263
FUND TYPE				
General Fund	581,946	605,099	605,099	631,808
Special Fund	83,529	83,529	83,529	84,049
Federal Revenue Fund	37,253	75,729	75,729	82,406
<hr/> TOTAL	<hr/> 702,728	<hr/> 764,357	<hr/> 764,357	<hr/> 798,263

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Department Mission Statement

The Center for Crime Victim Services, in conjunction with victims and those persons who interact with victims, seeks to implement, sustain and support a statewide system of services for victims that is victim-centered, comprehensive and just. Through the commitment of state government, the range and accessibility of services, the opportunity for victims to participate at all critical stages in the criminal justice process, the coordination and networking of agencies and organizations providing assistance to victims, the pool of grant funds available for victim services, and the amount of financial compensation available for losses incurred as a result of criminal victimization, the Center works to reduce the financial, emotional and physical consequences of victimization and the level of re-victimization of the survivor by the criminal justice system.

Description of Appropriations, Divisions, & Programs

The Vermont Center for Crime Victim Services is mandated by statute to administer the Victims Compensation and Victim Assistance Programs, as well as the Restitution Unit, which was created in FY 2004. In addition, the Center has been charged with the administration of several state and federal grant programs whose funds are intended to expand the provision of services to victims of crime and to improve the criminal justice system's response to domestic violence, sexual assault and stalking.

The Victims Compensation Program provides limited financial assistance to victims who have experienced a financial loss as a direct result of a violent crime. In general, compensation is not provided for property losses and, as designated "last payer," the program reimburses only those expenses not covered by some form of insurance. Staff members verify claims through a comprehensive investigative process, and approved payments are made either to service providers or directly to the victim. The number of new claims received annually fluctuates between 500 and 600 claims each year. In addition, claims from previous years often remain open for several years due to the on-going needs of crime victims who need counseling and support throughout their recovery process. This results in a cumulative increase over time. The complexity of the claims has also increased, with payments for services such as relocation, out-of-state travel and temporary living expenses for victims fleeing domestic violence situations becoming far more common than they were when the program was first established. In addition, the cost of claims has steadily increased each year due to rising healthcare costs.

The Victim Assistance Program is funded through the Center's Special fund Appropriation and Federal VOCA funds. It maintains 21.5 full-time equivalent Victim Advocates in the State's Attorneys Offices throughout the fourteen counties of Vermont to assist victims through the criminal justice process and to act as liaison with the State's Attorneys and other criminal justice agencies. Victims of crime in Vermont are entitled to certain basic rights, which include the right to be informed, to be

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

present, and to be heard at all critical stages of the criminal justice process. In the larger counties, there are also specialized Victim Advocates who work exclusively with victims of domestic violence, child abuse or sexual assault in order to respond to the unique needs of these crime victims. Currently, there are five Victim Advocates who are part of these special prosecution units. A full-time Coordinator position on the Center's staff is charged with providing the supervision and technical assistance necessary to ensure that the advocates continue to perform their duties effectively.

The Restitution Unit, established by Act 57 and passed by the Legislature in FY 2003, was charged with improving the system of ordering and collecting restitution owed to victims by criminal offenders. A 15% surcharge was added to court fines and traffic tickets beginning on July 1, 2003 in order to capitalize a Restitution Fund. A Restitution Unit was created at the Center and became operational on July 1, 2004. Restitution Judgment Orders ordered by the Court are sent to the Unit and payment to the victim is made out of the Restitution Fund up to a \$10,000 cap. The Unit then collects from the offender to reimburse the fund (or the victim for orders over \$10,000). The Unit also took over the collection of restitution ordered prior to July 1, 2004 from the Department of Corrections.

Grant Program dollars for provision of services to crime victims, awarded by various funding sources, are consolidated at the Center for Crime Victim Services for administrative purposes. This enables Vermont to take a more comprehensive approach to allocating funds geographically, demographically, and across program purposes, ensuring that underserved populations are not overlooked. Staff at the Center monitor all grant recipients for compliance with state and federal guidelines and evaluate their activities to assess their effectiveness. The Center provides technical assistance to non-profit victim service agencies in developing strategies for seeking additional funding opportunities. Staff members provide training to new personnel at non-profit agencies on grant reporting requirements in order to reduce the amount of time grant recipients must spend away from their primary purpose of providing direct service to victims.

Federal Grant Programs:

VOCA (Victims of Crime Act) federal funds provide "core" services to crime victims, including victims of domestic or sexual violence, child sexual abuse, and elder abuse victims and to the families of homicide victims. These services are provided by Advocates at the Attorney General's Office, SafeSpace of Burlington, Vermont Center for the Deaf & Hard of Hearing, the Victim Assistance Program and the fifteen member programs of the Vermont Network Against Domestic and Sexual Violence.

STOP Violence Against Women Formula Grant supports multi-disciplinary domestic and sexual violence prosecution units in numerous counties across the state, whose work is to ensure the timely disposition of sexual assault, stalking and domestic violence cases while reducing the trauma experienced by victims.

FVPSA (Family Violence Prevention and Services Act) monies provide immediate shelter and related assistance to victims of family violence and their dependents. The grant also funds public awareness activities related to domestic violence.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Rural Domestic Violence and Child Victimization Grant federal funds are aimed at reducing the obstacles that prevent battered women and their children in isolated rural areas from accessing needed services. In Vermont, this grant program funds a Domestic Violence Unit at the Department of Children and Families and children's services at local domestic violence programs.

Grants to Encourage Arrest Policies Program federal dollars are used to keep domestic violence victims safer and hold batterers more accountable by funding law enforcement, the Domestic Violence Council, and legal services for victims in Family Court matters.

State Grant Programs:

State Domestic Violence and Sexual Assault Funds are passed through to the 15 member programs of the Vermont Network Against Domestic and Sexual Violence to enable them to provide direct service to victims of domestic and sexual violence.

The Supervised Visitation Grant program funds twelve Supervised Visitation Centers that provide a neutral place for children to visit their non-residential parent when domestic violence or child abuse is present in the family.

Child Advocacy Center Grant program funds six nationally accredited Child Advocacy Centers that coordinate the investigation, prosecution and clinical treatment of children who have been sexually abused.

Act 174 provides funding for prevention programs and services to break the generational cycle of domestic violence and support the victims of domestic and sexual violence. The programs included in this act are the fifteen member programs of the Vermont Network Against Domestic and Sexual Violence, Project Safe Choices and SafeSpace of Burlington, Vermont Center for the Deaf & Hard of Hearing, and a domestic Violence Trainer at the Police Academy.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Center for Crime Victims' Services	0	0	0	10,792,964	11,251,104	11,234,154	10,960,389
<hr/>							
TOTAL	0	0	0	10,792,964	11,251,104	11,234,154	10,960,389
FUND TYPE							
General Fund				1,132,906	1,118,448	1,101,498	1,109,480
Special Fund				5,215,954	5,550,448	5,550,448	5,881,945
American Recovery & Reinvestment Act				611,652	571,809	571,809	0
Federal Revenue Fund				3,751,264	4,010,399	4,010,399	3,968,964
Interdepartmental Transfer				81,188	0	0	0
<hr/>							
TOTAL				10,792,964	11,251,104	11,234,154	10,960,389

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Description of Appropriations, Divisions, & Programs

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The Restitution Unit, established by Act 57 and passed by the Legislature in FY 2003, was charged with improving the system of ordering and collecting restitution owed to victims by criminal offenders. A 15% surcharge was added to court fines and traffic tickets beginning on July 1, 2003 in order to capitalize a Restitution Fund. A Restitution Unit was created at the Center and became operational on July 1, 2004. Restitution Judgment Orders ordered by the Court are sent to the Unit and payment to the victim is made out of the Restitution Fund up to a \$10,000 cap. The Unit then collects from the offender to reimburse the fund (or the victim for orders over \$10,000). The Unit also took over the collection of restitution ordered prior to July 1, 2004 from the Department of Corrections.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Grant Program dollars for provision of services to crime victims, awarded by various funding sources, are consolidated at the Center for Crime Victim Services for administrative purposes. This enables Vermont to take a more comprehensive approach to allocating funds geographically, demographically, and across program purposes, ensuring that underserved populations are not overlooked. Staff at the Center monitor all grant recipients for compliance with state and federal guidelines and evaluate their activities to assess their effectiveness. The Center provides technical assistance to non-profit victim service agencies in developing strategies for seeking additional funding opportunities. Staff members provide training to new personnel at non-profit agencies on grant reporting requirements in order to reduce the amount of time grant recipients must spend away from their primary purpose of providing direct service to victims.

Federal Grant Programs:

VOCA (Victims of Crime Act) federal funds provide “core” services to crime victims, including victims of domestic or sexual violence, child sexual abuse, and elder abuse victims and to the families of homicide victims. These services are provided by Advocates at the Attorney General’s Office, SafeSpace of Burlington, Vermont Center for the Deaf & Hard of Hearing, the Victim Assistance Program and the fifteen member programs of the Vermont Network Against Domestic and Sexual Violence.

STOP Violence Against Women Formula Grant supports multi-disciplinary domestic and sexual violence prosecution units in numerous counties across the state, whose work is to ensure the timely disposition of sexual assault, stalking and domestic violence cases while reducing the trauma experienced by victims.

FVPSA (Family Violence Prevention and Services Act) monies provide immediate shelter and related assistance to victims of family violence and their dependents. The grant also funds public awareness activities related to domestic violence.

Rural Domestic Violence and Child Victimization Grant federal funds are aimed at reducing the obstacles that prevent battered women and their children in isolated rural areas from accessing needed services. In Vermont, this grant program funds a Domestic Violence Unit at the Department of Children and Families and children's services at local domestic violence programs.

Community Defined Solutions to Violence Against Women Program (formerly Grants to Encourage Arrest) federal dollars are used to keep domestic violence victims safer and hold batterers more accountable by funding law enforcement, the Domestic Violence Council, and legal services for victims in Family Court matters.

Sexual Assault Services Program formula grant funds are used to provide direct services to victims of sexual assault.

State Grant Programs:

State Domestic Violence and Sexual Assault Funds are passed through to the 15 member programs of the Vermont Network Against Domestic and Sexual Violence to enable them to provide direct service to victims of domestic and sexual violence.

The Supervised Visitation Grant program funds twelve Supervised Visitation Centers that provide a neutral place for children to visit their non-residential parent when domestic violence or child abuse is present in the family.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Child Advocacy Center Grant program funds six nationally accredited Child Advocacy Centers that coordinate the investigation, prosecution and clinical treatment of children who have been sexually abused.

Act 174 provides funding for prevention programs and services to break the generational cycle of domestic violence and support the victims of domestic and sexual violence. The programs included in this act are the fifteen member programs of the Vermont Network Against Domestic and Sexual Violence, Project Safe Choices and SafeSpace of Burlington, Vermont Center for the Deaf & Hard of Hearing, and a domestic Violence Trainer at the Police Academy.

Appropriation Key Budget Issues

The Center is losing \$571,809 in federal stimulus funds which must be spent in FY 2011. In order to level fund victim service programs in FY 2012, the Center is increasing the special fund spending by \$331,498. This allows the Center to level fund the Child Advocacy Centers and the Sexual Assault Nurse Examiner (SANE) program. This figure also includes the actual cost of the Victim Assistance Program which was not fully funded in prior years and required excess receipts to be approved in these years. Additionally, the actual cost of the Victim Assistance Program increases in the FY 2012 budget due to increases in health insurance and retirement changes.

Funding from the regular federal STOP grant and federal stimulus funding allowed CCVS to fully fund 5 Domestic Violence Prosecutors with federal dollars in FY 2010 and 2011, helping to ease the strain on the general fund. To supplement lower federal funding in 2012, the Center is using \$84,590 in special fund dollars to make up this shortfall and fully fund the 5 positions.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,311,493	1,314,211	1,299,391	1,271,163
Operating Expenses	299,199	302,306	300,176	284,975
Grants	9,182,272	9,634,587	9,634,587	9,404,251
<hr/> TOTAL	<hr/> 10,792,964	<hr/> 11,251,104	<hr/> 11,234,154	<hr/> 10,960,389
FUND TYPE				
General Fund	1,132,906	1,118,448	1,101,498	1,109,480
Special Fund	5,215,954	5,550,448	5,550,448	5,881,945
American Recovery & Reinvestment Act	611,652	571,809	571,809	0
Federal Revenue Fund	3,751,264	4,010,399	4,010,399	3,968,964
Interdepartmental Transfer	81,188	0	0	0
<hr/> TOTAL	<hr/> 10,792,964	<hr/> 11,251,104	<hr/> 11,234,154	<hr/> 10,960,389

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

Department Mission Statement

The mission of the Vermont Criminal Justice Training Council is to offer the most current scientific and defensible training to all police officers in the State of Vermont. The Council also provides technical assistance to the communities, counties and state agencies. To that end, the Training Council, through the Vermont Police Academy, conducts full-time basic training, part-time basic training, and in-service education for certified police officers. Additionally, the Academy offers canine training and certification and dispatcher training to all departments who wish to enter the program. The Training Council has also been designated as one of the two primary delivery points for homeland security training for emergency responders throughout the State.

Description of Appropriations, Divisions, & Programs

Description of Department: The Criminal Justice Training Council operates the Vermont Police Academy and The Vermont Police Canine Training Program.

The Council operates two full-time classes each year, consisting of a total of eighteen weeks each including the two-week post-basic training for those graduates without prior certification in such topics as DUI Enforcement, RADAR, etc. The Council also operates five part-time certification schools. The part-time program consists of three Phases. Phase I is 58 hours of classroom, Phase II is 50 hours of additional classroom training and Phase III consists of 60 hours of on the road, supervised training. While phase II and III are being completed, the officer must work under the direction of a fully certified police officer. The Council certifies approximately 100 part-time officers and 60-70 full-time officers each year plus approximately 25 waiver students from other states. Additionally, an average of 40-50 people attend the Academy each day for in-service education and re-certification training.

The Vermont Police canine Program currently consists of 39 certified teams from all types of departments including State Police, Municipal Police, Sheriff's Deputies, Fish and Wildlife Wardens and Department of Motor Vehicle Inspectors. These teams are required to train each month and demonstrate their skills during a proficiency test each year. These teams are trained in one or more of the following areas: patrol, tracking, drug detection, black powder detection and bomb detection.

The Council also cooperates with various community organizations by offering the facility for student seminars, recreation events and leadership classes. Additionally, the Academy houses several youth programs geared to a future in law enforcement and/or firefighting.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

Appropriations, Programs: The Criminal Justice Training Council is funded through the general fund and interdepartmental transfers (sub-grants). In addition, federal, state, county and local departments are donating nearly a half million dollars in time and equipment through adjunct faculty. The Council is the recipient of additional sub-grant (interdepartmental transfer) funding in the areas of homeland security, workforce education and development, and underage drinking enforcement.

The Academy works closely with all police agencies in the state in areas of recruiting and retention as well as providing audiovisual programs the recruiters can use away from their department. Every month, an entrance test is administered to potential students who are selected by agencies. Once hired, the full-time basic training program consists of sixteen weeks of intense physical and mental training to prepare students for duty with the sponsoring agency. The part-time program consisting of a minimum of 168 hours is also offered. There is no cost passed on to agencies for basic training required by law. All other training is delivered at cost.

The agencies that the Academy serves are continuing to demand alternative methods of training. This includes distance-learning modalities and regional training offerings. These alternatives are becoming more in demand but are expensive and time consuming. The delivery mechanisms are becoming much more demanding in the area of information technology.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Criminal Justice Training Council	11	11	11	2,179,341	2,488,255	2,254,833	2,577,308
<hr/>							
TOTAL	11	11	11	2,179,341	2,488,255	2,254,833	2,577,308
FUND TYPE							
General Fund				1,439,863	1,592,462	1,637,245	2,324,636
Special Fund				498,812	531,285	364,916	0
Federal Revenue Fund				1,540	0	0	0
Interdepartmental Transfer				239,126	364,508	252,672	252,672
<hr/>							
TOTAL				2,179,341	2,488,255	2,254,833	2,577,308

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,091,809	1,222,580	1,069,290	1,291,238
Operating Expenses	1,087,532	1,265,675	1,185,543	1,286,070
<hr/> TOTAL	<hr/> 2,179,341	<hr/> 2,488,255	<hr/> 2,254,833	<hr/> 2,577,308
FUND TYPE				
General Fund	1,439,863	1,592,462	1,637,245	2,324,636
Special Fund	498,812	531,285	364,916	0
Federal Revenue Fund	1,540	0	0	0
Interdepartmental Transfer	239,126	364,508	252,672	252,672
<hr/> TOTAL	<hr/> 2,179,341	<hr/> 2,488,255	<hr/> 2,254,833	<hr/> 2,577,308

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

Department Mission Statement

The Vermont Agency of Agriculture, Food and Markets has four divisions. The Agency's mission is to protect animal health and welfare and the public health, maintain and improve environmental quality, maintain and support the viability of the Vermont agricultural industry and ensure consumer equity in commerce.

Description of Appropriations, Divisions, & Programs

The Agency continues its role in the Governor's Clean and Clear initiative to improve and protect Vermont's water quality. Clean and Clear tackles the problem of phosphorus runoff through a comprehensive and accelerated cleanup program. The Agency of Agriculture and the Agency of Natural Resources administer this multi-million dollar project. Resources for this program have been reduced through Challenges for Change and budget reductions but continue to be directed to Clean and Clear in the proposed FY12 budget.

The Administration Division provides oversight and direction for the entire Agency. The Administration also develops the biennial report and provides business and research services for the Agency. The Agency is currently undertaking an upgrade to its computer database systems to be able to move toward web based licensing, registration and permitting. The Mosquito Control Program provides assistance to mosquito control districts, oversees larviciding and provides related training.

Labs, Agricultural Resource Management and Environmental Stewardship Division (formerly the Plant Industry Division) has the primary responsibility for implementing the agricultural provisions of the Governor's Clean and Clear Initiative. The purpose of Clean and Clear is to improve statewide water quality and to meet the EPA approved clean-up plan to limit the Phosphorus Total Maximum Daily Load (TMDL) in Vermont's waterways thus protecting the water quality in the Lake Champlain basin and other Vermont lakes, rivers and streams. Groundwater and surface water quality is protected from agricultural non-point source pollution by enforcing accepted agricultural practices and pesticide regulations; providing technical and financial assistance to the farm community; participation in the watershed planning process on behalf of farmers; and administering the permit process for large and medium size farms.

Farmers receive financial assistance to maintain vegetated buffers along waterways, develop alternative manure management technologies, and for nutrient management planning.

The Agricultural Resource Management and Environmental Stewardship Division:

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

Assures Vermont crops are free of injurious pests by providing technical assistance, quarantine activities, field and shipping point inspections and crop and pest monitoring activities.

Protects public health and the environment from the adverse affects of pesticide products through training, licensing, monitoring, disposal grants, enforcement, education and product registration for pesticide applicators, dealers, manufacturers, and the general public.

Provides mosquito districts or municipalities with financial and technical assistance, such as, adult and larval surveys and assistance for control programs in order to reduce mosquito populations below nuisance population levels or levels capable of vectoring disease.

Registers, inspects and analyzes commercial feed and pet food products, commercial feed facilities, commercial and specialty fertilizer products and facilities, and seed products to assure they meet standards and their stated guarantees.

Provides serological, microbiological and chemical analysis of Vermont's agricultural products, agricultural inputs and environmental samples in support of the Agency's regulatory and technical assistance programs

The Food Safety and Consumer Assurance Division serves to:

Promote and protect the health and welfare of animals in the State of Vermont and enhance the viability of Vermont's animal industries. Under the leadership of Vermont's State Veterinarian and Assistant State Veterinarian, the Agency is developing a comprehensive animal health program. Issues being addressed include increased disease surveillance; farmer education; and regulatory oversight of livestock movement. The primary mission for the Animal Health Section is public health and food safety.

Assure that all facilities processing meat and poultry for intrastate commerce are inspected to certify that proper ante mortem and post mortem procedures are performed and sanitary standards are maintained.

Assure only inspected and passed meat and poultry products are commercially distributed and to investigate illegal or improper sales and consumer complaints.

Assure that only wholesome, unadulterated and truthfully labeled products reach Vermont consumers.

Assure those establishments not subject to traditional inspection (wholesalers, retailers and custom operations) are periodically reviewed for sanitary condition, proper labeling, and handling.

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Agriculture, Food and Markets

Prevent the adulteration of meat and poultry products by the indiscriminate use of antibiotics through an agreement with the Federal Drug Administration.

Assure that species, such as rabbits and game birds that are not normally inspected are processed in a sanitary facility when they are to be sold to restaurants in Vermont. This is done in conjunction with the Department of Health.

Protect public health, maintain and improve the integrity of Vermont agricultural products.

Provide legally mandated testing and inspection programs involving agricultural product grading, weights and measures inspection and licensing.

Provide monitoring of product quality, method of sale, proper weight and measure of products offered for sale, and scanner accuracy.

Provide training for agricultural product quality relating to apples, eggs, potatoes, and maple products, and all aspects of weights and measures.

Assure an adequate supply of pure fresh milk and maintain uniform dairy standards.

Establish appropriate dairy laws to protect the public health and welfare.

Protects Vermont's domestic bee populations from injurious insect and disease pests through technical assistance, hive inspection, and quarantine programs.

The Agricultural Development Division

The Agricultural Development and Consumer Protection Division supports and assists Vermont's agricultural industry by providing leadership, technical and business expertise by:

Analyzing key agricultural sectors to determine appropriate investment and focus of Vermont's development resources. Sectors include: organic dairy, artisanal cheese and livestock for meat.

Developing "first stop shop" to encourage agricultural business formation. It supports a continuum of technical and educational services to farm entrepreneurs including the Farm Viability Program with funding from several sources including the Vermont Housing and Conservation Board.

Developing individual growth strategies for each sector of the agricultural industry.

Promoting the development of innovative agricultural energy and nutrient management business through leadership and recruitment.

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Agriculture, Food and Markets

Helping to improve the economy of the state and competitive position of the dairy industry by increasing the consumption of dairy products.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration	8	8	8	1,488,815	1,626,629	1,678,548	1,484,033
Food Safety and Consumer Protection	24	34	36	2,557,332	5,752,958	5,721,153	5,989,131
Agricultural Development	8	7	8	1,590,371	3,178,745	3,264,610	2,900,014
Labs, Agri Resource Mgmt & Envir Stewardship	49	34	34	7,975,593	4,615,296	5,477,560	4,410,121
State Stipend	0	0	0	173,201	0	0	0
Mosquito Control	0	0	0	86,811	0	0	0
TOTAL	89	83	86	13,872,123	15,173,628	16,141,871	14,783,299
FUND TYPE							
General Fund				5,064,320	5,328,396	6,153,510	5,343,794
Special Fund				6,416,213	7,157,742	7,275,871	6,882,120
Federal Revenue Fund				1,858,309	2,153,732	2,178,732	2,006,057
Interdepartmental Transfer				533,281	533,758	533,758	551,328
TOTAL				13,872,123	15,173,628	16,141,871	14,783,299

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

Administration - The Administration Division is providing leadership for extensive review of all the Agency business functions as part of the Strategic Enterprise Initiative.

Continued upgrading of the Agency's informational technology infrastructure is needed in order to participate in national databases; to respond to agricultural regulatory issues; and to have a coordinated marketing policy. Federal grant funds and special funds are being used to assist in this process.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	815,456	764,915	746,723	774,589
Operating Expenses	351,955	323,363	380,743	342,534
Grants	321,404	538,351	551,082	366,910
<hr/>				
TOTAL	1,488,815	1,626,629	1,678,548	1,484,033
FUND TYPE				
General Fund	877,938	1,097,260	1,149,179	984,802
Special Fund	444,346	377,465	377,465	306,303
Federal Revenue Fund	124,531	109,904	109,904	150,928
Interdepartmental Transfer	42,000	42,000	42,000	42,000
<hr/>				
TOTAL	1,488,815	1,626,629	1,678,548	1,484,033

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Food Safety and Consumer Protection

Appropriation Key Budget Issues

Food Safety and Consumer Protection - Ensuring infrastructure for Vermont's meat industry while providing State inspection services to slaughter facilities and processors.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Food Safety and Consumer Protection

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,019,672	2,717,103	2,665,653	2,786,723
Operating Expenses	537,660	635,855	655,500	759,173
Grants	0	2,400,000	2,400,000	2,443,235
<hr/> TOTAL	<hr/> 2,557,332	<hr/> 5,752,958	<hr/> 5,721,153	<hr/> 5,989,131
FUND TYPE				
General Fund	1,268,656	2,147,861	2,091,056	2,246,530
Special Fund	599,207	3,095,426	3,095,426	3,139,114
Federal Revenue Fund	586,297	502,671	527,671	596,487
Interdepartmental Transfer	103,172	7,000	7,000	7,000
<hr/> TOTAL	<hr/> 2,557,332	<hr/> 5,752,958	<hr/> 5,721,153	<hr/> 5,989,131

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agricultural Development

Appropriation Key Budget Issues

Agricultural Development - The myriad of state, federal and private programs developed to assist farmers will be integrated into four strategic areas including, business assistance, innovation, marketing, and sector development. The integration will focus resources on initiatives that develop more (and better paying) jobs for Vermonters.

Farm innovation and modernization will create solutions to environmental problems and greater prosperity for Vermont farms. Increased productivity associated with new product development or greater production efficiencies will grow farm profits.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agricultural Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	622,437	1,062,108	1,124,507	943,019
Operating Expenses	301,128	398,437	401,903	305,995
Grants	666,806	1,718,200	1,738,200	1,651,000
<hr/>				
TOTAL	1,590,371	3,178,745	3,264,610	2,900,014
FUND TYPE				
General Fund	442,372	319,093	286,829	471,897
Special Fund	518,532	1,536,567	1,654,696	1,438,588
Federal Revenue Fund	629,467	1,023,085	1,023,085	689,529
Interdepartmental Transfer	0	300,000	300,000	300,000
<hr/>				
TOTAL	1,590,371	3,178,745	3,264,610	2,900,014

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Labs, Agri Resource Mgmt & Envir Stewardship

Appropriation Key Budget Issues

Labs, Agri Resource Mgmt & Environmental Stewardship - The Agricultural Resource Management and Environmental Stewardship Division is making significant progress in regulatory oversight and technical assistance to address agricultural water quality. Staffing and program flexibility target critical water quality issues.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Labs, Agri Resource Mgmt & Envir Stewardship

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,684,028	2,877,085	2,814,428	2,912,179
Operating Expenses	665,726	857,259	849,650	761,268
Grants	3,625,839	880,952	1,813,482	736,674
<hr/> TOTAL	<hr/> 7,975,593	<hr/> 4,615,296	<hr/> 5,477,560	<hr/> 4,410,121
FUND TYPE				
General Fund	2,295,342	1,764,182	2,626,446	1,640,565
Special Fund	4,774,128	2,148,284	2,148,284	1,998,115
Federal Revenue Fund	518,014	518,072	518,072	569,113
Interdepartmental Transfer	388,109	184,758	184,758	202,328
<hr/> TOTAL	<hr/> 7,975,593	<hr/> 4,615,296	<hr/> 5,477,560	<hr/> 4,410,121

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Stipend**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	173,201	0	0	0
<hr/> TOTAL	<hr/> 173,201	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	173,201	0	0	0
<hr/> TOTAL	<hr/> 173,201	<hr/> 0	<hr/> 0	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Mosquito Control**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Operating Expenses	86,811	0	0	0
<hr/> TOTAL	<hr/> 86,811	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	6,811	0	0	0
Special Fund	80,000	0	0	0
<hr/> TOTAL	<hr/> 86,811	<hr/> 0	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

Department Mission Statement

The mission of the Department of Banking, Insurance, Securities and Health Care Administration is to promote and assure the financial health, stability, quality and integrity of Vermont financial service providers and health care entities. The Department also strives to secure full access for Vermonters to financial and health care services and to protect the public through the consistent enforcement of the laws and regulations necessary to the operation of a healthy and responsible marketplace and through consumer outreach and education programs. The Department achieves its mission through activities including:

- Licensing, registering, and chartering individuals and entities under the supervision of the Commissioner.
- Conducting examinations and audits of Vermont regulated individuals and entities
- Providing consumer protection, assistance and education
- Requiring industry regulatory filings for evaluation, response and approval
- Investigating violations and enforcing Vermont law and regulation
- Promoting cost containment in healthcare through activities including the review of capital expenditure and hospital budgets
- Providing data and analysis to advance public policy discussions at state and federal level
- Cooperating with other state, federal and international regulators and law enforcement agencies
- Responding to evolving markets, trends and legislative initiatives through implementation of efficient and responsible regulation

Description of Appropriations, Divisions, & Programs

Division Overview:

BISHCA Administration and General Counsel Division:

The Administration Division, including the General Counsel's Office, supports the other five divisions of BISHCA. Specifically the administration division provides for internal budgeting and business management services, consumer education and public information services including producing consumer publications, consumer outreach and assistance, media liaison, internal and external communications, including in-house website design, content management and publishing. The administration division also provides IT support and executive and administrative assistant services throughout the department. The General Counsel's office provides for the legal services to all divisions

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Banking Ins Sec Hlth Care Adm

of BISHCA. Additionally, the General Counsel's office provides legal analysis for legislative proposals.

The Administration Division's mission is to provide the best possible tools, infrastructure and operations expertise to all BISHCA divisions. This is achieved through organizational management, financial and technological support and effective, professional communications.

The General Counsel's Office mission is to maintain high quality legal and enforcement services to BISHCA, characterized as: timely, competent, clearly communicated, independent, and effective as an advocate for the client. The General Counsel's Office, within the Administration Division, consists of all of the Department's attorneys. The Office is responsible for providing legal services and enforcement support for each of the Divisions, and for the Department as a whole.

Banking Division

The **Banking Division**'s mission is: to promote the safety, soundness, and stability of financial services providers; to promote competition in and availability of financial services; to provide consumer protection; and to provide education. The Banking Division pursues this mission by:

- Chartering and licensing financial service providers
- Proposing appropriate bulletins, regulations, and statutes
- Enforcing laws and regulation
- Examining and monitoring financial services providers
- Providing information and education services
- Assisting the public and financial service providers
- Cooperating with other supervisory authorities
- Training for Examiners

The Banking Division activities are organized around three broad program areas:

- (1) Supervision which includes issuing charters and licenses as well as conducting examinations and investigations of all regulated entities in such areas as safety and soundness, trust, electronic data processing, e-banking, business practices, and compliance. These organizations are supervised by the Commissioner in a manner to assure the solvency, liquidity, stability and efficiency of all such organizations to assure reasonable and orderly competition thereby encouraging the availability of financial services to the public.
- (2) Consumer services are available to assist any consumer who has questions or concerns about an institution chartered or regulated by the Commissioner. Efforts are made to assist a consumer through problem resolution and mortgage foreclosure intervention with regulated institutions. Examinations and investigations may be initiated where needed.

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- (3) Education that provides the public with valuable information which can be used when making a decision regarding choice of institution or product. Survey results and other information about chartered and licensed entities are available on the Department's web site www.bishca.state.vt.us.

Insurance Division

The mission of BISHCA's Insurance Division is to keep insurance affordable and available to VT consumers through orderly competition, ensure that insurers are able to meet their contractual obligations, and to protect VT consumers against unfair and unlawful business practices. The Division accomplishes this mission by licensing and overseeing the financial stability of the insurance companies doing business in VT, licensing individuals involved in VT's insurance industry, assisting VT'ers with insurance complaints and providing consumer education, overseeing the rates and forms used by insurers and monitoring the competitiveness of VT's insurance markets.

The Insurance Division oversees the insurance industry through statutes, regulations, bulletins and an approved budget that pertain to 1.) Company and producer licensing requirements, 2.) Ongoing financial analysis, 3.) Periodic on-site financial examinations, 4.) Producer licensing and educational requirements, 5.) Consumer complaint resolution for all types of insurance policies except health insurance, which are handled by the Health Care Administration, 6.) Consumer educational outreach, 7.) Rate and policy form reviews (except for health-related policies and forms which are reviewed by Health Care Administration), 8.) Analyze VT's insurance markets and publish the information and 9.) Provide technical support to other BISHCA Divisions and State Departments.

The Division collected fees (including retaliatory fees of \$1.8 million) and recoveries for VT consumers during fiscal 2010 as follows (in millions):

Company Licensing and Examination	
Section	\$ 1.4
Producer Licensing Section *	\$ 5.9
Consumer Assistance Section	\$ 1.0
Rate and Forms Section	\$.7
Sub-Total	\$ 9.0
Premium Taxes Paid by Regulated	
Companies in fiscal 2010	\$ 32.5
Total	\$ 41.5

* License and Appointment renewals are collected every other year. In a renewal year, revenue exceeds \$18 million.

The Division is staffed with 22 authorized positions and has an operating budget of

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approximately \$3,200,000. One software package is used by all the Sections in the Division to process transactions and record fees.

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Company Licensing and Examinations Section

The Company Licensing and Examination Section's primary goal is to ensure that VT's approximately 1,200 licensed or approved traditional insurers are solvent and fiscally responsible through company licensing requirements, on-going financial analysis and on-site financial examinations. Of the licensed or approved companies, 18 insurers are domiciled in Vermont. The various types of companies licensed and/or monitored by the Section include property and casualty, life and health, financial guaranty, non-profit health organizations, fraternal organizations, title, life settlement providers, HMOs, premium finance, service contract and continuing care retirement communities. 46 companies were newly licensed during fiscal year 2010. In fiscal year 2010, the Section collected \$1,194,000 fees from the licensed and approved companies.

The Section performs on-site financial examinations and issues a related report on VT's 18 domestic insurers and two municipal insurance trusts every three to five years. The examined companies pay the cost of their on-site examinations. In fiscal 2010, \$240,000 of examination fees was collected from five domestic insurers. The Section also reports internally on regularly scheduled financial analysis (sometimes referred to as "desk-exams") of the domestic insurance companies. The financial analysis involves the review and evaluation of filed financial statements and other routinely submitted information. A majority of the cost of doing the financial analysis is paid by the companies as part of billed examination fees. The Section's examination and financial analysis functions were evaluated by the National Association of Insurance Commissioners (NAIC) during 2010 and were determined to comply with their accreditation standards.

The Section is also responsible for arranging for the Commissioner's approval of various insurance company transactions as required by VT's statutes, providing technical assistance to the Tax Department on premium taxes and the Department of Labor on Self Insured Workers Compensation programs and monitoring three inactive insurers; one with a trust account valued at over \$21,000,000.

Producer Licensing Section

The Producer Licensing Section is responsible for licensing insurance professionals and administering their appointments as agents by various licensed companies. Licenses are issued to insurance producers, adjusters, appraisers, consultants, public adjusters, managing general agents, reinsurance intermediaries, surplus lines brokers and life settlement brokers.

The Section processes new applications and company appointments within two working days from the date of receipt. License applications and renewals for resident and nonresident producers and business entities are available electronically. The Section renews producer licenses and company appointments on a biennial basis in odd numbered years and renews adjuster and all other individual license types in even numbered years. Renewals in even years are lower because there are fewer non-producer licensees.

In fiscal year 2010, 14,835 license applications, 19,259 license renewals and 72,623 appointments were processed and the Section collected approximately \$5,900,000 in fees. Fiscal year 2011 fees are expected to be \$18,000,000.

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Consumer Assistance Section

The Division's staff resolves consumer complaints as well as providing consumer education and guidance of various types, including comparative information about insurance rates and products in the marketplace. During fiscal year 2010, the Consumer Assistance Section logged approximately 3,924 calls for assistance, investigated 363 formal complaints, processed 164 written inquiries, including e-mails, and recovered approximately \$1,012,663 for consumers through problem solving resolution and intervention with companies.

Staff presented "Get Insurance Smart" for consumers age 50 and over at the 50+ Expo held at the Sheraton in Burlington in January. Staff participated in the Barre Home Show in April, distributing flyers and brochures as well as answering individual consumer questions. Staff successfully updated the Auto Brochure. Future plans are being made to attend Vermont Women's Economic Opportunity Conferences, to update the Consumer Services Website and establish a Facebook account.

Rates and Forms Section

The Rate & Forms Section's reviews and approves filed insurance policy forms and certain filed rates for Property & Casualty and Life & Annuity insurance companies licensed to do business in Vermont. In fiscal year 2010, approximately 5,760 filings were received by the Section resulting in the collection of approximately \$695,000 in fees.

The Section also monitors and analyzes VT's insurance market for most types of Property & Casualty insurance, collects and publishes various forms of insurance data for consumers and employers such as an auto rate survey and workers compensation loss costs, provides technical support to the Division's Consumer Assistance Section and BISHCA's market conduct activities and provides testimony on a wide range of insurance issues to the legislature when required.

Captive Insurance

The **mission** of the Captive Insurance Division is to maintain a regulatory system that ensures the solvency of captive insurers while recognizing the special purpose for which they were created. The Division pursues this mission by:

- Performing thorough, skeptical review of applications for admission
- Performing ongoing financial surveillance
- Performing periodic financial examinations
- Implementing and enforcing laws and regulations
- Developing effective and reasonable policies and procedures
- Advancing the growth of Vermont's captive industry

The Captive Insurance Division is charged with licensing and examining captive insurance companies domiciled in Vermont. A captive insurer is a company which is owned and managed by its policyholders, thereby enhancing the company's desire and ability to control costs and tailor its insurance program to suit its individual needs. The number of captives in Vermont continues to grow.

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Currently there are approximately 570 active captive insurance companies licensed in this state. Vermont remains the country's premier domicile for captive insurance. The Captive Insurance Division is charged with licensing and examining these insurers to ensure their financial solvency. The Division collects fees for its licensing and examination activities which offset the cost of staffing the examination section. Captive insurers create an estimated 1,400 jobs in Vermont and generate premium taxes for the state; in FY2010, 42 new licenses were issued to Captive insurers and the Captive insurance industry paid approximately \$23,400,000 in Vermont premium taxes.

Securities Division

The mission of the **Securities Division** is to protect Vermont investors and to help promote the legitimate formation of capital in this State. This is achieved by enforcing and administering the securities laws of the State of Vermont, including:

- Registering securities broker/dealers, investment advisors, and their representatives
- Examining/auditing the above for compliance with the law
- Investigating violations of the securities laws
- Responding to investor complaints
- Reviewing and approving securities offered to Vermont investors
- Bringing administrative or civil actions against violators of the securities laws
- Educating investors and industry participants about the securities laws
- Granting exceptions from registration, where appropriate, and
- Creating policy and regulations that further the mission

In FY2009, the Division's revenue from all sources was \$21.08 million. In FY 2010, the Division's revenue from all sources, including fines and licensing fees, exceeded \$20.7 million which represents a slight decrease 1.8%. The majority of the decrease was in the area of individual registrations. Both FY 2009 and FY 2010 experienced larger than normal Fine Revenue (\$926,000 and \$1.3 million respectively) as a result of multi-state enforcement actions. It is anticipated that these revenues will decrease sharply for FY 2011.

As stated earlier, the Securities Division's dual mission is to protect consumers while facilitating the legitimate formation of capital. The ongoing financial crisis has resulted in an increase in activity in the areas of consumer complaints and investigations. These additional efforts have been undertaken without reducing the level of consumer protections.

One of the Division's core functions is consumer outreach and education. The Division engages in many investor education efforts each year. Many of these activities are specifically designed and implemented to reach seniors. The Division recently joined a multi-state effort to provide education to medical professionals to assist them in identifying signs of financial exploitation in their senior patients and in understanding how to seek help. This program will begin in 2011.

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Health Care Administration Division:

The **mission** of HCA is to achieve an accessible, affordable, high quality health care system for all Vermonters. HCA accomplishes its mission by:

- Enforcing health care and health insurance laws.
- Educating the public.
- Providing information and data analysis.
- Advancing effective public policies.
- Containing costs.
- Resolving disputes.
- Providing consumer services.

The **vision** of the Division of Health Care Administration (HCA) is that Vermont will have the highest quality, most affordable, most accessible health care system in the country.

The foundation for Vermont's Health Care Reform Plan is designed to achieve the following three goals:

- Increase access to affordable health insurance for all Vermonters
- Improve quality of care across the lifespan
- Contain health care costs

Division Overview

HCA strives to carry out its extensive regulatory responsibilities and respond to inquiries from the Governor, the Legislature and the public in a timely, efficient and effective manner. The Division oversees health care provider and insurer regulation and enforcement, implements the Certificate of Need and hospital budget processes to contain health care costs, conducts data research and analysis, educates consumers, and develops information to inform policymakers. The following describes HCA's division-wide strategic goals for 2011 and major functions by unit.

HCA MAJOR FUNCTIONS BY UNIT

HEALTH CARE QUALITY IMPROVEMENT

Managed Care Quality Assurance: HCA regulates managed care organizations (MCOs) under 18 V.S.A. § 9414 and Rule 10. Each year under Rule 10, MCOs file extensive data sets related to care processes and outcomes, consumer satisfaction, access to care, and utilization review and grievance timeliness. HCA analyzes the data, publishes an annual consumer guide comparing Vermont MCO performance to national and regional averages, and works with the MCOs to identify quality improvement opportunities based on the data. The MCOs also undergo Rule 10 Triennial Reviews to ensure that their policies and practices conform to Rule 10 requirements. Mental health review agents are licensed under 8 V.S.A. § 4089a and Regulation 95-2; licensure verifies that review agents have

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compliant utilization review and appeal processes.

Hospital Community Reports: Hospital community reports are required by 18 V.S.A. § 9405b. Each hospital must publish an annual report according to BISHCA specifications that includes information about the hospital's: quality, patient safety, hospital-acquired infections, nurse staffing, pricing, financial health, budget, processes for obtaining meaningful public participation in the hospital's planning and decision-making, complaint resolution process; quality improvement and patient safety projects, and governing body. BISHCA is required to provide hospital comparisons on its website.

Consumer Price and Quality Transparency: This statutory requirement (18 VSA § 9410(a)(2)) is broader than the Hospital Community Report requirement in that it extends to other health care providers and encourages reliance on insurers to provide actual health care service pricing information for their subscribers, rather than provider charge information. Regulation H-2007-05 was adopted in 2008 to implement the statutory requirement.

Preventing Healthcare Associated Infections: BISHCA partnered with the Vermont Department of Health, the Vermont Program for Quality in Health Care, Vermont hospitals, and consumer advocates to apply for federal ARRA funds to prevent healthcare associated infections (HAI). The application was successful; the grant award will be used to hire a State HAI Prevention Coordinator, develop a Vermont HAI Prevention Plan, enhance hospital collection and validation of HAI data, and provide comprehensive infection prevention training for health care workers.

CONSUMER PROTECTION PROGRAMS

Complaints: HCA provides consumer protection services for health insurance consumers in Vermont. There are a number of regulatory mechanisms for achieving this goal:

Complaint Processes:

- Consumers who are enrolled in managed care plans receive the protections contained in 18 VSA § 9414 and Vermont Rule 10 (Quality Assurance Standards and Consumer Protections for Managed Care Plans).
- Consumers who experience utilization review of mental health and substance abuse services are protected by 8 VSA § 4089a and Regulation 95-2 (regulation of mental health service review agents).
- Consumers with complaints against their health insurers have the protection of the full range of statutes, regulations and bulletins related to health insurance, and can exercise their rights in a number of ways: internal health insurer grievance processes that are specified in state and federal regulation, HCA's consumer complaint process, and/or the external review processes outlined in Regulation 95-2 (for mental health and substance abuse service denials) and Regulation 99-1 (for all other denials of coverage).
- Consumers have access to a consumer hotline and a wide range of educational materials

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

(produced both in-house and nationally) to address their questions about health insurance in Vermont.

- Mental Health Parity, enacted in 1997 (codified at 8 VSA § 4089b) prevents insurers from imposing greater financial burdens on consumers of mental health and substance abuse services than on consumers of physical health services.

External Appeals Programs: In 1996, the Legislature established the volunteer Independent Panel of Mental Health Providers to hear appeals of mental health and substance abuse denials. An independent external review program for other health care service denials became operational in July 1999 and contracts with Independent Review Organizations (IROs) to perform reviews. These programs ensure that Vermonters can obtain independent review based on objective clinical evidence when their health insurers deny claims for lack of medical necessity or other specified medically based grounds. The responsible Division staff member is on call 24-hours a day/7 days per week to ensure access to independent review for denials of emergency and urgently needed care.

Consumer access to HCA services: HCA's Consumer Services Specialists handle approximately 500 telephone calls and 20 written inquiries each month from consumers with questions about health, disability, long-term care or accident insurance. In addition, about 200 consumers file complaints against their health insurers each year. HCA maintains a database tracking the telephone inquiries; it shows that approximately 30 percent of the calls relate to purchasing insurance. Another 15 to 20 percent of the callers have questions related to coverage or billing, and approximately 8 to 10 percent are inquiring about specific laws or regulations. In order to respond to consumers with questions about health insurance, HCA produces a series of publications. Consumer services specialists also bring information to the public by participating in health fairs and other outreach efforts. Some examples of publications include:

- Shopping for Vermont's Catamount Health Insurance
- A Consumer's Guide to Health Insurance
- Vermont Managed Health Care Plans: A Guide for Consumers
- Shopping for Individual or Small Group Health Insurance in Vermont
- Shopping for Medicare Supplement Insurance

DATA, INFORMATION AND ANALYSIS

Under the provisions of 18 V.S.A. § 9410, HCA is charged with maintaining a unified health care database to support research about the financing, availability, delivery, cost and quality of health care services offered to Vermonters and in Vermont. HCA administers data collection and reporting programs related to health insurance coverage as measured by the 2008 and 2009 Vermont Household Health Insurance Surveys; health insurance market financial and enrollment statistics submitted by insurers on the Annual Statement Supplement Reports and reported by BISHCA annually; health insurance enrollment, expenditures, and utilization of covered services as reported by the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES); and utilization of hospital

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

services in Vermont hospitals by residents and non-residents (Uniform Discharge Data Set) and by Vermonters receiving hospital services in bordering states. VHCURES is a key tool for evaluating the impacts of health care reform initiatives and programs including the Blueprint for Health and Catamount Health. HCA also produces the annual Vermont health care expenditure analysis and forecast quantifying trends and point-in-time expenditures for health care in the state, and for state residents in and out of state.

HOSPITAL BUDGET REVIEWS AND CERTIFICATE OF NEED

The public fiscal oversight provided through the division's regulatory activities is focused on “containing or reduc[ing] increases in the cost of delivering [health care] services” and discouraging development of unnecessarily duplicative health care services while working to maintain and improve the quality of and access to health care services and promote the rational allocation of health care services in the state. In addition, improved reporting efforts are designed to help educate communities and the consumer about hospital pricing and local health service needs.

Specifically, HCA:

- As required by 18 V.S.A. § 9451 et seq., establishes the Vermont hospital budgets on an annual basis which determines each hospital’s allowed level of expenditures, rate increase, revenues, and margin for that year;
- Reviews budgets to determine whether a hospital operated within its approved budget level established in the prior year;
- As required by 18 V.S.A. § 9431 et seq., approves or disapproves expenditures for new health care projects which exceed specific dollar amounts and reviews other proposals as mandated by Certificate of Need (CON) laws;
- As required by 18 V.S.A. § 9431 develops three-year projections of health care expenditures, using the Vermont Expenditure Analysis; and,
- Adopts an annual unified health care budget to serve as a guide for controlling costs, directing resources and assuring quality and access.

The CON program continues to refine the hospital and health care facility delivery system in order to enhance cost containment and health care quality. It is hoped through the consistent regulation of large health care system investments, Vermont’s health care resources will be delivered in a rational, efficient fashion, providing all Vermonters with high quality health care in the most cost effective manner.

The Public Oversight Commission reviews CON applications and makes recommendations to the Commissioner. The POC also reviews one-year capital expenditure plans and four-year capital expenditure projections and engages in dialogue with hospitals regarding the HRAP and the health policy needs of Vermont. HCA provides the administrative support necessary for the POC to perform its duties.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm**

HEALTH INSURANCE RATE FILINGS AND FORM FILINGS

HCA reviews all health insurance product and rate filings prior to their use in the marketplace. Typically, HCA processes over a thousand filings a year. Rate and product (or “form”) filings include comprehensive health insurance rates and products. In addition, filings involve other product lines such as long-term care, disability, Medicare Supplement and limited benefit products. Product filings describe the coverage and benefit options available to the consumer. Form filings require staff to review and analyze the product documents to determine whether such materials are in compliance with federal and state law. Staff also ensures that form materials are written so that the consumer can understand his or her coverage. Rate review and analysis includes analysis of key assumptions used to determine the need for rate increases, while also considering the financial status of the company and its market. Department analysis includes internal staff review. In some rate filings, an actuarial review is also required. In addition, some Medicare Supplement rate requests require the HCA to administer an extensive statutory process that includes public hearings. All rates filings are reviewed for compliance with various legislatively mandated standards. The standards applied to a rate filing depend on the product and the type of entity seeking the rate approval.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Banking	15	15	15	1,383,892	1,581,545	1,581,545	1,584,534
Insurance	25	24	26	2,717,991	3,201,894	3,201,894	3,465,280
Captive	27	28	28	3,222,663	3,676,773	3,676,773	3,691,442
Securities	5	5	5	505,491	587,779	587,779	591,959
Health Care Administration	20	19	24	3,964,343	4,741,907	5,118,165	5,924,401
Administration	21	21	18	1,913,223	2,204,989	2,204,989	1,989,647
TOTAL	113	112	116	13,707,603	15,994,887	16,371,145	17,247,263
FUND TYPE							
Special Fund				11,993,645	14,096,063	14,096,063	14,820,737
Federal Revenue Fund				0	0	376,258	527,702
Global Commitment Fund				1,713,958	1,898,824	1,898,824	1,898,824
TOTAL				13,707,603	15,994,887	16,371,145	17,247,263

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Banking**

Description of Appropriations, Divisions, & Programs

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Banking**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,172,612	1,338,504	1,338,504	1,343,681
Operating Expenses	211,280	243,041	243,041	240,853
<hr/> TOTAL	<hr/> 1,383,892	<hr/> 1,581,545	<hr/> 1,581,545	<hr/> 1,584,534
FUND TYPE				
Special Fund	1,383,892	1,581,545	1,581,545	1,584,534
<hr/> TOTAL	<hr/> 1,383,892	<hr/> 1,581,545	<hr/> 1,581,545	<hr/> 1,584,534

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Insurance**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,370,817	2,768,091	2,768,091	3,027,935
Operating Expenses	347,174	433,803	433,803	437,345
<hr/>				
TOTAL	2,717,991	3,201,894	3,201,894	3,465,280
FUND TYPE				
Special Fund	2,717,991	3,201,894	3,201,894	3,465,280
<hr/>				
TOTAL	2,717,991	3,201,894	3,201,894	3,465,280

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Captive**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,810,534	3,237,368	3,237,368	3,262,719
Operating Expenses	412,129	439,405	439,405	428,723
<hr/>				
TOTAL	3,222,663	3,676,773	3,676,773	3,691,442
FUND TYPE				
Special Fund	3,222,663	3,676,773	3,676,773	3,691,442
<hr/>				
TOTAL	3,222,663	3,676,773	3,676,773	3,691,442

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Securities

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	406,112	447,065	447,065	442,445
Operating Expenses	99,379	140,714	140,714	149,514
<hr/> TOTAL	<hr/> 505,491	<hr/> 587,779	<hr/> 587,779	<hr/> 591,959
FUND TYPE				
Special Fund	505,491	587,779	587,779	591,959
<hr/> TOTAL	<hr/> 505,491	<hr/> 587,779	<hr/> 587,779	<hr/> 591,959

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Health Care Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,721,149	4,421,102	4,785,560	5,581,274
Operating Expenses	243,194	320,805	332,605	343,127
<hr/> TOTAL	<hr/> 3,964,343	<hr/> 4,741,907	<hr/> 5,118,165	<hr/> 5,924,401
FUND TYPE				
Special Fund	2,250,385	2,843,083	2,843,083	3,497,875
Federal Revenue Fund	0	0	376,258	527,702
Global Commitment Fund	1,713,958	1,898,824	1,898,824	1,898,824
<hr/> TOTAL	<hr/> 3,964,343	<hr/> 4,741,907	<hr/> 5,118,165	<hr/> 5,924,401

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,873,449	2,094,388	2,094,388	1,808,446
Operating Expenses	39,774	110,601	110,601	181,201
<hr/> TOTAL	<hr/> 1,913,223	<hr/> 2,204,989	<hr/> 2,204,989	<hr/> 1,989,647
FUND TYPE				
Special Fund	1,913,223	2,204,989	2,204,989	1,989,647
<hr/> TOTAL	<hr/> 1,913,223	<hr/> 2,204,989	<hr/> 2,204,989	<hr/> 1,989,647

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary of State

Department Mission Statement

To use the Office of the Secretary of State's constitutional and statutory authority to: protect public health and safety, protect the integrity of the State's electoral process, protect public access to government and its records, facilitate commerce in Vermont, and foster an understanding of and an enthusiasm for our democratic form of government.

Description of Appropriations, Divisions, & Programs

The Office is comprised of the divisions of Vermont State Archives and Records Administration, Elections, Corporations, and Professional Regulation, as well as the Safe at Home address confidentiality program.

VERMONT STATE ARCHIVES AND RECORDS ADMINISTRATION

The Vermont State Archives and Records Administration (VSARA) division within the Office of the Secretary of State advises and guides public agencies in records and information management; appraises and schedules public records so they are preserved only as long as they have a legal or administrative value; preserves and enhances access to the State government's archival records; and operates a secure record center for non-permanent and inactive agency records.

VSARA cooperates with other public agencies in identifying technical and legal guidelines for managing public records, including digital records, and may offer advice on questions associated with the statutory provisions governing access to public records. The primary statutory authority for VSARA is found in 3 V.S.A. §117 and 3 V.S.A. §218 and in the broader requirements of Article VI, Chapter I, of the Vermont Constitution for the accountability of government officials to the public.

ELECTIONS

The Elections division of the Office of the Secretary of State protects the integrity of campaigning and elections in Vermont; facilitates the access of all citizens to elections, governmental activities, and public issues; provides administration and support for the orderly conduct of elections, including making recommendations for improvements to the process (both technological and policy); provides advice and direction to 246 town clerks and Boards of Civil Authority (the local elections boards) to promote compliance with all requirements of federal and state election laws; provides materials and direction to public assistance agencies and the Department of Motor Vehicles to promote compliance with the requirements of federal law for voter registration; provides responsive and accurate information and advice to citizens, candidates, public officials, and the press on elections, campaign finance, lobbyist disclosure, open meeting, public records, and municipal questions; administers the campaign finance and lobbyist disclosure laws; continues to increase the availability of information through its web site

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary of State

and publications; and provides public education to encourage the participation of all citizens of voting age in the Vermont elections process.

As of the 2010 census, there were 499,582 citizens of voting age and, as of November 2010, there were 453,181 registered voters in Vermont. The Elections division serves citizens, voters, candidates, political parties, political committees, public officials (elected and appointed), members of the press, lobbyists, lobbyist employers, students, public interest groups and a wide variety of researchers and academicians.

CORPORATIONS

The Corporations division within the Office of the Secretary of State strives to provide a business friendly environment and to facilitate commerce by administering state law related to records identifying foreign and domestic corporations, partnerships, limited liability companies, and sole proprietorships doing business in Vermont; by registering trademarks and trade names; and by acting as the central filing office for Uniform Commercial Code liens. Through its web pages, the office seeks to increase opportunities for business to register and file, and for the public to search for information.

The division pays for its services through the generation of fee and registration revenues and contributes additional revenues to the general fund.

OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation within the Office of the Secretary of State serves 45 professions and approximately 55,000 licensees by providing administrative, investigative and legal assistance to the regulatory programs for these professions. The mission of the Office of Professional Regulation is to protect the public from unethical, incompetent or otherwise unprofessional behavior by licensed practitioners in the professions and occupations that are regulated through the Office; to protect the public from practitioners in these fields who are unauthorized to practice; and to ensure equity in licensing, regulation and discipline by fairly and responsibly administering the rules and statutes pertaining to these professions and occupations.

SAFE AT HOME

The Safe at Home address confidentiality program helps victims of domestic violence, sexual assault, and stalking rebuild their lives and be safer by providing a substitute address to be used when creating or updating records with state or local government agencies. The substitute address provides for confidentiality of victims' actual locations by preventing assailants from locating victims by using public government records.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary of State

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Secretary of State	65	65	66	7,152,309	8,650,681	8,513,173	8,737,583
<hr/>							
TOTAL	65	65	66	7,152,309	8,650,681	8,513,173	8,737,583
FUND TYPE							
General Fund				1,624,587	1,741,157	1,603,649	1,529,127
Special Fund				4,764,955	4,834,524	4,834,524	5,133,456
Federal Revenue Fund				687,767	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer				75,000	75,000	75,000	75,000
<hr/>							
TOTAL				7,152,309	8,650,681	8,513,173	8,737,583

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	5,241,180	5,639,766	5,524,488	5,698,916
Operating Expenses	1,690,499	2,010,915	1,988,685	2,038,667
Grants	220,598	1,000,000	1,000,000	1,000,000
Non Operating Exp Budget	32	0	0	0
<hr/> TOTAL	<hr/> 7,152,309	<hr/> 8,650,681	<hr/> 8,513,173	<hr/> 8,737,583
FUND TYPE				
General Fund	1,624,587	1,741,157	1,603,649	1,529,127
Special Fund	4,764,955	4,834,524	4,834,524	5,133,456
Federal Revenue Fund	687,767	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer	75,000	75,000	75,000	75,000
<hr/> TOTAL	<hr/> 7,152,309	<hr/> 8,650,681	<hr/> 8,513,173	<hr/> 8,737,583

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Service Department

Department Mission Statement

The Department of Public Service serves all citizens of Vermont through public advocacy, planning, policy development, and programs carried out by the Consumer Affairs and Public Information, Energy Efficiency, Engineering, Planning, Telecommunications and Economics Divisions, to meet the public's need for least cost, environmentally sound, efficient, reliable, secure, sustainable, and safe energy services, telecommunications services, and regulated utility systems.

Description of Appropriations, Divisions, & Programs

The DPS is predominantly funded by the gross receipts tax on utility bills, pursuant to 30 V.S.A § 22, with some programs funded through federal grants.

Divisions and Programs

Public Advocacy. DPS serves as the ratepayers' Public Advocate, through the Public Advocacy Division, before the Public Service Board, other State and federal agencies and courts on issues related to electricity, natural gas, telephone, cable TV, and to some extent for water and wastewater services. The DPS enforces statutes and rules related to transactions between utilities and their customers, and upholds established rules of service when a consumer is not satisfied with service received from a regulated utility company.

Consumer Protection. The Consumer Affairs & Public Information Division provides information and educational programs for consumers of the state's utility-type services, focusing primarily on residential consumers of electric and telecommunications services. DPS has procedures for dispute resolution and disconnection prevention. The Division also provides educational and self-advocacy information, promotes the passage of laws and rules to protect consumers, monitors the implementation and effectiveness of the law, rule or policy, and provides expert support to public advocacy functions.

Energy Efficiency. The Division reviews and evaluates Vermont's energy efficiency programs; proposes and promotes strategies and programs to enhance energy savings for customers, the Vermont economy and environment; and works in public/private partnerships to develop renewable energy resources in the state. The Division writes and manages grants to support innovative energy efficiency strategies and to build on its successful efforts promoting renewable and sustainable energy technologies in Vermont.

Regulated Utility Planning. The Planning Division reviews the State's current and long term needs for electric energy and for a least cost portfolio of options to meet the State's future demand. The Planning Division reviews utility power supply and cost information, monitoring for consistency with policy

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Service Department

recommendations in the Vermont Comprehensive Energy and Electric Plan, regularly reviews fossil fuel price forecasts, and provides expert support to public advocacy functions. The Planning Division also prepares statewide planning documents and publishes general and technical reports.

Utility Finance and Economics. The Utility Finance and Economics Division provides financial and economic analysis to all divisions including providing expert support to the DPS public advocacy functions. The Division also collects and organizes regulated utility annual report information, collects and accounts for the gross receipts tax that finances State utility regulation functions, and manages the DPS Purchase and Sale of Power Program.

Administration. The Department carries out administrative functions for the Commissioner's Office, personnel, and business management.

Purchase and Sale of Power. The Department contracts on behalf of the state for the purchase of cost effective power for sale, from time to time, at retail to residential customers and at wholesale to the state's electric companies. DPS currently sells a small amount of wholesale power and hasn't had any retail sales since 1996.

Utility Safety. DPS has a significant role in Vermont Yankee oversight, gas safety programs, and utility accident prevention and investigation.

Telecommunications. The Telecommunications Division provides policy development and regulatory enforcement related to local exchange telephone services, toll services, internet and other high-speed data services, cable television, and federal telecommunications issues. It also provides policy guidance and expert support to the DPS public advocacy function.

Emergency Response. The Department is involved in direct, on-site intervention at utility and fuel related accidents. DPS participates in preparedness programs for providing technical assistance in the event of nuclear accidents, and DPS coordinates with local, state, and federal emergency response teams.

Monitoring of Non-Regulated Fuels. The Department monitors and reports non-regulated fuel prices and supplies statewide. This information is summarized and distributed in a monthly publication, "Vermont Fuel Price Report." Key issues and trends are identified and actions are recommended when appropriate and necessary.

Energy Emergency Planning. The Department has developed and documented a procedure that defines steps that must be taken in the event of a serious energy shortage, including energy monitoring activities, responsibility assignment, and specific directions to be carried out under various energy emergency conditions.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Service Department**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Regulation & Energy	42	47	52	14,409,274	29,134,287	29,134,287	29,372,953
<hr/>							
TOTAL	42	47	52	14,409,274	29,134,287	29,134,287	29,372,953
FUND TYPE							
Special Fund				13,706,737	12,180,237	12,180,237	12,341,218
American Recovery & Reinvestment Act				367,787	15,796,250	15,796,250	15,873,935
Federal Revenue Fund				334,750	1,157,800	1,157,800	1,157,800
<hr/>							
TOTAL				14,409,274	29,134,287	29,134,287	29,372,953

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Regulation & Energy**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	7,863,865	7,227,506	7,227,506	7,428,529
Operating Expenses	3,129,135	703,315	703,315	847,636
Grants	3,416,274	21,203,466	21,203,466	21,096,788
<hr/> TOTAL	<hr/> 14,409,274	<hr/> 29,134,287	<hr/> 29,134,287	<hr/> 29,372,953
FUND TYPE				
Special Fund	13,706,737	12,180,237	12,180,237	12,341,218
American Recovery & Reinvestment Act	367,787	15,796,250	15,796,250	15,873,935
Federal Revenue Fund	334,750	1,157,800	1,157,800	1,157,800
<hr/> TOTAL	<hr/> 14,409,274	<hr/> 29,134,287	<hr/> 29,134,287	<hr/> 29,372,953

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Service Board

Department Mission Statement

The Public Service Board is a quasi-judicial board that supervises the rates, quality of service, and overall financial management of Vermont's public utilities: cable television, electric, gas, telecommunications, water and large wastewater companies. It also reviews the environmental and economic impacts of energy purchases and facilities, the safety of hydroelectric dams, the financial aspects of nuclear plant decommissioning, licensing, and radioactive waste storage, and the rates paid to independent power producers. The Board's mission is to ensure the provision of high quality public utility services in over one million accounts from approximately 550 utilities, at minimum reasonable costs, measured over time periods consistent with the long-term public good of the state. The Board strives to achieve this mission by providing an independent, fair and efficient means of resolving public utility disputes; and by guiding the development of state utility policies and rules for public services to best serve the long-term interest of Vermont and its residents, all as defined in Title 30 V.S.A.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Service Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Public Service Board	26	27	27	2,772,455	3,080,697	3,067,814	3,247,365
<hr/>							
TOTAL	26	27	27	2,772,455	3,080,697	3,067,814	3,247,365
 FUND TYPE							
Special Fund				2,740,947	2,814,863	2,801,980	3,001,980
American Recovery & Reinvestment Act				31,508	265,834	265,834	245,385
<hr/>							
TOTAL				2,772,455	3,080,697	3,067,814	3,247,365

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Service Board**

Performance Program Information

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Service Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,508,684	2,716,697	2,703,814	2,860,205
Operating Expenses	263,771	364,000	364,000	387,160
<hr/>				
TOTAL	2,772,455	3,080,697	3,067,814	3,247,365
FUND TYPE				
Special Fund	2,740,947	2,814,863	2,801,980	3,001,980
American Recovery & Reinvestment Act	31,508	265,834	265,834	245,385
<hr/>				
TOTAL	2,772,455	3,080,697	3,067,814	3,247,365

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

Department Mission Statement

The Enhanced 911 Board's mission is to provide a statewide emergency telecommunications system, accessible to everyone, and to administer and oversee its operation.

Description of Appropriations, Divisions, & Programs

The Enhanced 911 Board has statutory responsibility for the design, installation and operation of state wide enhanced 9-1-1. The Board establishes standards for system performance based on nationally accepted industry standards and best practices. The Board undertakes a variety of activities to ensure that performance standards are met and that the public receives the highest quality service possible, in a uniform manner state wide.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Enhanced 9-1-1 Board	11	11	11	5,151,968	4,605,803	4,605,803	5,845,256
<hr/> TOTAL	<hr/> 11	<hr/> 11	<hr/> 11	<hr/> 5,151,968	<hr/> 4,605,803	<hr/> 4,605,803	<hr/> 5,845,256
FUND TYPE							
Special Fund				5,151,968	4,605,803	4,605,803	5,845,256
<hr/> TOTAL				<hr/> 5,151,968	<hr/> 4,605,803	<hr/> 4,605,803	<hr/> 5,845,256

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

Appropriation Key Budget Issues

Enhanced 9-1-1 Operating System Costs

FY11 is a transition year for Vermont's 9-1-1 operating system as we move to a new vendor. We will be cutting over to the new operating system in the middle of May, 2011 and it should be fully functional on 07/01/11. In 2012 we will experience a one-time cost spike for transitional expenses. The one-time costs were anticipated in the new contract, and aired fully with the administration and in past budget testimony.

Statutory Amendments

The legislation that created the Enhanced 911 Board and system was passed in 1994. We are reviewing the legislation to determine whether to do some housekeeping, and if the Board determines it appropriate to do so, we will discuss those ideas with the key legislative committees at that time.

Rulemaking

Rulemaking is a priority in FY12. The current Standards speak to the telco-based system envisioned in 1996 and used until 2007, rather than the next generation IP-based system we currently have. The E9-1-1 Board has rulemaking authority and a responsibility to ensure the safety and reliability of Vermont's E9-1-1 system. The Board will need to retain legal and other expertise necessary to promulgate new Rules that bear on the complex, evolving telecommunications market.

Public Education

The Enhanced 9-1-1 Board relies on the emergency service community to make the public aware of E9-1-1, including presentations in the elementary schools. Due to budget pressures, we have not been able to provide adequate training materials. Early training around the proper use of E911 system enhances public safety and provides major benefits to emergency service providers and citizens alike. We need to restore the investment in elementary school awareness training.

Long-Term Pressure on the Universal Service Fund Tax Base

The E9-1-1 Board relies completely on the state's Universal Service Fund (USF) for its funding. Many subscribers are shifting to Voice over IP (VoIP) or voice service which is not presently captured in the USF tax base. In turn, this is pressuring traditional telephone providers to reduce what they charge. Many Vermonters are subscribing for wireless service only. In other states, 9-1-1 fees are experiencing annual reductions of approximately 8% due to these trends. We expect to see similar reductions as broadband, cable, and wireless coverage expands in Vermont.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

Moreover, a recent decision by the Eight Circuit Court of Appeals, now on further appeal, in the matter of Vonage Holdings Corp. vs. the Nebraska Public Service Commission found that Vonage, and presumably other VoIP providers, do not have to pay into the local Universal Service Funds because such payment interferes with interstate commerce. If ultimately successful, there is some concern that the precedent could then be applied to landline and wireless services shrinking USF contributions further. While we expect that the current funding model to be sufficient for FY 12, it may not be reliable indefinitely.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,088,654	2,441,508	2,441,508	4,181,478
Operating Expenses	1,239,871	1,252,574	1,252,574	853,778
Grants	1,823,443	911,721	911,721	810,000
<hr/>				
TOTAL	5,151,968	4,605,803	4,605,803	5,845,256
FUND TYPE				
Special Fund	5,151,968	4,605,803	4,605,803	5,845,256
<hr/>				
TOTAL	5,151,968	4,605,803	4,605,803	5,845,256

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Rights Commission

Department Mission Statement

The Commission promotes full civil and human rights in Vermont. The Commission protects people from unlawful discrimination in housing, state government employment and public accommodations and pursues its mission by enforcing laws, mediating disputes, educating the public and providing information and referrals as well as advancing effective public policies on human rights issues in Vermont.

Description of Appropriations, Divisions, & Programs

The Vermont Human Rights Commission is the state agency having jurisdiction over claims of unlawful discrimination in housing, state employment, and the provision of goods and services by businesses. The Commission has three statutorily mandated roles: enforcement, education and policy development. The Commission investigates allegations of discrimination and determines whether there are reasonable grounds to believe that unlawful discrimination occurred in a case. The Commission's staff seeks to resolve charges through mediation, and if necessary, conciliation if there is a finding of reasonable grounds. The Commission has instituted a pre-filing resolution process that has proven to be quite successful. If the Commission finds that there was discrimination in a case and the case cannot be settled, the Commission may file suit in court to obtain remedies for violations of the state's civil rights laws.

The Commission continues to focus its efforts to ensure that all students feel welcome and safe in Vermont schools. The strategies utilized to achieve this objective include processing complaints of student harassment and providing anti-harassment training to educators to the extent that current resources allow. School harassment continues to be an enforcement priority for the Commission as well as racial profiling and discrimination against persons with psychiatric disabilities.

The Commission is funded by a combination of: **State general funds**, at an amount roughly equivalent to about 85% of salary and benefit costs of the Commission's five staff members; **Federal funds** resulting from an on-going contractual relationship with the U.S. Department of Housing and Urban Development's Fair Housing and Equal Opportunity Office (HUD) to investigate housing discrimination complaints in Vermont that allege violations of both state and federal fair housing law. HUD awarded the Commission \$102,940 for use in FFY11. Despite a federal fund appropriation of \$170,739, the Commission spent \$142,342 in federal funds during SFY10 and expects to spend similar amounts during SFY 11 and SFY 12. The Commission projects a \$8,461 balance in the federal receipts fund into SFY12, and hopes to receive \$100,000 from HUD's Fair Housing Assistance Program (FHAP) grant for use in SFY12. The Commission processes roughly 100 complaints received annually (a relatively stable

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Rights Commission

number of charges over the past three years).

Key Budget Issue—The primary presenting problem is the adequacy of available funding to allow the Human Rights Commission to pursue its important mission. The FHAP award has varied widely in the past number of years depending on the number of complaints investigated—from a low of \$68,280 for FFY08 to a high of \$113,440 for FFY09. This is of particular concern as Vermont’s people become increasingly diverse and multi-cultural in its demographic.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Rights Commission**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Human Rights Commission	5	5	5	423,753	488,994	436,702	477,882
<hr/> TOTAL	<hr/> 5	<hr/> 5	<hr/> 5	<hr/> 423,753	<hr/> 488,994	<hr/> 436,702	<hr/> 477,882
FUND TYPE							
General Fund				263,993	318,255	281,446	332,882
Special Fund				17,418	0	0	0
Federal Revenue Fund				142,342	170,739	155,256	145,000
<hr/> TOTAL				<hr/> 423,753	<hr/> 488,994	<hr/> 436,702	<hr/> 477,882

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Rights Commission

Appropriation Key Budget Issues

The primary and continuing HRC budget issue is the volatility, and continuing decline, in the amount of federal funds granted over time to the Commission by HUD. Grant funding has ranged from a high of \$127,140 (FY03) to a low of \$53,880 (FY09). In recent years, HUD has eliminated grant enhancements beyond its base case processing payment premised on the number of dual filed complaints closed by the HRC each year.

The HUD grant in FY10 (\$85,558) does not fully support the Commission's current \$170,739 FF appropriation. The outstanding \$85,181 of the FF is withdrawn from a federal reserve fund which has been maintained on behalf of the Commission since FY99 when the HUD grant monies were first received. The initial three years of grant funding, called "capacity building," produced \$315,000 in revenue. These funds remained essentially unexpended for a number of years building a reserve that will be all but depleted by the close of FY10 as current projections show a \$2,500 remainder.

Even if the Commission receives HUD grant funds equivalent to the funds received during FY10, there will still be a shortfall of over \$80,000. The combination of the Commission's reduction in FF spending and the Administration's recommended increase in GF appropriations provides a firm foundation for the Commission to continue to provide the current level of service to persons, landlords, businesses, schools and other governmental entities throughout Vermont during FY11.

Performance Program Information

The number of complaints processed to completion has remained relatively constant in recent years. During FY08, monetary recoveries by complainants in 14 separate complaints totaled over \$93,000. During FY09, the Commission had twenty-one (21) complaints which resulted in resolutions with tangible benefits to the complainants. The work of the Commission contributed directly to nearly \$400,000 in cash awards to persons subjected to discrimination, and more than \$100,000 in non-monetary relief including an employee who was allowed to return to work after being terminated, changes in policies and practices in schools and housing complexes, installation of accessible features in places of public accommodations and the like.

Recently, HRC staff initiated a new process which complainants are asked whether they wished Commission staff to attempt to resolve their grievances without resort to the formal filing of a complaint and a full investigation. Forty two (42) such informal resolutions were attempted during FY09, with more than half (20 or 56%) resolved, another 45% (16) were unsuccessful. (Six were still pending at year end.) The informal attempts failed in only four cases which resulted in the filing of a formal charge.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Rights Commission**

This change in practice results in faster resolution and conservation of finite staff resources.

FY04 - FY09 Total Charges and Informals

	Housing	PA	Emp	Total	Informals	Total charges & informals
FY04	50	31	13	94	X	94
FY05	45	37	7	89	X	89
FY06	33	28	20	81	X	81
FY07	40	23	9	72	X	72
FY08	30	21	11	62	53	115
FY09	33	15	15	63	42	105

The Commission continues to focus its efforts to ensure that all students feel welcome and safe in Vermont schools. The strategies utilized to achieve this objective include processing complaints of student harassment and providing anti-harassment training to educators. School harassment continues to be an enforcement priority for the Commission as well as racial profiling and discrimination against persons with psychiatric disabilities. The demands on our services will only continue to increase given that one of four new Vermonters is non-Caucasian and over one in four Vermonters have one or more disabilities.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Rights Commission**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	365,911	411,862	376,695	412,199
Operating Expenses	57,842	77,132	60,007	65,683
<hr/> TOTAL	<hr/> 423,753	<hr/> 488,994	<hr/> 436,702	<hr/> 477,882
FUND TYPE				
General Fund	263,993	318,255	281,446	332,882
Special Fund	17,418	0	0	0
Federal Revenue Fund	142,342	170,739	155,256	145,000
<hr/> TOTAL	<hr/> 423,753	<hr/> 488,994	<hr/> 436,702	<hr/> 477,882

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Liquor Control

Department Mission Statement

The Department of Liquor Control purchases, distributes, and sells distilled spirits through its agency stores; enforces Vermont's alcohol and tobacco statutes, with a strong emphasis on limiting youth access; educates licensees; and promotes responsibility. An integral part of its mission is to control the distribution of alcoholic beverages while providing excellent customer service and effective public safety for the general good of the state.

Description of Appropriations, Divisions, & Programs

Administration Appropriation:

The Department of Liquor Control is funded through an Enterprise Fund primarily consisting of alcohol receipts from the sale of spirituous liquor. These monies go toward the operation of both the business and regulatory functions.

The Administrative division of the department is responsible for business and retail functions. The department's objectives are to provide a controlled distribution system that removes alcoholic beverages from the private marketplace and to promote moderate consumption while maximizing the revenues generated for the state.

The Retail Operations division provides for the sale of alcoholic beverages to the public and licensed establishments throughout the state.

The Liquor Control Board, Commissioner, and support personnel supervise and manage the sale of spirituous liquors as well as enforce laws and regulations under V.S.A. Title 7. Supervisory staff provide support to outlets with training, audits, product knowledge, inventory control, and other supportive measures as needed. Accounting is responsible for all financial transactions related to the operations of the department. Purchasing oversees control of inventory of alcoholic beverages from liquor vendor to resale. Information Technology supports all divisions of the department.

Warehousing, Distribution, & Recycling Appropriation:

Warehousing, Distribution, & Recycling receives and stores alcoholic beverages from vendors and distributes inventory throughout the state to liquor outlets for resale. This division coordinates pickup of all refunded empty liquor bottles at more than 132 outlets and redemption centers throughout Vermont and transfers recyclable material to recycling centers for further processing.

Enforcement, Licensing, and Education Appropriation:

The Enforcement, Licensing, and Education division's mission is to provide a safe and healthy

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Liquor Control

environment by fostering respect for, and adherence to, the laws of the State of Vermont. Its goals are: to provide meaningful liquor control education to licensees, schools and the general public; apply strict but fair enforcement of the Vermont liquor laws and regulations; and permit only responsible persons to engage in alcohol beverage sales and service.

The regulatory side of the department enforces Vermont's Alcohol Beverage statutes, regulations, and certain tobacco laws. This division also provides mandatory alcohol and tobacco education for all licensees and their employees.

Enforcement and Licensing investigates license applicants and premises. They conduct inspections for detection, correction, and intervention in instances where laws and regulations are not adhered to. In addition, this division investigates complaints from the general public and fellow law enforcement, and conducts evidentiary hearings. They enforce the laws concerning illegal importation and laws restricting youth access to tobacco and alcohol products.

Enforcement approves, processes, and issues more than 4900 licenses annually, handles cases, and enforces decisions made by the Liquor Control Board.

The Education unit provides licensee server training for business owners and their employees. A training schedule and calendar can be found on DLC's website: <http://liquorcontrol.vermont.gov/>. They also process statistical seminar activity. Their primary function is to provide mandatory server/seller training as mandated by 7 V.S.A. Sec. 236(c). Tobacco compliance testing also has been mandated by the legislature (2001-2002). The Tobacco Settlement Fund is used to cover the Education Unit as well as monthly tobacco compliance test costs.

In 1999, the role of the Alcohol Server Education unit increased greatly as a result of the legislature's passage of a mandatory server/seller education law. The education Section became a more defined part of the division. In the Education Section, there are now two Education Investigators and a Training Specialist working together to improve the department's educational programs. The section has been developing updated programs for licensees, as well as working collaboratively with Enforcement, has increased alcohol and tobacco compliance, limited access to retail establishments for minors seeking to purchase alcohol and tobacco, and fostered cooperation between licensees and the department.

In December 2010, the department went live with an on-line education program for off premise managers and employees. The program support was paid for with a grant from the National Alcohol Beverage Association. The department education staff wrote the content. It will be another option for licensees to use along with face to face server education currently offered.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Liquor Control**

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Liquor Control

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Enforcement & Licensing	23	21	21	2,339,877	2,307,551	2,303,190	2,262,936
Administration	20	17	17	2,080,631	2,068,000	2,055,728	2,215,045
Warehousing and Distribution	13	14	14	1,153,332	1,143,384	1,142,784	1,111,108
<hr/>							
TOTAL	56	52	52	5,573,840	5,518,935	5,501,702	5,589,089
FUND TYPE							
Special Fund				369,966	296,306	285,284	291,945
Enterprise Fund				4,912,411	4,972,629	4,972,029	5,047,144
Interdepartmental Transfer				291,463	250,000	244,389	250,000
<hr/>							
TOTAL				5,573,840	5,518,935	5,501,702	5,589,089

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Enforcement & Licensing**

Appropriation Key Budget Issues

The total budget for this division decreased slightly.

Tobacco Settlement funds are down slightly in this division to \$285,284. They fund the education program for tobacco and alcohol licensees and their employees. It also funds the tobacco compliance program under which DLC conducts monthly tobacco compliance tests. These funds are key to the provision of DLC's mandatory educational programs, which significantly influence the success of the compliance programs.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Enforcement & Licensing**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,942,684	1,930,027	1,925,666	1,875,103
Operating Expenses	397,193	377,524	377,524	387,833
<hr/> TOTAL	<hr/> 2,339,877	<hr/> 2,307,551	<hr/> 2,303,190	<hr/> 2,262,936
FUND TYPE				
Special Fund	299,574	289,645	285,284	285,284
Enterprise Fund	1,991,819	2,017,906	2,017,906	1,977,652
Interdepartmental Transfer	48,484	0	0	0
<hr/> TOTAL	<hr/> 2,339,877	<hr/> 2,307,551	<hr/> 2,303,190	<hr/> 2,262,936

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

There is an increase for this division of \$147,045. The majority of this increase is to start the POS/ERP project to replace Liquor Control's point of sale systems in agency stores along with the department whole financial system. Both systems are quite old and run on platforms that are no longer supported. Personal services have increased slightly due to benefits increases. The department receives a \$250,000 grant from the Governor's Highway Safety Program for the VTLSP/SADD program. DLC has collaborated with them in the past on the Governor's Youth Leadership Conference. Both organizations are concerned with preventing underage drinking and promoting highway safety. There is also \$6,661 in Tobacco Funds used for tobacco education related to the SADD program.

The revenue stream from sale of spirits has increased dramatically since 1996, when DLC introduced its Prime Focus sales program. The program's main objective was to promote local purchases of spirits by providing Vermonters with excellent product value while diminishing the loss of revenue due to cross-border purchasing. The strategy has succeeded, with sales increasing from \$34.9 million in 1996 to \$59.7 million in FY2010. Sales for the first five months of FY2011 are promising with anticipated sales of 62,000,000 for the year. Tax revenue to the General Fund has increased due to the upward sales trends that are prevailing in all categories of spirits sales. In addition, a sales tax of 6% was added to liquor in 2009 bring in an additional \$2.8 million.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,519,632	1,442,422	1,432,422	1,619,092
Operating Expenses	560,999	625,578	623,306	595,953
<hr/>				
TOTAL	2,080,631	2,068,000	2,055,728	2,215,045
FUND TYPE				
Special Fund	70,392	6,661	0	6,661
Enterprise Fund	1,767,260	1,811,339	1,811,339	1,958,384
Interdepartmental Transfer	242,979	250,000	244,389	250,000
<hr/>				
TOTAL	2,080,631	2,068,000	2,055,728	2,215,045

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Warehousing and Distribution**

Appropriation Key Budget Issues

The Warehouse budget is decreased by -\$32,276. The Warehouse Management System project has been completed although further enhancements are being considered.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Warehousing and Distribution**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	817,230	813,769	813,769	766,123
Operating Expenses	336,102	329,615	329,015	344,985
<hr/> TOTAL	<hr/> 1,153,332	<hr/> 1,143,384	<hr/> 1,142,784	<hr/> 1,111,108
FUND TYPE				
Enterprise Fund	1,153,332	1,143,384	1,142,784	1,111,108
<hr/> TOTAL	<hr/> 1,153,332	<hr/> 1,143,384	<hr/> 1,142,784	<hr/> 1,111,108

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Human Services

Agency Mission Statement

The mission of the AHS Office of the Secretary is to:

- * provide leadership and set Agency priorities across the six departments of AHS;
- * promote integrated planning, delivery, and evaluation of resources and services; an
- * ensure that Agency resources (personnel, fiscal, technology, and space) are managed effectively.

Description of Departments in Agency

Office of the Secretary: The Office includes the Division of Administrative Services that provides Agency planning and oversight functions for the Secretary. It also provides support for the Division of Rate Setting, the Investigations Unit, the Human Services Board, and the Developmental Disabilities Council. The VT Commission on National & Community Service joined the Agency in fiscal year 2010.

Department of Disabilities, Aging and Independent Living(DAIL): The Department assists older Vermonters and adults with disabilities to live as independently as possible. It helps adults with disabilities to find and maintain meaningful employment. It licenses inpatient health care facilities and long-term care providers. The Department also protects elders and adults with disabilities from abuse, neglect, and exploitation.

Department of Corrections (DOC): In partnership with Vermont communities, DOC serves and protects the public by offering a continuum of graduated sanctions for offenders to repair the damage their crimes have caused to victims and communities. The Department operates Corrections facilities for incarcerated offenders and Community Correctional Service Centers for offenders convicted of lesser crimes. It also supports Community Reparative Boards that develop sanctions and restorative plans to enable nonviolent offenders make amends for their crimes and return value to their communities.

Department of Health (DOH): DOH protects and promotes health, and prevents disease and injury through public health programs to maintain and improve the health status of all Vermonters. Programs focus on infectious and chronic disease control and prevention (e.g., injury prevention, and healthy

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Human Services

babies programs), surveillance (e.g., disease reporting), and protection (e.g., restaurant inspections).

Department of Mental Health (DMH): DMH promotes the health and well being of Vermonters in coordination with community organizations, such as designated agencies, Specialty Services agencies, and schools, as they provide statewide mental health services for children, families, adults and the elderly. These services include psychiatry, case management, employment, crisis, and residential care. In addition DMH operates the Vermont State Hospital and provides designation to the 5 independent psychiatric hospital units in the state that provide inpatient services for adults and children. The Department also works in collaboration with advocacy and consumer organizations to ensure that educational, support, and peer-directed services occur statewide.

Department for Children and Family Services (DCF): DCF administers many programs that address the basic needs of Vermonters. These programs promote the well-being of families and individuals through welfare-to-work services, in-kind benefits, and cash assistance. DCF also helps families and individuals lead healthy and independent lives by providing support services and offering educational, information, and prevention services to communities. Social services seek to break the cycle of abuse, neglect, and delinquency. Child care services play a lead role in developing quality child care services in Vermont. The Division of Child Support enforces state and federal statutes to ensure that children receive financial support from non-custodial parents. Child Support improves financial security for children by obtaining child support obligations and payments.

Department of Vermont Health Access (DVHA): DVHA promotes the well-being of families and individuals through the provision of health care coverage. DVHA is the state office responsible for the management of Medicaid, the State Children's Health Insurance Program, and other publicly funded health insurance programs in Vermont. Additionally, in FY'08, DVHA became the lead agency in implementation of the state's new health care plan, Catamount Health. As such, it is the largest insurer in Vermont with regard to dollars spent and the second largest insurer with regard to covered lives.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Human Services

AGENCY SUMMARY BY DEPARTMENT

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Mental Health	267	272	269	150,099,313	157,832,447	156,591,382	151,950,220
Human Services Central Office	124	109	103	1,035,848,613	1,093,004,701	1,116,302,830	1,096,672,883
Office of VT Health Access	98	104	120	820,772,886	959,880,067	925,668,916	1,008,441,960
Health	529	473	476	111,935,488	110,753,042	112,006,010	111,094,815
Children and Family Services	964	924	976	336,679,522	340,261,159	342,764,004	336,419,540
Disabilities, Aging and Independent Living	293	261	273	199,996,504	212,756,020	211,856,434	208,751,374
Corrections	1,096	1,042	1,057	139,007,195	144,219,710	137,429,474	140,821,606
TOTAL	3,371	3,185	3,274	2,794,339,521	3,018,707,146	3,002,619,050	3,054,152,398
FUND TYPE							
General Fund				432,559,273	455,891,035	472,102,917	551,044,324
Special Fund				272,170,300	289,440,477	296,852,778	351,355,486
American Recovery & Reinvestment Act				164,036,647	154,080,195	132,568,851	3,047,024
Federal Revenue Fund				967,269,125	1,025,405,124	1,034,663,268	1,039,641,798
Permanent Trust Fund				10,000	10,000	10,000	10,000
Global Commitment Fund				940,140,116	1,074,069,359	1,046,185,811	1,087,889,311
Internal Service Fund				1,458,620	1,540,358	1,540,358	1,463,890
Interdepartmental Transfer				16,695,440	18,270,598	18,695,067	19,700,565
TOTAL				2,794,339,521	3,018,707,146	3,002,619,050	3,054,152,398

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Mental Health**

Department Mission Statement

VISION

Mental health will be a cornerstone of health in Vermont. People will live in caring communities with compassion for and a determination to respond effectively and respectfully to, the mental-health needs of all citizens. Vermonters will have access to effective prevention, early intervention, and mental-health treatment and supports as needed to live, work, learn, and participate fully in their communities.

MISSION

It is the mission of the Vermont Department of Mental Health to promote and improve the mental health of Vermonters.

VALUES

The Agency of Human Services values respect, integrity, and commitment to excellence expressed as follows:

Excellence in Customer Service

- People receiving mental health services and their families should be informed and involved in planning at the individual and the system levels
- Services must be accessible, of high quality and reflect state-of-the-art practices.
- A continuum of community-based services is the foundation of our system.

Holistic approach to our clients

- We can promote resilience and recovery through effective prevention, treatment, and support services.

Strength Based Relationships

- It is important to foster the strengths of individuals, families, and communities.

Results Orientation

- Strong leadership, active partnerships and innovation are vital strategies to achieve our mission.

The **Mental Health** appropriation funds:

- Adult mental health services,
- Children's mental health services,
- Mental health legal services
- Vermont State Hospital

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Mental Health

The **Department of Mental Health** provides services to adults with severe mental illness and adults with less severe emotional or behavioral problems that still disrupt their lives; children and adolescents experiencing a serious emotional disturbance and their families; and anyone who is experiencing an acute mental-health crisis. All mental health services to individuals are provided through contracts with ten private non-profit designated agencies and one specialized service agency located throughout the state.

Adults receive mental health services for the following reasons, including but not limited to: suicidal or homicidal behavior, extreme self-injurious behavior, severe psychoses which diminish or destroy one's ability to care for oneself in ordinary life situations, homelessness, substance abuse, marital and family distress, medical management of symptoms of mental illness, and /or need for rehabilitation and supports to restore the ability to function in the community and avoid hospitalization. Approximately 9,556 clients received these community-based mental health services in FY2009.

In addition, approximately 9,731 children and adolescents and their families received community-based mental health services in FY2009. These children and adolescents either experience a severe emotional disturbance or are at substantial risk for developing a severe disturbance. They include youth who exhibit behavioral, emotional, or social impairment that disrupts academic or developmental progress or family or interpersonal relationships. They fall into at least one of three categories: (1) exhibit seriously impaired contact with reality and severely impaired social, academic and self-care functioning; (2) classified as management or conduct disorder because they manifest long-term behavior problems (e.g., aggressiveness, anti-social acts, suicidal behavior, substance abuse); (3) suffer serious discomfort from anxiety, depression, or irrational fears whose symptoms may be exhibited as serious eating and sleeping disturbance, or persistent refusal to attend school.

The contracted designated agencies also operate mental health Emergency Services programs which are available 24 hours a day, seven days a week, responding to any individual experiencing a mental health crisis and to communities following natural disasters, accidental deaths, suicides, and other traumatic events. Emergency programs also screen situations to determine if there is a need for admission into involuntary and/ or acute-care arrangements. Approximately 3,767 Vermonters were served through these Emergency programs in 2009.

The **Vermont State Hospital** appropriation funds:

The Vermont State Hospital (VSH) has 54 beds and is Vermont's only public psychiatric inpatient facility. Inpatient services are for involuntary emergency examinations and commitments in which adults have become dangerous to themselves or others, or for psychiatric evaluations of competency to stand trial in criminal cases. During FY2009, VSH had 246 admissions and an average daily census of 46.7.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Mental Health**

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Mental Health

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Mental Health	40	49	50	127,944,337	134,580,638	133,998,338	129,332,385
Vermont State Hospital	227	223	219	22,154,976	23,251,809	22,593,044	22,617,835
<hr/>							
TOTAL	<u>267</u>	<u>272</u>	<u>269</u>	<u>150,099,313</u>	<u>157,832,447</u>	<u>156,591,382</u>	<u>151,950,220</u>
FUND TYPE							
General Fund				22,725,908	23,479,457	22,707,542	17,827,362
Special Fund				135,477	56,836	56,836	842,322
Federal Revenue Fund				4,213,219	6,035,393	6,029,147	6,769,535
Global Commitment Fund				123,006,161	127,940,761	127,477,857	126,191,001
Interdepartmental Transfer				18,548	320,000	320,000	320,000
<hr/>							
TOTAL				<u>150,099,313</u>	<u>157,832,447</u>	<u>156,591,382</u>	<u>151,950,220</u>

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Mental Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	5,408,096	5,363,774	5,203,382	5,486,339
Operating Expenses	983,266	904,685	862,228	1,117,984
Grants	121,552,975	128,312,179	127,932,728	122,728,062
<hr/> TOTAL	<hr/> 127,944,337	<hr/> 134,580,638	<hr/> 133,998,338	<hr/> 129,332,385
FUND TYPE				
General Fund	776,856	792,412	679,262	811,295
Special Fund	45,780	6,836	6,836	6,836
Federal Revenue Fund	4,116,582	5,821,829	5,815,583	6,555,971
Global Commitment Fund	122,986,571	127,939,561	127,476,657	121,938,283
Interdepartmental Transfer	18,548	20,000	20,000	20,000
<hr/> TOTAL	<hr/> 127,944,337	<hr/> 134,580,638	<hr/> 133,998,338	<hr/> 129,332,385

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont State Hospital**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	19,734,628	20,934,634	20,236,371	20,479,188
Operating Expenses	2,317,387	2,234,840	2,274,338	2,056,312
Grants	102,961	82,335	82,335	82,335
<hr/>				
TOTAL	22,154,976	23,251,809	22,593,044	22,617,835
FUND TYPE				
General Fund	21,949,052	22,687,045	22,028,280	17,016,067
Special Fund	89,697	50,000	50,000	835,486
Federal Revenue Fund	96,637	213,564	213,564	213,564
Global Commitment Fund	19,590	1,200	1,200	4,252,718
Interdepartmental Transfer	0	300,000	300,000	300,000
<hr/>				
TOTAL	22,154,976	23,251,809	22,593,044	22,617,835

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Services Central Office

Department Mission Statement

The mission of the AHS Office of the Secretary is to:

- ensure that citizens, policy makers, and service providers are knowledgeable about the well being of Vermonters;
- promote integrated planning, delivery, and evaluation of resources and services; and
- ensure that Agency resources (personnel, fiscal, technology, and space) are managed effectively.

Description of Appropriations, Divisions, & Programs

Secretary's Office Administration Appropriation:

The Secretary's Office is responsible for the central support functions of the Agency of Human Services. As such it houses several units and associated programs that cut across departments or are independent of departments. In FY 2012 they include:

- Field Services
- Housing and Transportation Coordination,
- Health Care Operations, Compliance and Improvement
- Refugee Resettlement Coordination
- Fiscal Unit
- Information Technology Unit
- Committee for National and Community Services

Two independent boards are also housed within the Agency and receive some support from the Secretary's Office. These are the Vermont Developmental Disabilities Council and the Tobacco Evaluation & Review Board. A third independent Board, The Human Services Board, is included under the umbrella and receives basic administrative support from AHS.

Field Services

This division has broad responsibility for the operations of all Agency of Human Services functions within each region. Regional Field Directors are charged with assuring the optimal functioning of the Agency, oversight of district offices and mobilization of the local community to design and implement a human services system which contributes to the health and well-being of all Vermonters.

Field Directors work with local state managers, private sector managers, community partnerships,

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Services Central Office

education, the community, and with individuals participating in services to develop and implement effective service delivery systems. To achieve that end, they utilize the following specific programmatic strategies in addition to their ongoing connections and participation in larger community initiatives:

Fiscal Unit:

The fiscal unit coordinates the development of the Agency's budget (including Global Commitment to Health Waiver) to ensure that departmental programs reflect the Governor's priorities and are in compliance with legislative requirements. The unit develops financial status reports and monitors key program performance indicators for each Agency department and office. The fiscal unit also coordinates all federal block grant internal audit and statewide single audit functions, development of the AHS indirect rate, updates on federal cost allocation plans, and monitors the Global Commitment Health 1115 waiver budget.

The fiscal unit includes the Division of Rate Setting. Rate setting audits and establishes Medicaid payment rates for nursing facilities for the Department of Vermont Health Access (DVHA), intermediate care facilities for people with developmental disabilities for the Department of Disabilities, Aging and Independent Living (DAIL) and private non-medical institutions for the Department for Children and Family (DCF). Through the application of its rules, the unit evaluates the reasonableness and allowability of program budgets and expenditures to ensure both cost containment and quality of care.

Office of the Chief Information Officer and Network Systems:

The Agency's CIO office provides overall leadership in the development and use of information technology in the delivery of agency services. It assures that network, software and hardware support services are functioning at optimum levels throughout the agency; maintains the agency's web pages, coordinates the development of new web sites throughout the agency, develops and maintains applications and systems necessary to support the mission of the Agency, works with department IT managers on IT goals and standards, reviews and approves agency IT procurements, and provides broad oversight of all IT expenditures.

Vermont Developmental Disabilities Council:

Vermont Developmental Disabilities Council (VTDDC) is a state-wide board that works to increase public awareness about critical issues affecting people with developmental disabilities and their families. 60% of its members are self-advocates and family members. The mission of VTDDC is to facilitate connections and to promote supports that bring people with developmental disabilities into the heart of Vermont communities. Each year VTDDC uses its federal funds to engage in advocacy, capacity building, and systems change activities, including projects in public education, leadership training, and advocacy aimed at enhancing services and supports, community participation and choice.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Services Central Office

Tobacco Evaluation & Review Board:

The Vermont Tobacco Evaluation & Review Board, an independent state board, was established by the Legislature in July 2000. The Board establishes an annual budget, program criteria and policy development and oversees evaluation of the state's comprehensive tobacco control program.

VT Commission on National & Community Service

The Commission administers several federal grants to support community based initiatives throughout the state. The programs include Neighbor to Neighbor, the Dream mentoring initiative, the Northeast Kingdom Initiative, the Vermont Youth Development Corps, and Vermont Community Stewardship program.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Services Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Secretary's Office Admin Costs	107	93	87	16,716,639	16,619,892	16,866,093	16,494,902
Global Commitment	0	0	0	1,013,170,998	1,069,564,058	1,092,616,680	1,073,351,208
Rate Setting	10	9	9	832,862	928,368	928,368	932,938
Develop Disabilities Council	3	3	3	451,952	541,685	541,685	542,643
Human Services Board	4	4	4	308,385	350,698	350,004	351,192
Administrative Management Fund	0	0	0	4,367,777	5,000,000	5,000,000	5,000,000
TOTAL	124	109	103	1,035,848,613	1,093,004,701	1,116,302,830	1,096,672,883
FUND TYPE							
General Fund				73,319,502	71,273,490	92,118,686	141,219,662
Special Fund				218,070,774	243,149,643	249,482,632	301,548,856
American Recovery & Reinvestment Act				113,832,343	114,748,181	95,749,229	0
Federal Revenue Fund				622,629,908	653,562,957	668,727,253	643,925,929
Global Commitment Fund				1,247,862	1,343,368	1,343,368	1,347,938
Interdepartmental Transfer				6,748,224	8,927,062	8,881,662	8,630,498
TOTAL				1,035,848,613	1,093,004,701	1,116,302,830	1,096,672,883

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Secretary's Office Admin Costs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	8,683,202	9,003,303	9,060,860	8,161,616
Operating Expenses	2,711,352	2,421,348	2,609,992	3,097,481
Grants	5,322,085	5,195,241	5,195,241	5,235,805
<hr/> TOTAL	<hr/> 16,716,639	<hr/> 16,619,892	<hr/> 16,866,093	<hr/> 16,494,902
FUND TYPE				
General Fund	5,303,698	4,911,040	5,036,426	4,913,133
Special Fund	546,305	430,847	430,847	297,847
American Recovery & Reinvestment Act	172,626	0	0	0
Federal Revenue Fund	7,986,240	7,444,102	7,545,317	7,752,402
Global Commitment Fund	415,000	415,000	415,000	415,000
Interdepartmental Transfer	2,292,770	3,418,903	3,438,503	3,116,520
<hr/> TOTAL	<hr/> 16,716,639	<hr/> 16,619,892	<hr/> 16,866,093	<hr/> 16,494,902

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Global Commitment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	1,013,170,998	1,069,564,058	1,092,616,680	1,073,351,208
TOTAL	<u>1,013,170,998</u>	<u>1,069,564,058</u>	<u>1,092,616,680</u>	<u>1,073,351,208</u>
FUND TYPE				
General Fund	67,895,415	66,312,737	86,968,241	136,192,024
Special Fund	217,524,469	242,718,796	249,051,785	301,251,009
American Recovery & Reinvestment Act	113,659,717	114,748,181	95,749,229	0
Federal Revenue Fund	614,091,397	645,426,677	660,489,758	635,480,040
Interdepartmental Transfer	0	357,667	357,667	428,135
TOTAL	<u>1,013,170,998</u>	<u>1,069,564,058</u>	<u>1,092,616,680</u>	<u>1,073,351,208</u>

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Rate Setting**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	769,635	858,339	858,339	852,330
Operating Expenses	63,227	70,029	70,029	80,608
<hr/> TOTAL	<hr/> 832,862	<hr/> 928,368	<hr/> 928,368	<hr/> 932,938
FUND TYPE				
Global Commitment Fund	832,862	928,368	928,368	932,938
<hr/> TOTAL	<hr/> 832,862	<hr/> 928,368	<hr/> 928,368	<hr/> 932,938

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Develop Disabilities Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	201,498	269,694	269,694	236,037
Operating Expenses	46,857	51,991	51,991	58,218
Grants	203,597	220,000	220,000	248,388
<hr/>				
TOTAL	451,952	541,685	541,685	542,643
 FUND TYPE				
Federal Revenue Fund	451,952	541,685	541,685	542,643
<hr/>				
TOTAL	451,952	541,685	541,685	542,643

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Human Services Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	276,434	282,894	282,415	301,586
Operating Expenses	31,951	67,804	67,589	49,606
<hr/>				
TOTAL	308,385	350,698	350,004	351,192
FUND TYPE				
General Fund	120,389	49,713	114,019	114,505
Federal Revenue Fund	100,319	150,493	150,493	150,844
Interdepartmental Transfer	87,677	150,492	85,492	85,843
<hr/>				
TOTAL	308,385	350,698	350,004	351,192

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administrative Management Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	353,513	250,000	250,000	350,000
Operating Expenses	4,014,264	4,750,000	4,750,000	4,650,000
<hr/> TOTAL	<hr/> 4,367,777	<hr/> 5,000,000	<hr/> 5,000,000	<hr/> 5,000,000
FUND TYPE				
Interdepartmental Transfer	4,367,777	5,000,000	5,000,000	5,000,000
<hr/> TOTAL	<hr/> 4,367,777	<hr/> 5,000,000	<hr/> 5,000,000	<hr/> 5,000,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Office of VT Health Access

Department Mission Statement

Department of Vermont Health Access (DVHA) is the State Department responsible for the management of Medicaid, the State Children's Health Insurance Program (SCHIP), and other publicly funded health insurance programs in Vermont. DVHA is the largest insurer in Vermont in terms of dollars spent and the second largest insurer in terms of covered lives. As of 2009, DVHA also is the home of state oversight and coordination of Vermont's expansive Health Care Reform initiatives which are designed to increase access, improve quality, and contain the cost of health care for all Vermonters. DVHA also now has responsibility for Vermont's health information technology strategic planning, coordination and oversight, as well as the Blueprint for Health.

- To provide leadership across all Vermont stakeholders to improve access, quality and cost effectiveness of health care in the state.
- To assist Medicaid beneficiaries in accessing clinically appropriate health services.
- To collaborate with other health care system entities in bringing evidence-based practices to Vermont Medicaid beneficiaries.
- To administer Vermont's public health insurance system efficiently and effectively.

Description of Appropriations, Divisions, & Programs

DVHA Leadership & Organization

In fall 2009, DVHA's organization was re-structured into four distinct Divisions to consolidate like functions, clarify responsibilities, and better reflect organizational goals. DVHA leadership comprises the Commissioner, four Directors and a Medicaid Medical Director. *The DVHA Commissioner* is responsible for all of DVHA's operations, has been the leader for the state and federal health care reform implementation, and is Co-Chair of the Governor's Cabinet for Health Care. Under the new organizational structure, the *Deputy Director for Medicaid Health Services and Managed Care Division* oversees the following Units: Quality Improvement and Clinical Integrity; Managed Care Operations (clinical operations and the Chronic Care Initiative); Pharmacy; and Provider and Member Services. The *Deputy Director for the Medicaid Policy, Fiscal and Support Services Division* oversees the following Units: Program Policy; Coordination of Benefits; Data Integrity and Reimbursement; and Fiscal and Administrative Operations. The *Deputy Director for the Health Care Reform Division* is the lead coordinator for health care reform activities across multiple state stakeholders, and has primary responsibility for statewide Health Information Technology planning and implementation. The *Director*

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Office of VT Health Access

of the Blueprint for Health oversees the statewide multi-insurer program designed to integrate a system of health care for patients, improve the health of the overall population, and improve control over health care costs by promoting health maintenance, prevention, and care coordination and management at the provider level.

The new (as of December, 2009) organizational alignment between the Administration's oversight and implementation of Vermont's comprehensive Health Care Reform and DVHA's health care programs and administrative functions has also provided new opportunities for more program integration related to health care reform among the departments within the Agency of Human Service (AHS) initiatives, as well as cross-Agency and Departmental activities outside of AHS.

Program Descriptions with Enrollment & Expenditure Information

With the passage of Vermont's comprehensive health care reform in 2006, the state created



Green Mountain Care as the umbrella name for the state-sponsored family of low-cost and free health coverage programs for uninsured Vermonters, which are described in detail below.

Dr. Dynasaur

Dr. Dynasaur is the umbrella name that encompasses all of the health care coverage programs available for children up to age 18 (SCHIP, Underinsured Children) or up to age 21 (Blind or Disabled (BD) and/or Medically Needy Children and General Medicaid).

Benefits include doctor visits, prescription medicines, dental care, skin care, hospital visits, vision care, mental health care, immunizations and special services for pregnant women such as lab work and tests, prenatal vitamins and more.

Blind or Disabled (BD) and/or Medically Needy Children

The general eligibility requirements for BD and/or Medically Needy Children are: under age 21, categorized as blind or disabled, generally includes Supplemental Security Income (SSI) cash assistance recipients, hospice patients, eligible under "Katie Beckett" rules, and medically needy Vermonters [i.e., eligible because their income is greater than the cash assistance level but less than the Medicaid protected income level (PIL)]. Medically needy children may or may not be blind or disabled.

General Children

The general eligibility requirements for General Children are: under age 21 and below the Medicaid Protected income level (PIL), categorized as those eligible for cash assistance including Reach Up

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Office of VT Health Access

(Title V) and foster care payments (Title IV-E); receiving traditional Medicaid after the receipt of cash assistance, and Medicaid related Dr. Dynasaur.

State Children's Health Insurance Program (SCHIP)

The general eligibility requirements for the State Children's Health Insurance Program (SCHIP) are: uninsured, up to age 18 and up to 300% FPL, and eligible under the SCHIP eligibility rules in Title XXI of the Social Security Act.

Underinsured Children

The general eligibility requirements for Underinsured Children are: up to age 18 and up to 300% FPL; designed as part of the original 1115 waiver to Title XIX of the Social Security Act to provide health care coverage for children who would otherwise be underinsured

Medicaid for Adults

Medicaid programs for adults provide low-cost or free coverage for low-income parents, pregnant women, caretaker relatives, people who are blind or disabled, and those age 65 or older. Eligibility is based on income and resources (e.g., cash, bank accounts, etc.). These Medicaid programs cover most physical and mental health care services such as doctor visits, hospital care, prescription medicines, vision and dental care, long-term care, physical therapy, medically-necessary transportation and more. It does not cover dentures or eyeglasses.

Dual Eligibles

People within this category are eligible for both Medicare and Medicaid, at least 65 years of age, below the protected income level (PIL) and categorized as aged, blind, or disabled.

Aged, Blind, or Disabled (ABD) and/or Medically Needy Adults

The general eligibility requirements for the ABD and/or Medically Needy Adults are: age 18 and older, categorized as aged, blind, or disabled (ABD) but ineligible for Medicare; generally includes Supplemental Security Income (SSI) cash assistance recipients, working disabled, hospice patients, Breast and Cervical Cancer Treatment (BCCT) participants, or Medicaid/Qualified Medicare Beneficiaries (QMB), and medically needy [i.e., eligible because their income is greater than the cash assistance level but less than the Medicaid protected income level (PIL)]. Medically needy adults may be ABD or the parents/caretaker relatives of minor children.

Choices for Care Waiver

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Office of VT Health Access

Long-Term Care Waiver participants are a subset of the Aged, Blind, and Disabled population. These individuals participate in the Choices for Care 1115 demonstration waiver managed by the Department of Disabilities, Aging, and Independent Living, in conjunction with the Department of Vermont Health Access and the Department for Children and Families. The purpose behind this waiver program is to equalize the entitlement to both home and community based services with nursing home services for all those eligible. The general eligibility requirements for the Choices for Care Waiver are: Vermonters in nursing homes, home-based settings under home and community based services (HCBS) waiver programs, and enhanced residential care (ERC).

General Adults

The general eligibility requirements for General Adults are: parents/caretaker relatives of minor children including cash assistance recipients and those receiving transitional Medicaid after the receipt of cash assistance.

Vermont Health Access Plan (VHAP)

VHAP was created through an 1115 waiver to provide low cost, comprehensive health care benefits to adults without children who have a household income below 150% of the federal poverty level (FPL), and adults with children who have a household income below 185% of the federal poverty level. VHAP covers the same services as the Medicaid programs above, with the exception that it does not cover dental care or medically-necessary transportation.

Other eligibility requirements to qualify for VHAP include: age 18 and older; currently have health insurance that covers only hospital care or only doctor visits; have not had health insurance for the past 12 months, or within the past 12 months have lost their insurance because they have been uninsured for 12 months or more, or within the past 12 months have lost their insurance because they (1) lost their job, their employer reduced their work hours or their job ended, (2) got divorced or their civil union dissolved, (3) experienced domestic violence or abuse, (4) had insurance through someone who passed away, (5) no longer continue their health insurance through Consolidated Omnibus Budget Reconciliation Act (COBRA) or state continuation coverage ("VIPER"), (6) are no longer a dependent on their parent's or caretaker's health insurance; or (7) were getting their insurance through college and can no longer do so because they graduated, took a leave of absence, reduced their credits or stopped going to college.

Catamount Health and Premium Assistance

Catamount Health Plans are offered in the individual product market by Blue Cross Blue Shield of Vermont. These plans provide comprehensive, quality health coverage with low out-of-pocket costs for uninsured Vermonters. Catamount Health is designed for Vermont residents who meet the following qualifications:

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Office of VT Health Access

- Age 18 or older;
- Families who are not eligible for existing state-sponsored coverage programs such as Medicaid, Medicare or Vermont Health Access Plan (VHAP);
- Have been uninsured for 12 months or more, or within the past 12 months have lost their insurance because they (1) lost their job, their employer reduced their work hours or their job ended, (2) got divorced or their civil union dissolved, (3) experienced domestic violence or abuse, (4) had insurance through someone who passed away, (5) no longer continue their health insurance through Consolidated Omnibus Budget Reconciliation Act (COBRA) or state continuation coverage ("VIPER"), (6) are no longer a dependent on their parent's or caretaker's health insurance; or (7) were getting their insurance through college and can no longer do so because they graduated, took a leave of absence, reduced their credits or stopped going to college.
- Do not have access to insurance through their employer.

DVHA provides Catamount Health premium assistance on a sliding scale for Vermonters that have household income at or below 300% of the federal poverty level (FPL) when:

- Access is not available to comprehensive health insurance through their employer as determined by the state; or
- Employer's plan offers comprehensive benefits, but it is more cost-effective for the state to provide premium assistance to enroll in Catamount Health or VHAP than to provide premium assistance to enroll in employer's plan; or
- Waiting for the open enrollment period to enroll in employer's plan.

Current monthly premiums for Catamount Health Plans range from \$60-\$527 (full cost with no premium assistance) based on income and choice of private carrier.

Employer-Sponsored Insurance Premium Assistance

The state provides premium assistance to eligible uninsured employees to help them enroll in their employer-sponsored health insurance plan if all of the following criteria are met:

- The employee meets the eligibility criteria to enroll in Catamount Health or the Vermont Health Access Plan (VHAP);
- The employee's household income is under 300% FPL for one person;
- The employer's plan has comprehensive benefits; and
- The cost of providing premium assistance to enroll in an employer's plan is less than the cost of providing premium assistance to enroll in Catamount Health or the VHAP.

Prescription Assistance Pharmacy (PAP) Only Programs

Vermont has the following prescription assistance programs to help Vermonters pay for prescription medicines based on income, disability status and age:

VPharm assists Vermonters who are enrolled in Medicare Part D and who have household incomes

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up to 225% FPL with paying for prescription medicines. This includes people age 65 and older as well as people of all ages with disabilities.

VHAP-Pharmacy helps Vermonters age 65 and older and people with disabilities who are not enrolled in Medicare and who have household incomes up to 150% FPL pay for eye exams and prescription medicines for short-term and long-term medical problems.

VScript helps Vermonters age 65 and older and people of all ages with disabilities who are not enrolled in Medicare and who have household incomes between 150% and 225% FPL pay for prescription medicines for long-term medical problems.

Healthy Vermonters provides a discount on short-term and long-term prescription medicines for individuals not eligible for other PAPs with household incomes up to 350% and 400% FPL if they are aged or disabled. There is no cost to the state for this program.

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Appropriation Key Budget Issues

The continuing economic situation of our nation and state requires that we address the fact that our current programs are not sustainable in the long run. Although our federal partner has helped with an extension to the increased federal Medicaid match through the America Recovery and Reinvestment Act (ARRA), these increased funds expire on July 1, 2011, and thus are not available for the state 2012 fiscal year. This adds significant costs to our budget situation.

We also are operating within a new paradigm of health care reform, both as a state and a nation. The federal health care reform legislation, the Affordable Care Act (ACA), which was signed into law in March, 2010 contains many provisions that affect Medicaid and our state's health care reform efforts. For example, there is a Maintenance of Effort (MOE) requirement that prohibits states from changing any factors that would negatively affect eligibility for programs that existed as of April, 2009. As such, Vermont cannot look to elimination of covered populations or raising premiums as a way to address our budgetary needs.

Governor Shumlin's vision for a single-payer health care system provides an excellent framework to guide us this year as we address our fiscal challenges and as we start to a discuss the implications of federal reform for our state. For example, the Governor's proposed 2012 budget contains a policy initiative that moves us towards his vision by converting the privately offered Catamount Health Plans to the VHAP program by expanding VHAP eligibility to 300% of FPL, and allowing individuals above this income to purchase VHAP without premium assistance. This will provide equivalent coverage for current and would-be future Catamount enrollees, since the VHAP benefits are quite similar to those provided through Catamount Plans; create more seamless coverage as individual's incomes change over

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time; delete almost all cost sharing currently paid by the approximately 12,500 Catamount enrollees (e.g., co-insurance, most co-pays); poise us to take next steps towards the new health care vision; and simultaneously save several million dollars in state funds. The primary reason for these savings is due to an increase in the deductible for Catamount (to be VHAP) eligibles (from \$500 to \$1,200), lower administrative costs within DVHA compared to commercial carriers, and a shift in provider reimbursement from Medicare + 10% that is used in the Catamount Plans to the current reimbursement rates used in VHAP. It should be noted that, in order to mitigate any additional impacts of this reimbursement shift, the Governor is not proposing a reduction in non-hospital Medicaid provider rates to address the budget shortfall.

The Governor also is proposing to bring in more revenue from provider assessments. These funds also will be used to increase Medicaid rates to certain proviers.

We also are proposing initiatives to further refine the payment practices within our pharmacy and clinical benefit programs to promote best practices by prescribers and beneficiaries and to ensure that the funds supporting the programs for our beneficiaries are used efficiently and appropriately.

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Performance Program Information

Despite challenging financial times, the number of Vermonters lacking health insurance decreased from 9.8 percent in the fall of 2005 (61,056) to 7.6 percent (47,286) in the fall of 2009. A major contributor to this success is the extensive marketing and outreach conducted by the state and its partners beginning in Fall 2007 to inform Vermonters about Green Mountain Care, which includes all of the state supported health coverage programs (Medicaid, Dr. Dynasaur, VHAP, Catamount Health and the premium assistance programs). In fact, since the launch of Green Mountain Care, enrollment in these programs has increased by almost 35,000 Vermonters.

We also have been successful in expanding the foundational elements of our state's comprehensive health care reform efforts. The Blueprint for Health is now active in every hospital service area of the state, in anticipation of recognizing at least 50 Medical Homes by July 1, 2011, double the legislated minimum target for Blueprint expansion by that date. Thanks to extensive, multi-state advocacy, led by Vermont, the Centers for Medicare and Medicaid Services (CMS) announced last November that Medicare will be a full participant in the Blueprint, along with Medicaid and the state's commercial insurers. Seven other states will also participate in what CMS is calling its Multi-payer Advanced Primary Care Practice (MAPCP) demonstration, the first initiative launched by the CMS Center for Innovation.

During 2010, the state's Health Information Technology (HIT) Fund provided the state match to leverage federal HIT resources, ensuring Vermont could take full advantage of funding to support expansion of our Health Information Exchange (HIE) network and to support the adoption,

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implementation, and meaningful use of Electronic Health Record (EHR) systems across the state's hospitals and physician practices. With the Blueprint, HIT and HIE provide a foundation to ensure better care for individuals, better health for populations, and lower costs through improvements for all.

Specific to Medicaid programs, DVHA continues its initiatives to improve the quality of health care services for our most vulnerable citizens while helping contain healthcare costs. Through the statewide Vermont Chronic Care Initiative (VCCI), DVHA care coordinators provide intensive case management to Medicaid beneficiaries with the most complex and costly chronic health conditions. Contracted telephonic disease management services have been provided to beneficiaries with less complex and costly chronic conditions.

By redirecting some of the funds from the disease management vendor contract in SFY 2011, the DVHA was able to expand its direct care coordination capacity in two (2) hospital service areas (HSAs) with particularly high Medicaid penetration and high utilization. These enhanced care coordination teams are co-located in high volume primary care offices, specialty practices, and in hospitals, which will help DVHA achieve its *Challenges* goal of increasing the number of beneficiaries engaged in care coordination by 3.8%.

All care coordination staff work in partnership with the primary care providers and with the multi-disciplinary Community Health Teams (CHTs) in the Blueprint Integrated Medical Home Pilot sites. Together, they promote wellness, support adherence to clinical best practices, and coordinate medical care with needed community services.

At the end of SFY 2011, the DVHA will use administrative (claims) data supplemented with information on clinical quality metrics to conduct a comprehensive evaluation of the expanded care coordination program's success at improving clinical and utilization outcomes. The DVHA anticipates reducing inpatient admissions and emergency room visits, as well as achieving a net savings of \$652,000. If successful, the DVHA will fully transition away from telephonic disease management to this new model of care coordination teams statewide.

In addition, as one of the four major insurance carriers in the state, DVHA directly supports the Blueprint for Health Multi-payer Medical Homes Pilot by making provider incentive payments and funding its share of the Community Health Teams in the pilot areas and in the statewide expansion planned for SFY12. The DVHA CCI Program also is now integrated with these Blueprint pilots, and will be expanding this capacity in SFY12.

During SFY11, the Department of Vermont Health Access (DVHA) also has strengthened our efforts to prevent and identify fraud, waste and abuse. The DVHA Program Integrity (PI) unit has formalized its relationship with the Medicaid Fraud and Residential Abuse Unit (MFRAU) and received approval from the legislature to hire six (6) new full-time positions to expand the program integrity efforts, with the expectation of saving the State of Vermont a total of \$2.3 million from PI activities. The PI unit is confident of realizing the savings expectations.

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DVHA's Coordination of Benefits Unit also continues to successfully focus on ensuring that the appropriate insurer covers the costs of care when a DVHA beneficiary has dual coverage (e.g. Medicare, private insurance); or pursuing casualty or estate recovery of Medicaid costs. In SFY10, the COB unit recovered \$8.5 million that supports our Green Mountain Care programs, and is on track to recover a similar amount in SFY11.

In combination, all of these efforts will help our current programs be sustainable as we transition to the new programs that will emerge under federal health care reform.

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DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
OVHA - Administration	98	104	120	30,458,219	54,867,000	57,272,769	96,896,937
OVHA - Medicaid Program/Global Commitment	0	0	0	526,649,551	632,073,546	601,419,948	639,005,314
OVHA-Non-Global Commitment Medicaid	0	0	0	194,618,149	206,544,910	204,658,019	202,742,736
OVHA-State Only Medicaid	0	0	0	22,688,535	18,026,949	20,884,939	26,985,204
OVHA-Medicaid Non-Waiver Matched	0	0	0	46,358,432	48,367,662	41,433,241	42,811,769
TOTAL	98	104	120	820,772,886	959,880,067	925,668,916	1,008,441,960
FUND TYPE							
General Fund				90,277,727	98,110,947	104,397,335	130,283,802
Special Fund				7,150,207	3,016,174	1,564,861	1,579,123
American Recovery & Reinvestment Act				21,828,551	22,351,327	18,914,055	2,505,044
Federal Revenue Fund				144,157,734	165,179,992	157,254,644	185,281,958
Global Commitment Fund				557,246,172	671,221,627	643,538,021	684,714,916
Interdepartmental Transfer				112,495	0	0	4,077,117
TOTAL				820,772,886	959,880,067	925,668,916	1,008,441,960

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OVHA - Administration

Appropriation Key Budget Issues

The continuing dire economic situation of our nation and state requires that we address the concern that our current programs are not sustainable in the long run. Although our federal partner has helped with increased federal Medicaid match through the America Recovery and Reinvestment Act (ARRA), these increased funds expire on December 31, 2010, half-way through the state 2011 fiscal year. As such, we must act now to bring these long-term costs in line.

A “Tiger Team” effort in the summer and fall of 2009 helped point to four areas that could provide more efficiency in the use of our limited resources and / or maximize reimbursement potential:

1. *Benchmark Vermont’s benefit allowances through peer state comparisons with states of similar high standards to Vermont.* By examining the benefit structure of similar states across the country, OVHA has identified several categories of service that may be managed more efficiently through clinical operations changes (e.g., service limitations, prior authorizations, targeted provider reimbursement changes).
2. *Maximize access to private insurance through the Health Insurance Premium Payment Program.* We will increase our efforts to enable Medicaid beneficiaries to access their employer’s insurance without incurring additional costs or forgoing benefits that they would have received through the Medicaid program.
3. *Expand the utilization of Vermont’s premium based system.* In order to sustain our generous programs for low income Vermonters, we must request that Green Mountain Care program participants contribute through targeted increases in premiums. Of course, these cannot go into place until the Maintenance of Effort (MOE) requirements in ARRA expire on January 1, 2011.

The Governor and his Administration also are strongly committed to continuing support for the premium assistance programs associated Catamount Health and Employer-sponsored insurance. However, in these fiscal times, we must examine whether we can afford the very generous cost sharing benefits in the existing Catamount Health Plans.

Further, utilize mechanisms to validate eligibility. As such, we will enhance our efforts to ensure that beneficiaries are enrolled in the correct programs based on the eligibility requirements.

4. *Strengthen the relationship between the Office of Vermont Health Access (OVHA) Program Integrity Unit and the Medicaid Fraud and Residential Abuse Unit (MFRAU) for fraud and abuse identification.* We also will augment or existing staffing within the OVHA PI Unit to maximize the effects of these efforts.

Similarly, our efforts must be strengthened to ensure that the funds supporting the programs for

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OVHA - Administration

our beneficiaries are used efficiently and appropriately. For example, reimbursement for pharmaceuticals must reflect the true costs of the drugs and not artificially inflated prices. And we must ensure that transportation services for Medicaid beneficiaries are provided in the most efficient manner possible.

We also will need to ask that providers with the most financial ability to support our programs contribute to this effort. In turn, OVHA is committed to working with them to reduce administrative burdens that detract from their ability to deliver efficient quality care.

Performance Program Information

Despite challenging financial times, the number of Vermonters lacking health insurance decreased from 9.8 percent in the fall of 2005 (61,056) to 7.6 percent (47,286) in the fall of 2008. Updated data from a survey conducted in the fall of 2009 will be available in early 1 2010. A major contributor to this success is the extensive marketing and outreach conducted by the state and its partners beginning in Fall 2007 to inform Vermonters about Green Mountain Care, which includes all of the state supported health coverage programs (Medicaid, Dr. Dynasaur, VHAP, Catamount Health and the premium assistance programs). In fact, since the launch of Green Mountain Care, enrollment in these programs has increased by almost 25,000 Vermonters.

We also have been successful in other aspects of our state's comprehensive health care reform efforts. In the past 18 months, we have launched the Blueprint multi-payer Integrated Medical Home Pilots in three areas of the state that are changing the way care is delivered at the local level and ultimately will control the growth in health care costs. We also are collaborating with Maine, New Hampshire, Massachusetts and Rhode Island, with support from the Milbank Foundation, to develop a New England wide medical home pilot initiative, and will be applying for a Medicare Demonstration grant to have full Medicare participation in the Blueprint effort. During 2008 and 2009, we also implemented a Health Information Technology Fee to support health care information technology for primary care providers and to further our statewide health information exchange network; implemented a 340B Pharmacy program to decrease the pharmaceutical cost for FQHC patients; made significant progress on public health and prevention efforts related to promoting healthy weight for Vermonters; promulgated rules to allow Vermont health insurance carriers to offer cost-sharing discounts for enrollee adherence to health promotion and disease prevention programs, as well as rules to facilitate the availability of transparent price and quality information for health care consumers; and begun implementation of a multi-payer claims database to facilitate understanding of our health care utilization, expenditures, and performance across all payers and services. We also are participating in two external two-year evaluations regarding

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OVHA - Administration

the success of our efforts to improve access and affordability for health care coverage.

In addition, the Office of Vermont Health Access (OVHA) continues to implement initiatives to help improve the quality of health care services for our most vulnerable citizens and also contain costs of these publicly-supported programs. OVHA's Chronic Care Initiative is providing care coordination for beneficiaries with the most significant needs, including those who are taking Buprenorphine. The CCI program is expected to yield a savings of \$6.4 m in SFY10). In addition, as one of the four major insurance carriers in the state, OVHA directly supports the Blueprint for Health Multi-payer Medical Homes Pilot by making provider incentive payments and funding its share of the Community Health Teams in the pilot areas. The OVHA CCI Program also is now integrated with these Blueprint pilots, and will be expanding this capacity in SFY11.

OVHA's Coordination of Benefits Unit also continues to successfully focus on ensuring that the appropriate insurer covers the costs of care when an OVHA beneficiary has dual coverage (e.g. Medicare, private insurance); or pursuing casualty or estate recovery of Medicaid costs. In SFY09, the COB unit recovered \$8.6 million that supports our Green Mountain Care programs, and is on track to recover a similar amount in SFY10.

In combination, all of these efforts will help our current programs be sustainable as we transition to the new programs that will emerge under federal health care reform.

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OVHA - Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	25,845,241	44,647,574	47,064,437	86,509,793
Operating Expenses	1,833,227	2,593,853	2,582,759	2,761,571
Grants	2,779,751	7,625,573	7,625,573	7,625,573
TOTAL	30,458,219	54,867,000	57,272,769	96,896,937
FUND TYPE				
General Fund	312,365	1,549,943	903,606	945,014
Special Fund	589,557	3,016,174	1,564,861	1,579,123
American Recovery & Reinvestment Act	13,391	0	802,748	2,505,044
Federal Revenue Fund	24,829	12,883,458	12,883,458	43,169,600
Global Commitment Fund	29,518,077	37,417,425	41,118,096	44,621,039
Interdepartmental Transfer	0	0	0	4,077,117
TOTAL	30,458,219	54,867,000	57,272,769	96,896,937

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
OVHA - Medicaid Program/Global Commitment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	526,649,551	632,073,546	601,419,948	639,005,314
<hr/> TOTAL	<hr/> 526,649,551	<hr/> 632,073,546	<hr/> 601,419,948	<hr/> 639,005,314
FUND TYPE				
Global Commitment Fund	526,649,551	632,073,546	601,419,948	639,005,314
<hr/> TOTAL	<hr/> 526,649,551	<hr/> 632,073,546	<hr/> 601,419,948	<hr/> 639,005,314

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
OVHA-Non-Global Commitment Medicaid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	194,618,149	206,544,910	204,658,019	202,742,736
TOTAL	<u>194,618,149</u>	<u>206,544,910</u>	<u>204,658,019</u>	<u>202,742,736</u>
FUND TYPE				
General Fund	58,166,321	62,936,176	66,397,288	85,435,789
American Recovery & Reinvestment Act	21,815,160	22,351,327	18,111,307	0
Federal Revenue Fund	114,636,668	121,257,407	120,149,424	117,306,947
TOTAL	<u>194,618,149</u>	<u>206,544,910</u>	<u>204,658,019</u>	<u>202,742,736</u>

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OVHA-State Only Medicaid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	22,688,535	18,026,949	20,884,939	26,985,204
<hr/> TOTAL	<hr/> 22,688,535	<hr/> 18,026,949	<hr/> 20,884,939	<hr/> 26,985,204
FUND TYPE				
General Fund	14,936,846	16,296,293	19,884,962	25,896,641
Special Fund	6,560,650	0	0	0
Global Commitment Fund	1,078,544	1,730,656	999,977	1,088,563
Interdepartmental Transfer	112,495	0	0	0
<hr/> TOTAL	<hr/> 22,688,535	<hr/> 18,026,949	<hr/> 20,884,939	<hr/> 26,985,204

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
OVHA-Medicaid Non-Waiver Matched**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	46,358,432	48,367,662	41,433,241	42,811,769
TOTAL	<u>46,358,432</u>	<u>48,367,662</u>	<u>41,433,241</u>	<u>42,811,769</u>
FUND TYPE				
General Fund	16,862,195	17,328,535	17,211,479	18,006,358
Federal Revenue Fund	29,496,237	31,039,127	24,221,762	24,805,411
TOTAL	<u>46,358,432</u>	<u>48,367,662</u>	<u>41,433,241</u>	<u>42,811,769</u>

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Health

Department Mission Statement

VISION:

Healthy Vermonters living in healthy communities.

MISSION:

To protect and optimize the health of all Vermonters.

Description of Appropriations, Divisions, & Programs

The Health Department's budget is divided into three appropriations:

Administration and Support

- Commissioner's Office
- Information Technology Services
- Business Office
- Rural Health and Primary Care Programs

Public Health

- Public Health Preparedness
- Health Surveillance
- Maternal and Child Health
- Health Promotion and Disease Prevention
- Local Health
- Board of Medical Practice

Alcohol and Drug Abuse Programs

- Administration and Planning
- Prevention
- Treatment

Working with partners throughout Vermont, regionally and nationally, the Vermont Department of Health works to protect and optimize the health of the population. The work of the department is guided by its vision and mission, by goals and objectives laid out in Healthy Vermonters 2010, by a Strategic Plan, and in coordination with the Blueprint for Health - the state's initiative to improve health care and prevent serious complications for people who have chronic health conditions.

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Health

One of the essential functions of public health is to continually analyze data and trends and apply what we can learn to improving the health of the population. The Health Department regularly reports on the health status of the population. The last such report was in 2008.

ADMINISTRATION AND SUPPORT

- Commissioner's Office
- Information Technology Services
- Business Office
- Primary Care and Rural Health Programs

- Commissioner's Office** provides public health leadership, policy development, direction and management guidance to staff and programs throughout the Department. Functions carried out by the Commissioner's Office include operations, legal counsel, planning, policy and public health communication including crisis and emergency communication planning/response, health risk communication, media relations, social marketing, and the department's website. In addition to the divisions of Public Health and Alcohol and Drug Abuse Programs, other programs with direct leadership from the commissioner and deputy commissioners are: Office of Rural Health and Primary Care (see below); Minority Health; and Quality Assurance/Patient Safety.

- Information Technology Services** develops, supports and maintains multiple and diverse custom software applications serving department programs. The unit has developed registries for births, deaths, immunizations and hearing screenings. The unit has implemented solutions provided by CDC or purchased from vendors such as electronic disease surveillance and reporting system and a laboratory information management system. Staff is also responsible for electronic data transfers such as electronic laboratory reporting.

- Business Office** provides financial and logistical support for all departmental operations. It works to ensure that program financial management is reliable, timely, and in accordance with state and federal compliance requirements. It implements internal controls as needed, and provides periodic reporting to partners. Budget and grants staff manages the department's overall budget and spending for 70-75 federal and foundation funding sources that comprise nearly three-quarters of the Health Department's budget.

- Rural Health and Primary Care Office** works to assure that all Vermonters have access to quality health care and health care workforce development. Major federal programs include the Rural Hospital Flexibility program, State Office of Rural Health, State Primary Care Office, and the Small Hospital Improvement program. Major state programs include the Area Health Education Centers (AHEC's) and AHEC/VSAC loan repayment/loan forgiveness; nine Clinics for the Uninsured; and Federally Qualified Health Center planning and development grants.

PUBLIC HEALTH

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Health

- Health Surveillance
- Maternal and Child Health
- Health Promotion and Disease Prevention
- Public Health Preparedness
- Local Health
- Board of Medical Practice

Division of Health Surveillance

- Public Health Statistics - Collects, analyzes, interprets and reports information to determine health risk behaviors, health status, health disparities, morbidity and mortality of the population. Provides research, statistical and analytical support to all Health Department programs. Maintains and analyzes vital records (births, deaths, marriages, civil unions, fetal deaths, and abortions). Conducts health surveys. Operates the Vermont Cancer Registry and the Immunization Registry.
- Infectious Disease Epidemiology - Monitors, investigates and takes action to limit the spread of infectious disease to prevent or control illness and death in the community. Provides vaccines for children and adults. Provides prevention and treatment services for zoonotic diseases, HIV, AIDS and sexually transmitted diseases, hepatitis, and tuberculosis. Coordinates health services for newly arrived refugees.
- Public Health Laboratory - Provides highest quality laboratory tests and analytical services to support public health work including disease prevention, control and surveillance; environmental health and protection, food safety, and emergency response.
- Environmental Health Epidemiology - Works to assess, prevent and control risks to public health associated with exposure to harmful substances in the environment. Performs toxicology risk assessments. Provides expert consultation for public inquiries. Operates asbestos and lead contractor certification program, childhood lead poisoning prevention program, radon program and school environmental health (ENVISION) program. Inspects and licenses restaurants, hotels, motels, inns, delicatessens, bakeries, school food service facilities, summer camps and fairs to prevent food borne illness. Investigates complaints to enforce the Clean Indoor Air Act.
- Office of the Chief Medical Examiner - In the interest of public health and public safety, performs autopsies, investigates, and determines cause and manner of unexpected or unnatural deaths from violence, injury, suicide, drugs or other circumstances.

Division of Maternal and Child Health

- Monitors and works to improve the system of health care for women, children and families. Promotes evidence-based prevention and intervention strategies and practices. Administers the Maternal and Child Health federal block grant, the federal family planning grant, and the abstinence education grant. Serves as MCH coordinator for the Healthy Babies, Kids, and

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Health

Families program.

- Children with Special Health Needs (CSHN) - Provides health care and support services to children (age 0-21) who have complex health problems. Coordinates the School Health Initiative funded through EPSDT to promote health in coordination with school staff.
- Special Supplemental Nutrition Program for Women, Infants and Children (WIC) - Promotes the health of infants, young children, pregnant women and new mothers by providing food and nutrition education, monitoring child growth and development, and linking participants to prenatal and pediatric health care.
- Early Periodic Screening, Diagnosis and Treatment (EPSDT) - Works to enhance the health of children on Medicaid by assuring access to health insurance and primary care. Prescribes standards for children's preventive health care and works to see that these standards are applied

Division of Health Promotion and Disease Prevention

Public health promotion and education programs directed at helping Vermonters adopt healthy behaviors, nutrition, and lifestyles to prevent leading chronic diseases and injury. Works in close coordination with the Vermont Blueprint for Health and community coalitions. Major programs include:

- Tobacco Control - Works to cut smoking rates and exposure to second-hand smoking by supporting tobacco control work in community coalitions, schools and other settings; funding quit-smoking support services; conducting public education and counter-marketing campaigns; enforcing no-smoking laws; monitoring and evaluating progress toward goals.
- Nutrition and Physical Activity - Works to prevent obesity and related chronic conditions by helping communities conduct local assessments, plan and implement policy and environmental changes to promote nutrition and physical activity.
- Injury and Violence Prevention and Control - Works to develop a coordinated approach to injury and violence prevention throughout the state. Priority areas are: child abuse, intimate partner abuse, work-related injuries, seat belt use, residential fire deaths, teen suicide attempts, suicide deaths, drunk-driving deaths, elderly falls, prescription drug misuse, motor vehicle crashes, and ATV injuries.
- Oral Health - Works to reduce prevalence of dental disease through community and school-based efforts. The Tooth Tutor program puts dental hygienists in Head Start and elementary schools to link children with a dental home. Provides technical assistance to ensure appropriate services are provided to children and families enrolled in state-funded dental programs.
- Diabetes Prevention and Control - Works to improve service quality and capabilities of providers to help consumers achieve diabetes control. Promotes self-management of diabetes.

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Health

- Ladies First/WISEWOMAN - Provides for breast and cervical cancer screening and cardiovascular health screening for women age 40 and older with limited incomes and not eligible for Medicaid, VAHP or Medicare Part B. Women age 18-39 who have breast cancer symptoms or abnormal Pap tests are also eligible. Provides self-help for women to make lifestyle behavior changes to prevent, delay or control cardiovascular disease, and referrals for medical treatment.
- Asthma Control - Works to reduce hospitalization rate for asthma. Promotes use of Asthma Action Plans to manage disease, work to increase number of certified asthma educators, and educates health care providers on the most recent diagnosis and treatment guidelines.
- Comprehensive Cancer Control - Collaborates with internal and external partners in five priority areas: reduce exposure to known carcinogens; detect new cancers as early as possible through appropriate screening; increase access to quality cancer treatment and follow-up care; improve quality of life for people living with cancer; and improve end-of-life care for cancer survivors.

Office of Public Health Preparedness

- Preparedness and Response - Coordinates and manages preparedness/response plans, training, drills, exercises and events related to widespread disease outbreaks, pandemic flu, radiological, chemical or bio-terrorist health threats, and other public health emergencies. Works with external partners to manage emergency health and medical preparedness/response systems. Manages federal grants related to public health and hospital preparedness.
- Emergency Medical Services - Standard setting, regulation and planning for statewide EMS systems including training, technical assistance and program development for local services. Also licenses/certifies personnel, emergency vehicles and emergency equipment.
- Radiological Health - Minimizes radiation dose to patients, workers and the public by registering and inspecting radiation sources, providing technical assistance, and conducting extensive environmental surveillance around Vermont Yankee nuclear power plant.

Office of Local Health

Provides public health leadership and direct service to Vermonters in their communities.

- 12 district offices work in close coordination with other AHS district office staff to provide public health leadership for community health assessments, coalition building, and planning. Provides health promotion, disease prevention, outreach, education, emergency preparedness and follow-up necessary to support an effective public health system. It is through these district offices that most Health Department programs reach all Vermonters.

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Health

Board of Medical Practice

The Health Department provides administrative support to the Board of Medical Practice, which regulates physicians (MDs), physician's assistants (PA's), podiatrists, and anesthesiology assistants. Investigates, issues and renews licenses. Adjudicates complaints of unprofessional conduct.

ALCOHOL AND DRUG ABUSE PROGRAMS:

Alcohol and Drug Administration and Planning:

Undertakes analyses to determine the prevalence of substance abuse and treatment needs in communities and Statewide; conducts program and fiscal monitoring, data analyses and evaluations of key ADAP prevention, intervention, and treatment services to ensure accessibility, appropriateness, quality, and cost effectiveness. Manages and monitors federal data grants and SAPT Block Grant data reporting. Plans and manages training and technical assistance to develop the community substance abuse workforce. Develops strategic plan and implementation strategies.

Alcohol and Drug Abuse Treatment:

Manages and provides quality assurance for the state's substance abuse treatment system and assures regional access to substance abuse treatment. System of care includes outpatient, intensive outpatient and residential treatment for adolescents and adults; pharmacological treatment, including methadone and care management for clients in treatment with Suboxone (buprenorphine); recovery services and transitional housing. Monitors and approves programs through site visits and ongoing technical assistance. Funds treatment services for VHAP and uninsured clients. Manages and monitors Medicaid funding of treatment providers. Responsible for licensing/certification standards for substance abuse counselors. Operates the Drinking Driver Rehabilitation Program (aka CRASH). Manages Student Assistance Programs. Provides technical assistance and funding to the Court Administrator's Office for development and implementation of drug court programs in family and district courts as well as the DETER Initiative.

Alcohol and Drug Prevention:

Through staff based in the Health Department's central office and the 12 district offices, develops community substance abuse prevention coalitions and programs. Collaborates with the Department of Education to help schools and colleges develop comprehensive alcohol and drug abuse prevention programs. Provides funding for prevention programs through grants to schools and community agencies and monitors implementation and results.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Health

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration & Support	71	58	61	9,411,828	10,535,967	10,502,038	10,198,603
Public Health	425	384	385	71,011,832	68,568,025	70,078,952	73,180,220
Alcohol & Drug Abuse Programs	33	31	30	31,511,828	31,649,050	31,425,020	27,715,992
<hr/>							
TOTAL	529	473	476	111,935,488	110,753,042	112,006,010	111,094,815
FUND TYPE							
General Fund				10,241,621	11,737,232	10,968,353	11,035,179
Special Fund				12,574,702	11,308,144	13,596,531	13,650,592
American Recovery & Reinvestment Act				347,618	0	0	541,980
Federal Revenue Fund				44,033,440	44,970,638	44,970,638	44,011,230
Permanent Trust Fund				10,000	10,000	10,000	10,000
Global Commitment Fund				43,019,810	41,862,604	41,539,296	40,260,426
Interdepartmental Transfer				1,708,297	864,424	921,192	1,585,408
<hr/>							
TOTAL				111,935,488	110,753,042	112,006,010	111,094,815

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration & Support

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	5,017,516	5,741,814	5,717,854	5,485,409
Operating Expenses	1,419,416	2,182,153	2,172,184	1,932,004
Grants	2,974,896	2,612,000	2,612,000	2,781,190
<hr/> TOTAL	<hr/> 9,411,828	<hr/> 10,535,967	<hr/> 10,502,038	<hr/> 10,198,603
FUND TYPE				
General Fund	823,440	1,070,058	1,036,129	1,059,487
Special Fund	314,276	232,148	232,148	324,063
American Recovery & Reinvestment Act	12,330	0	0	81,815
Federal Revenue Fund	4,421,761	5,833,750	5,833,750	5,152,054
Global Commitment Fund	3,798,267	3,400,011	3,400,011	3,581,184
Interdepartmental Transfer	41,754	0	0	0
<hr/> TOTAL	<hr/> 9,411,828	<hr/> 10,535,967	<hr/> 10,502,038	<hr/> 10,198,603

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	31,923,344	31,006,247	30,708,218	33,496,002
Operating Expenses	9,745,970	7,030,217	6,968,615	6,245,652
Grants	29,342,518	30,531,561	32,402,119	33,438,566
<hr/>				
TOTAL	71,011,832	68,568,025	70,078,952	73,180,220
 FUND TYPE				
General Fund	6,720,890	7,737,787	7,224,464	7,262,449
Special Fund	9,685,223	8,461,078	10,749,465	11,706,411
American Recovery & Reinvestment Act	335,288	0	0	460,165
Federal Revenue Fund	32,679,467	30,795,573	30,795,573	32,903,499
Permanent Trust Fund	10,000	10,000	10,000	10,000
Global Commitment Fund	20,342,436	20,959,163	20,638,258	19,862,288
Interdepartmental Transfer	1,238,528	604,424	661,192	975,408
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TOTAL	71,011,832	68,568,025	70,078,952	73,180,220

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,656,242	2,934,845	2,876,883	2,650,944
Operating Expenses	379,159	706,722	696,257	371,158
Grants	28,476,427	28,007,483	27,851,880	24,693,890
<hr/> TOTAL	<hr/> 31,511,828	<hr/> 31,649,050	<hr/> 31,425,020	<hr/> 27,715,992
FUND TYPE				
General Fund	2,697,291	2,929,387	2,707,760	2,713,243
Special Fund	2,575,203	2,614,918	2,614,918	1,620,118
Federal Revenue Fund	6,932,212	8,341,315	8,341,315	5,955,677
Global Commitment Fund	18,879,107	17,503,430	17,501,027	16,816,954
Interdepartmental Transfer	428,015	260,000	260,000	610,000
<hr/> TOTAL	<hr/> 31,511,828	<hr/> 31,649,050	<hr/> 31,425,020	<hr/> 27,715,992

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Children and Family Services

Department Mission Statement

The Department for Children and Families, as part of an integrated Agency of Human Services, fosters the healthy development, safety, well-being, and self-sufficiency of Vermonters.

We are passionate about prevention and will:

- § Reduce poverty and homelessness;
- § Improve the safety and well-being of children and families;
- § Create permanent connections for children and youth; and
- § Provide timely and accurate financial supports for children, individuals, and families.

Description of Appropriations, Divisions, & Programs

The Department for Children and Families is comprised of the commissioner's office, three divisions and three offices:

Child Development Division (CDD). CDD supports the well being of Vermont's children through the development and provision of a continuum of comprehensive child development services for children and their families from pre-birth to age thirteen. The Division is organized under four primary functional areas: Operations & Policy which includes IT systems management, contract management, policy development, client management & communication and other aspects of operations that effect the full Division; Child Care Licensing & Financial Assistance which includes regulation and monitoring of CC programs and administration of the CC Financial Assistance Program including payments to participating providers; Statewide Systems and Community Partnerships which includes early childhood and afterschool workforce development, the Vermont STARS quality rating and improvement system for early care and education and afterschool programs, the Northern Lights Career Development Center for early childhood and after school professionals, Act 62 preschool implementation, partnerships with community-based networks (e.g. Parent Child Centers), Building Bright Futures and other Early Childhood and Afterschool Systems of Care; and Children's Integrated Services which includes Early Intervention, Nursing and Family Support, Early Childhood and Family Mental Health, and Specialized Child Care Services. CDD also includes the Head Start Collaboration Office.

Family Services Division. This division provides the following services: child abuse and neglect investigations, child protective services, services to children in the custody of the Commissioner of DCF and youth justice services, including supervision of youth on juvenile probation.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Children and Family Services

Economic Services Division (ESD). This Division provides both benefits and services to low to moderate income Vermonters. ESD consists of the following programs: Reach Up, Aid to the Aged, Blind, & Disabled (AABD), Health Care eligibility, Home Heating Assistance (LIHEAP), Food & Nutrition, Essential Person, Telephone Lifeline, General and Emergency Assistance

Office of Disability Determinations Services (DDS). DDS determines medical eligibility for disability benefits under Social Security and Supplemental Security (SSI) and Medicaid.

Office of Child Support (OCS). This office manages the Vermont child support program. It enforces ordered child support obligations; establishes child and medical support and parentage orders; and locates missing non-custodial parents.

Office of Economic Opportunity (OEO). OEO supports community-based antipoverty programs with grants management; resource identification and development; training and technical assistance; and advocacy.

Commissioner's Office

The Commissioner's Office provides administrative oversight and support to the operating divisions. It is responsible for policy and budget development, operational management of all programs and divisions, human resource development for approximately 980 DCF staff, internal and external communication and is charged with maintaining relationships with other state agencies, the legislature and federal officials.

Child Development Division

Program Focus:

The Child Development Division (CDD) seeks to improve the well being of Vermont's children by ensuring access to high quality, economically viable child development services. The goals for the division include promoting health and well-being, school readiness and foundations for life long success for Vermont's children. A focus on investing in prevention in the early childhood years reduces the likelihood of having to fund more costly interventions in social services, special education, and corrections later in life and promotes a strong start for Vermont citizens and future leaders. The CDD works in partnership with community based providers to ensure that a coordinated continuum of developmentally beneficial early childhood and after-school services are available throughout Vermont. The CDD is responsible to regulate and monitor early childhood and afterschool programs and administer the Child Care Financial Assistance Program that helps low-income families pay for child

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Children and Family Services

care. It administers a range of early intervention, home visiting, mental health, and inclusion services for children and their families experiencing significant challenges. It supports child care resource and referral services, parent education and other family support services for families. The division develops and supports state wide systems related to professional development for early childhood and afterschool professionals (Northern Lights Career Development Center) and continuous quality improvement of early childhood and afterschool programs (Vermont SStep Ahead Recognition System – STARS) and provides direct incentives and rewards to CC providers and grants for direct services to community partners..

The Child Development Division is committed to the ongoing work of building an integrated system of early childhood services accessible to all young children in Vermont that focus on achieving good outcomes for Vermont children and their families. The public/private partnership advancing this effort is called Building Bright Futures.

Population Served:

The division focuses efforts on three client populations: children from pre-birth – age six and their families; children 6 – 13 participating in afterschool programs and their families; and early childhood and afterschool programs and professionals. The continuum of services it supports ranges from population based strategies to promote child development (primary prevention) through targeted interventions based on identified risk factors (surveillance and family support) and early interventions based on assessed needs to a limited set of intensive diagnosis-driven treatment services.

Major Programs/Services:

Child Care Licensing: CDD is responsible for regulating and monitoring child care programs in Vermont including early childhood and afterschool programs, registered and licensed family child care homes, and certified legally exempt providers. There are currently 690 Licensed Early Childhood Programs, 974 Registered Homes and 936 Certified Legally Exempt providers. The regulated child care system serves approximately 35,359 children ages 6 weeks to 13 years. The Licensing Unit processes applications for child care, including approximately 70,000 criminal record, and child/adult abuse screens annually. The Child Care Consumer Line receives and investigates complaints regarding child care. Licensing staff provide technical assistance to providers related starting a child care program, regulatory compliance and accessing other supports. Staff also provide information about child care regulations and regulated programs for families and other stakeholders.

Child Care Financial Assistance Program : Vermont invests approximately \$39 million annually helping families pay for child care so that while parents increase their economic stability through work and training or education, their children participate in developmentally beneficial early childhood and after school programs that support current well-being and future success. Eligibility and the amount of assistance received is based on gross family income and family size. Significant family risk factors may

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Children and Family Services

also be considered. Child care services for approximately 7,500 – 8,000 children (4,000 – 5,000 families) are subsidized through financial assistance at any given time. Most families in the program receive partial benefits and contribute to child care payments for their children.

The Child Development Division is responsible for program policy development, oversees eligibility determinations and manages bi-weekly payments to CC providers caring for eligible children. The Child Care Financial Assistance Program is supported by a federal Child Care Development Fund (CCDF) block grant and State General Funds.

Children's Integrated Services: This program brings together formerly disparate primary prevention and early intervention programs into a holistic approach for service delivery that utilizes a team structure, a single treatment plan, and a primary interventionist model. Each AHS region is currently involved in planning for or implementing this integrated services approach with a broad range of partners and stakeholders particular to their region. In November 2010, Lamoille, Rutland and Franklin/Grand Isle became the first three Vermont communities to implement full integration. CDD services included in this array are:

Early Intervention (EI) (*Part C of IDEA, formerly the Family Infant Toddler Program*) which provides a range of assessment and developmental services to children under 3 years with established disabilities or a diagnosed condition with high probability of subsequent developmental delays. There are about 780 active EI participants at any given period with over 2,000 children served through the course of a year.

Nursing and Family Support (NFS) (*formerly Healthy Babies, Kids and Families*) which provides home visiting, nursing and family support services to pregnant women and children up to 6 years who are receiving Medicaid benefits. Approximately 3,800 women and children receive NFS services annually.

Early Childhood and Family Mental Health (ECFMH) (*formerly part of Children's Upstream Services or CUPS*) which provides mental health consultation and education services to several hundred early childhood programs annually as well as direct therapeutic services related to social/emotional development, behavior regulation and counseling to over 860 children and families each year.

Specialized Child Care Services (SCCS) which provides a menu of support for particular populations of children (e.g. children involved with the Family Services Division, children in highly stressful circumstances, and children with special health and developmental needs) to ensure their successful inclusion in early childhood programs. Available supports include tuition for participation in a program, transportation, and inclusion supports.

State-wide Systems and Community Partnerships: This unit manages all initiatives that support improving the quality of child development services including services delivered in early childhood and afterschool programs. Major initiatives include promoting the ongoing professional development of the workforce through the Northern Lights Career Development Center, promoting increased quality through the Step Ahead Recognition System (STARS) and the expansion of infant/toddler and

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afterschool services through initiatives targeted to each age group. Participation and growth in STARS indicates a steady improvement in the quality of child care in Vermont – 53% of all licensed programs and 13% of all registered family child care homes are now rated with growing numbers of 4 and 5 star programs. Individual professional development achievements are supported and recognized – since 2004, over 700 individual child care professionals have earned a certificate, degree or credential.

This unit also supports external work with community, state and federal partners to establish, sustain and enhance the infrastructure and direct service capacity for a coordinated child development system in Vermont, including early childhood and afterschool services, expansion of Act 62 Pre-Kindergarten partnerships and participation, and family engagement and parenting education. Key initiatives and partners in this work include: the Parent Child Center Network; Healthy Child Care Vermont; the Vermont Center for Afterschool Excellence; The Children’s Trust Fund; the Starting Points Network; and Building Bright Futures Direct Services (formerly Success by Six)

Operations: The Operations Unit is responsible for the following major functional areas: CDD’s web-based Bright Futures Information Technology System (BFIS); the BFIS Provider Helpdesk; coordinated policy development and process improvement; contract and grants management; data and planning; and federal and state reporting. In 2010, CDD went green and is now conducting business primarily on-line with over 98% of the 1664 regulated child care providers registered as “e-providers”. Decreasing paper use and improving customer service and responsiveness is a major accomplishment of the Operations unit utilizing the Bright Futures Information System.

Family Services Division

Program Focus/Population Served:

The Family Services Division is Vermont’s child welfare and juvenile justice agency. It serves high risk children and families and intervenes as the statutes allow. It provides care and supervision for children in the custody of the commissioner.

Major Programs/Services:

Centralized Intake Unit: A unit of 2.5 supervisors and 6 social workers take calls of concern from mandated reporters and other citizens who suspect a child is experiencing child abuse or neglect. Unit supervisors decided which cases merit a social work intervention, based on law, regulation and policy.

Child abuse and neglect investigations: The division is responsible for responding to reports alleging that children are abuse or neglected. When an intake results in a child abuse investigation, a social worker must see the child within 72 hours. The focus is on the child’s immediate safety. Frequently,

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social workers collaborate with law enforcement personnel when conducting these investigations. In FY '10, the division commenced just over 4500 such interventions.

Ongoing services to families at risk: For families who are at the highest risk of abuse or neglect, the division provides family services focused on addressing the underlying factors that contribute to the risk. Social workers provide direct services, and coordinate other therapeutic services targeted at risk reduction. Over an 18 month period, this caseload has grown from 80 statewide to over 450.

Substitute care, treatment and permanency planning services for children in custody: The division focuses on providing the most appropriate out-of-home living situation. Whenever possible, children are placed in their own school districts. The division is actively focused on ensuring a permanent home for children as soon as possible, preferably with the child's own family. The number of children in out of home placements has dropped from about 1499 to about 1000 over a 5-year period.

Transition services: Services to support the successful transition of youth in custody to adulthood, including training and support services through the Youth Development program, housing supports, extended foster care, and financial assistance with post-secondary training. Services are available to the young adults 22nd birthday. The division supports over 100 young adults through this program.

Probation and other restorative justice services for delinquent youth, including detention and treatment services at the Woodside Juvenile Rehabilitation Facility, a 28-bed facility: The division provides services to delinquent youth with a focus on balanced and restorative justice. A central goal is to avoid later involvement with the adult corrections system. Social workers supervise about 200 youth on juvenile probation.

Adoption subsidy and post-adoption supports for adoptees with special needs: Children adopted through the foster care system care are often eligible for financial supports due to their special needs. In addition, adoptive families are provided with post-adoption services to ensure their success as parents through the predictably difficult times they will face in parenting children with special needs.

The Emergency Services Program: Provides after-hours support for foster parents and other families. In addition, the Emergency Services Program staff responds to reports of abuse and neglect, deploying social workers to respond when necessary.

The Residential Licensing Unit: Promotes safety of children by licensing foster families, residential facilities and child placing agencies.

The Family Services Central Office: Provides necessary supports to ensure quality services, such as planning, policy development, quality assurance, budget development and oversight, support of the foster and residential care system, oversight on the contracted services system, etc.

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Economic Services Division

Program Focus/Population Served:

The Economic Services Division (ESD) administers a variety of state, federal/state, and federal programs that address the basic needs of low and moderate income Vermonters. Factors that contribute to need include unemployment, part-time or low-wage employment, family breakup, single parenthood, age, temporary or permanent disability, death of a family member, or other catastrophic event. ESD programs promote the well-being of families and individuals by providing assistance-to-work services, health care coverage, cash assistance and food support.

ESD programs serves about 170,000 low to moderate income people at any given time during the year. More than one in five Vermonters receives benefits or services from these programs.

Major Programs/Services:

Reach Up Program- On a monthly average, this program serves around 5,182 families with children who are unable to provide for themselves as a result of family breakup, single parenthood, temporary or permanent disability, unemployment, or low-wage employment. Participating families receive cash assistance, case management, and other help to achieve self-sufficiency. Families receiving Reach Up are provided Medicaid coverage and approximately nine out of ten receive federal supplemental nutrition assistance program benefits (3SquaresVT) – formerly known as Food Stamps. Expenditure of general funds in the program is required to receive the federal TANF state block grant. Reach Up supports participants in program activities such as basic education, work experience, occupational training, parenting, postsecondary education, job readiness and job search. Reach Up also provides support services to help participants with the cost of child care, transportation and other work related expenses.

Postsecondary Education program had an enrollment of 160 families as of December 1, 2010 providing financial assistance and support services while an adult member works on getting an associate or bachelor degree.

Reach First Program – This program was implemented in July 2008 and provides short-term help to families who financially qualify for Reach Up, but do not need ongoing financial assistance. The program served an average of 393 families monthly by providing them with a limited financial benefit and services to fill a temporary need while they overcome a temporary period or circumstance of financial need.

Reach Ahead Program – This program provides additional support in the form of a monthly food subsidy for up to 12 months to families who are transitioning from Reach Up and the Postsecondary

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Education Program. This program served an average of 199 families monthly.

TANF Reauthorization

The federal Temporary Assistance for Needy Families (TANF) block grant provides funding to states for cash assistance and other programs for low-income families. In Vermont, TANF supports the Reach Up, Emergency Assistance and Reach First programs in addition to other benefits and services for low-income families. The TANF block grant was scheduled for reauthorization in federal fiscal year 2010, but Congress failed to reauthorize the program by its September 30, 2010 expiration date. To keep the program operating, Congress extended the TANF block grant through December 3, 2010, as part of a "continuing resolution" to fund government programs. It is unclear when Congress will reauthorize TANF, but it is likely that in the interim that continuing funding resolutions will maintain the block grant.

Creative Workforce Solutions

The Reach Up Program and the Vocational Rehabilitation Division have expanded their joint efforts to help Reach Up families find employment using Creative Workforce Solutions (CWS). CWS is a consolidated and coordinated approach to employment services under the Agency of Human Services (AHS). CWS provides equal access to meaningful work in the competitive job market for all AHS program participants. It also offers employers a single point of contact for coordinated job development and placement services across AHS programs.

ARRA

The American Recovery and Reinvestment Act of 2009 (ARRA) provided federal stimulus funds to qualifying states as reimbursement for certain types of TANF expenditures made in federal fiscal years 2009 and 2010. The federal government reimbursed 80 percent of the increase in qualified expenditures over a previous base year. Areas of reimbursement included financial assistance to families, short-term non-recurrent benefits and subsidized employment. Vermont qualified for reimbursement in all three areas. New efforts in the areas of subsidized employment and food supplements for families were reimbursed in their entirety due to the help of community partners in committing 20 percent of the expenditure. Vermont is expected to receive approximately \$15 million as a result of these endeavors to support low income families during the recession.

Reach Up financial sanctions

Early in 2011, ESD will begin to impose the new financial sanction amounts for Reach Up families who are not complying with program requirements. Currently, sanctions in the first three months reduce a family's grant by \$75. In the 2010 legislative session, the General Assembly amended the law to increase the second and third months of sanction to \$100 and \$125 respectively. The state expects that there will be some moderate savings as a result of the increase, but it is also hoped that this change will motivate families to comply with the program, become self-sufficient and move off public benefits.

Refugees

The Federal Office of Refugee Resettlement has made changes in the Wilson-Fish alternative program

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and will no longer be providing cash assistance for TANF eligible refugees. Beginning October 1, 2010, the new refugee arrivals that are TANF eligible will be enrolled in Reach Up instead of receiving their cash assistance from Vermont Refugee Resettlement Program (VRRP) through the Office of Refugee Resettlement. In addition to cash assistance Reach Up will provide refugees with case management and employment services. These changes will mean an increase in costs for the Reach Up program both for cash assistance and case management services. Reach Up is expected to serve 30 to 60 refugee families in 2010.

Child Care Subsidy: ESD manages the child care financial assistance program to aid eligible families with the cost of their child care. Basic eligibility is based on income (monthly gross) and family size. It is also based on familial risk factors. The program serves between 7,000-8,000 children at any given time.

Provider payments are managed by the Child Development Division's central office with payments of approximately one and half million dollars every two weeks. The child care financial assistance program is funded with the Federal Child Care Development Fund and State General Funds.

Aid to the Aged, Blind, & Disabled (AABD) - The AABD appropriation funds the State Supplement to federal Supplemental Security Income (SSI) cash benefit Vermonters receive from the Social Security Administration. The majority of recipients live independently in the community, and the remainder lives in community or residential care homes. This appropriation also funds the Essential Person Program that provides cash assistance to needy household members, in many instances the spouse of the person who is aged or disabled, who is ineligible for SSI and Reach Up benefits and whose care or services are essential to the aged or disabled person's ability to remain at home.

In FY 2012 the estimated average AABD caseload is expected to be 15,325 recipients a month and the Essential Person Program caseload should be approximately 185 households a month.

General Assistance - General Assistance/Emergency Assistance (GA/EA) programs are emergency financial assistance and services for eligible individuals and families. The GA/EA Program provides emergency help to low income people who are homeless or likely to lose their home. It also pays for emergency dental, medical and prescription services that are not covered under other health insurance programs, as well as, burial services for the poor.

ESD is proposing to redesign the emergency housing assistance within the GA/EA program to better serve clients and to maximize the various homeless prevention funds available. The goals of the redesign are to provide more coordinated services for the clients and to maximize the ability to provide alternatives to motels by pooling all of the resources in the local community.

ESD has a Memorandum of Agreement with Vocational Rehabilitation Division to address the large number of regular GA recipients that are unable to work due to a physical or emotional condition.

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Vocational Rehabilitation is determining eligibility for this population as well as providing employment and SSI/SSDI application assistance. Through this agreement, ESD hopes to move recipients to self-sufficiency or SSI/SSDI sooner.

GA is funded from General Funds and EA from federal TANF block grant.

Food & Nutrition Programs – The Economic Services Division operates four federally regulated food and nutrition programs. Oversight of two of these programs (the Emergency Food Assistance Program and the School Meals Commodities Program) was transferred from the Child Development Division to the Economic Services Division, Food and Nutrition Programs Unit in April 2010.

3SquaresVT

The USDA Supplemental Nutrition Assistance Program (SNAP) is a federally regulated and funded entitlement program, much like Social Security. Anyone who applies and meets eligibility criteria must be found eligible. SNAP is the country's first line of defense against hunger. Its mission is to provide low-income households better access to a healthy diet while supporting American agriculture and inspiring public confidence. USDA allows states to call the federal SNAP by a state-specific name. In Vermont, SNAP is known as 3SquaresVT.

3SquaresVT benefits are 100 percent federally funded and increasing the benefits used in Vermont is one of the most direct ways to help boost the state economy because benefits are redeemed almost immediately on new purchases of food. The program generated between \$121 and \$122 million in federal benefits in State Fiscal Year 2010 – supporting family food budgets and the state's economy. According to studies performed by USDA's Economic Research Service, every 3SquaresVT dollar redeemed stimulates our economy by an additional 84 cents. Thus, 3SquaresVT boosted the state's economy by nearly \$224 million during the last fiscal year.

3SquaresVT has been instrumental in generating funds to support modernization efforts underway at the department. Since 2006, 3SquaresVT has been awarded more than \$1.67 million via five cash bonuses from the United States Department of Agriculture for high performance in the areas of error reduction and increased participation. These funds may be leveraged to draw down more federal financial participation administrative dollars from the USDA.

The department issues nearly all of its 3SquaresVT benefits by electronic benefit transfer (EBT). EBT benefits are applied to a card that looks and operates like a debit or ATM card. Use of the card allows beneficiaries to purchase their food in privacy without calling attention to their status as 3SquaresVT participants.

For households in which everyone is either age 65 or older, an SSI recipient, or a combination of both, 3SquaresVT benefits are issued either as a cash benefit applied to the EBT card or as a direct deposit of cash to a bank account. These cash benefits are intended to be used to purchase eligible foods but there

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is no restriction on their use. Beneficiaries are allowed full discretion on use of the cash benefit.

In January 2009, Vermont implemented broad-based categorical eligibility, which allowed the department to expand 3SquaresVT eligibility to more households by eliminating the asset test and raising the gross income test from 130% of the federal poverty level to 185% of the poverty level. The combined factors of expanded eligibility, economic recession, and program outreach caused what can only be described as an explosion in program participation; 3SquaresVT participation has grown since January 2009 (67,863 individuals) by over 29% through September 2010 (87,838 individuals). Based on average monthly enrollments, the department estimates that its 3SquaresVT caseload may exceed 92,000 individuals a month and 46,000 households per month by the end of SFY 2011. Economic factors are the primary influence on participation. This federally administered program is designed to expand and contract to meet the economic needs of families throughout the United States.

Farm To Family

Farm To Family coupons help Vermonters buy locally-grown fresh vegetables and fruits. They can be used at over 60 participating farmers' markets throughout Vermont. About one in four Vermonters qualifies for Farm to Family coupons. They include families enrolled in the WIC Program and other individuals or households with incomes at or below 185% of the federal poverty limit. Families with a WIC participant over six months old must apply at special Farm To Family sessions held by the district Health offices. Other households, both elderly and non-elderly, apply through their local Community Action Agency. The application process begins in late June of each year, and \$30 worth of coupons is provided at the time of application. Receipt of coupons is not an entitlement so distribution is on a first come, first served basis and they run out quickly. The coupons are valid for just one market season and expire on October 31 each year.

The Emergency Food Assistance Program (TEFAP)

TEFAP is a U.S. Department of Agriculture (USDA) program that helps supplement the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance at no cost. The amount of food that each State receives out of the total amount of food provided is based on the number of unemployed persons and the number of people with incomes below the poverty level in the State. Under TEFAP, USDA foods are made available to State Distributing Agencies. As the State Distributing Agency for the program the Department for Children and Families receives \$88,976 in federal administrative funds to support the storage and distribution of USDA foods. Under the TEFAP State Plan, these funds are passed through in full to the Vermont Foodbank (\$83,976) and two community action agencies – CVOEO (\$2,500) and BROCC (\$2,500) – for the receipt, storage and distribution of TEFAP commodities. All state administrative costs associated with TEFAP are paid with state funds.

The School Meals Commodities Program

The National School Lunch Program (NSLP) is the oldest federal nutrition program. Through this program public and private schools, and residential child care institutions, receive food for lunches

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served to students enrolled in twelfth grade and under. The amount of food assistance that each State receives is based on the number of reimbursable lunches served to children in these schools. In FFY10, approximately \$2,000,000 of food was distributed to schools in NSLP, child cares participating in the Child and Adult Care Food Program (CACFP) and summer feeding programs in the Summer Food Service Program (SFSP). As the State Distributing Agency for the program, the Department for Children and Families received \$57,435 in FFY10 federal administrative funds for state administrative expenses. All other state administrative expenses are paid with state funds.

Home Heating Fuel Assistance (LIHEAP) - Via Act 158 (1996), the General Assembly defined in statute the purpose of and conditions under which Vermont households may qualify for heating fuel assistance. Fuel assistance funding primarily comes from the federal Low-Income Home Energy Assistance Program (LIHEAP).

Vermont's fuel assistance program has two components: Seasonal Fuel Assistance operated state-wide by ESD's Office of Home Heating Fuel Assistance, and Crisis Fuel Assistance operated through grant agreements with the state's five community action agencies. In May, 2010 the Vermont Legislature and the Douglas Administration agreed to eligibility changes to provide assistance to more Vermont households. For seasonal assistance the income limit was raised from "net" 125% FPL based on household size to "gross" 185% and the resource test was eliminated. For crisis assistance the income the income limit was raised from "net" 150% to "gross" 200%.

Seasonal Fuel Assistance

The Seasonal component accepts new applications and on-going eligibility reviews year round. Benefits are issued once a season per household either as a line of credit paid to a household's certified fuel supplier, or for households where heat is included in the rent as a cash benefit paid to the head of household. If a client heats with firewood or wood pellets, the benefit is issued to the client as a two-party check to be used with any supplier they choose. Benefits are not intended to meet the total cost of heating the home, but rather to provide supplemental assistance to households that qualify.

Seasonal fuel benefits in FY11 were much lower primarily as a result of a reduction in the funding that Vermont receives from the Federal Government. Vermont's share of the federal funding has been reduced from \$25.6 million to \$15.0 million. The average benefit this year for clients with income under the old guidelines is \$660 compared to an average \$1,136 last year. If additional funding becomes available eligible households will automatically receive a bonus fuel benefit.

Crisis Fuel Assistance

The Crisis component operates from late November until late April. Households may receive up to three grants per season for either heating fuel or to prevent disconnection of electric service. A state-wide emergency hotline operates nights, weekends and holidays. Households do not have to be out of fuel to apply for Crisis assistance, and if the head of household is elderly (age 60 or older) or disabled

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they may apply for Crisis assistance by phone.

In FY2010 approximately 7,000 households were assisted and received over 11,500 crisis grants totaling \$3 million. For FY2011 a total of \$2.5 M has been committed for crisis fuel grants and is projected to provide assistance to over 7,000 households.

Health Care Eligibility Determination Services

The division determines and maintains eligibility for more than 170,000 Vermonters who are eligible for health care coverage. The division processes applications from thousands of other applicant who are seeking coverage but are not eligible under the program rules. The complexity of eligibility determinations results from the combined issues of Vermont's broad range of health care programs and the use of an existing computer system which has become antiquated.

Office of Disability Determination Services

Program Focus/Population Served:

Disability Determination Services (DDS) serves the public by making prompt, regulation-compliant decisions of medical eligibility for disability benefits under Social Security and Supplemental Security Income (SSI). All funds expended by DDS to process Social Security and SSI disability claims, including staff salaries and benefits, are 100% federally reimbursed, including the indirect cost for administrative overhead as determined by the cost allocation plan. A small part of the DDS workload involves disability determinations for Medicaid, as governed by the Memorandum of Agreement between SSA and DCF.

Office of Child Support

Program Focus:

The Office of Child Support (OCS) manages the Vermont child support program under Title IV-D of the Social Security Act by enforcing ordered child support obligations, establishing child support, medical support, parentage orders, and locating missing non-custodial parents. Title IV-D requires that states have child support programs. OCS is the sole organization in the State of Vermont responsible for the child support program - one mission, one program. Ultimately, Vermont OCS is required by law to perform the complete array of our existing services regardless of budgetary circumstances.

For the families served, collections are the most critical outcome. Receiving child support often makes the difference between needing state financial assistance or remaining independent and self-supporting. Approximately 45% of families served by OCS have moved away from public assistance to being self-

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supportive. There is a growing reliance on child support payments as the safety net for the working poor. The majority of families served by OCS (72%), although typically low income, are not receiving Reach Up benefits. While Reach Up caseloads may be declining (28% of OCS families), OCS provides an income support to the former-Reach Up families for many years to come.

In addition to child support, OCS obtains medical insurance provisions in court orders. When parents provide medical insurance, public medical insurance program expenditures can be avoided. Nationally, child support organizations are seen as a key partner in the challenge of providing medical coverage.

In 2008, OCS embarked on a Business Process Improvement initiative by working with a professional carefully scrutinizing several operational processes. OCS understands improvement of internal processes leads to business efficiency and helps offset diminished resources.

In SFY'10, OCS received federal ARRA funds specifically for the purpose of improving the child support program. Using the funding, coupled with the planning performed from the business process initiative, OCS is currently working on a project to improve the financial processing system for child support. The project is focusing on the following areas:

- Providing the capability to reconcile child support collections in the ACCESS Mainframe system to VISION;
- Improving the processing of payments by automating more of the process of payment allocation;
- Adding functionality to the ACCESS Mainframe system to automatically compute and assess surcharge on child support arrears;
- Improving the process of preparing case accountings on cases;
- Enhancing the OCS Data Warehouse (PEAKS) to improve functionality and reduce maintenance costs.

Office of Economic Opportunity

Program Focus

The Vermont Office of Economic Opportunity (OEO) seeks to increase the self-sufficiency of Vermonters and strengthen Vermont communities. OEO provides program and grants management, resource identification and development, training and technical assistance and advocacy for community-based organizations in a manner that fosters creativity and innovation.

OEO connects communities to resources within government and the private sector in order to eliminate poverty.

Major Programs/Services

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Community Services

OEO's Community Services works to alleviate poverty and provide crisis assistance through emergency food, shelter and other services. Community Services involves a variety of state and federal funding sources aimed at specific program areas:

The Community Services Block Grant from the U.S. Department of Health and Human Services provides basic funding for Vermont's five Community Action Agencies (CAAs) and has been in existence since 1964. In 2010, Vermont CAA's provided direct services to over 50,000 low-income Vermonters. Direct services include emergency food shelves, employment, health, nutrition, housing and other assistance.

The Federal Emergency Management Agency (FEMA) also awards emergency food and shelter funds to Vermont through OEO, which distributes these funds to approximately 25 non-profit organizations serving low-income Vermonters, thereby assisting them with emergency food and shelter needs.

Homelessness Services

OEO provides multiple grants and technical support to community non-profits engaged in sheltering the homeless, homelessness prevention, and moving families and individuals towards permanent housing.

A combination of federal Housing and Urban Development (HUD) funding and a state General Fund appropriation provides Vermont homeless shelters and providers of services to the precariously housed, funds to meet the needs of persons who are homeless or at risk of homelessness. Efforts continue to provide sufficient shelter with increased initiatives providing more emergency shelters.

Asset Development Programs

The statewide Micro Business Development Program is operated through Community Action Agencies to promote self-employment and business opportunities for low income Vermonters through Job Start loans, business planning and technical assistance. In 2010, 86 new businesses were started up and approximately 111 new full-time equivalent jobs were created by business start-ups, expansions and enhancements. The most recent comprehensive study of the Micro Business Development Program, conducted by UVM in the fall of 2009, shows an average business start-up rate of 41% of clients starting a business after having worked with the program. Further, 91% of these start-ups remained in business after an average of 3.5 years in business. This survival rate is higher than the SBA's national average survival rate of 66% after 2 years and 44% after 4 years. A similar study done by UVM in 2003 found that 64% of client businesses started since 10/1/98 were still in business in 2001. Program participants, who do not start businesses, often acquire the job readiness skills and job skills that help them obtain employment.

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Individual Development Accounts (IDAs) provide a savings instrument for low-income Vermonters to purchase a home, continue their education or start a small business. Participants save a portion of their income over a 24-month period while receiving financial and budgeting education. After this savings phase, the participant's accumulated savings is matched by public and private funding. In 2010, 51 savers used their savings and matched funds to capitalize a small business; 21 to pursue post-secondary education; and 11 to purchase a home. During this same time period, 50 new savers opened IDA accounts.

The Job Start Revolving Loan Fund provides capital to low- to moderate-income Vermonters starting or expanding micro businesses. This program provides micro business loans and other assistance to borrowers who do not meet the requirements for traditional bank financing. Typical loans are between \$5,000 and \$25,000. The Job Start revolving loan program was transferred from VEDA to Community Capital of Vermont on May 1, 2008. When this transfer occurred, the administration of the program was also transferred to the Office of Economic Opportunity. In calendar year 2009, 12 new loans totaling \$175,783 were disbursed. These loans leveraged additional capital from Community Capital, borrower, and other private funds. Some borrowers also utilize Community Capital's post-loan technical assistance services.

Vermont Weatherization Program

Mission:

To reduce the energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency and comfort of their homes while ensuring their health and safety.

History:

The Vermont Weatherization Program was started in 1976 in response to a national energy crisis. Funding for the early days of the program was provided solely by the US Department of Energy (USDOE). This changed in 1990 when the State of Vermont Legislature introduced and passed bill H.832 which established the Vermont Weatherization Trust Fund (WTF). The WTF provides state funding for weatherization through a one half percent gross receipts tax on all non-transportation fuels sold in the state. The WTF stabilized the funding, infrastructure and technical capacity of the program. It also allowed Vermont to raise the average cost per job for more comprehensive work. Current funding for weatherization in Vermont is over \$15M including \$8.4M of ARRA funds. In program year 2010, 1764 homes were weatherized.

Services Available to Income-Eligible People Include:

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- Comprehensive “whole house” assessment of energy related problems,
- State-of-the-art building diagnostics including: blower door testing, carbon monoxide and heating system testing and infrared scans.
- “Full-service” energy efficiency retrofits including: dense-pack sidewall insulation, air sealing, attic insulation, heating system upgrades and replacements.

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DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
DCFS Admin & Support Services	457	425	461	45,587,874	46,061,495	46,909,801	47,162,652
DCFS - Family Services	276	270	284	84,601,473	89,377,226	88,775,473	86,554,157
DCFS - Child Development	43	40	39	56,543,186	59,901,218	59,651,375	62,491,319
DCFS - Child Support Services	118	115	115	11,754,750	13,194,039	13,121,178	12,902,118
DCFS - AABD	0	0	0	12,335,040	12,539,089	12,826,714	12,871,654
DCFS - General Assistance	0	0	0	7,037,543	5,850,928	7,000,928	6,500,000
DCFS - Food Stamp Cashout	0	0	0	20,628,570	22,610,178	22,610,178	23,756,778
DCFS - Reach Up	0	0	0	45,369,188	49,229,159	50,713,826	49,155,572
DCFS - LIHEAP	0	0	0	23,921,509	11,612,664	11,612,664	11,612,664
DCFS - OEO Ofc of Economic Opp	3	3	3	8,764,544	5,092,390	5,072,298	5,074,845
DCFS - OEO Weatherization	2	2	2	11,830,549	15,273,952	15,272,987	8,399,666
DCFS - Woodside Rehab Center	34	33	34	3,679,199	4,031,512	3,709,273	4,282,009
DCFS - DDS	31	36	38	4,606,079	5,487,309	5,487,309	5,656,106
Children's Trust Fund	0	0	0	20,018	0	0	0
TOTAL	964	924	976	336,679,522	340,261,159	342,764,004	336,419,540
FUND TYPE							
General Fund				88,994,977	98,799,498	96,522,042	98,973,427
Special Fund				31,389,294	28,820,199	29,053,734	31,217,201
American Recovery & Reinvestment Act				26,461,617	15,242,687	16,167,567	0
Federal Revenue Fund				128,910,951	131,452,580	133,478,022	135,500,728
Global Commitment Fund				60,179,790	65,264,196	66,451,482	69,833,685
Interdepartmental Transfer				742,893	681,999	1,091,157	894,499
TOTAL				336,679,522	340,261,159	342,764,004	336,419,540

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DCFS Admin & Support Services

Appropriation Key Budget Issues

The Recession

The national recession continues to affect caseloads in the ESD. Numbers of new applications are above historic levels. Additionally, position reductions in ESD that were targeted to reduce state budget deficits exceeded sustainable levels given the increase in caseloads. 20 positions were added in January of 2011 to meet the needs of the additional caseload demands.

Federal and State Health Care Reform

The Division will be closely involved in implementing changes to requirements for processing eligibility and other more substantive changes brought about by federal health care reform (the Affordable Care Act, or ACA.) Changes in health care at the state level that may begin in the 2011 legislative session may also require changes and adaptations by the Division. The early emphasis in federal health care reform has focused on information technology needs.

Continuing Emphasis on Advances in Information Technology

The Division will continue to make significant advances in information technology, beyond modernization, with the ultimate goal of an entirely new eligibility system known as VIEWS that will meet both the state's needs and the objectives of federal health care reform. Staff and resources will need to be devoted to design and implement the new information technology.

Federal Mandates

Unfunded federal mandates and caseload growth continue to require significant additional human and fiscal resources for the provision of health care eligibility determination services and for the development and management of the data systems required to support it.

CHIPRA legislation resulted in requirements for more unfunded federal mandates, including: exemption for children from Citizenship and Identification (C&I) test if child's mother was active on health care when born; verification of citizenship status via interface with SSA; redefinition of C&I reasonable opportunity period; and one-time retroactive newborn eligibility (back to 2006) to screen children for Medicaid/Dr. Dynasaur if failed C&I as newborn. These requirements resulted in new workload for existing division staff.

Continued Implementation of Recent Federal Mandates

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DCFS Admin & Support Services

In 2008, Congress imposed mandates that required implementation or the agency risks loss of federal funding for Medicaid programs. ESD has implemented 2 of the 3 mandates. The Division is currently in the process of implementing the 3rd mandate which is an automated verification system (AVS) for liquid assets for long term care clients. This unfunded federal mandate is required by the Supplemental Appropriations Act of 2008) passed July 2008. The division has received proposals from two vendors for a new Vermont AVS. The division is still working toward implementation of this project. The Department is concerned that the cost of this requirement will exceed any cost savings or efficiencies it may achieve.

Economic Benefits Modernization

In FY10 and FY11, ESD modernized the administration of its benefits programs. Most client contact is through the web or via a call center. ESD continues to balance the staffing levels in this modernized system..

Most costs associated with this effort are being borne by bonuses earned by the Food Stamps Program and by a federal grant.

Economic forces create and remove demand on the economic benefits provided through the Economic Services Division. We will need to be vigilant in assuring that we are prepared to respond to changing realities.

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DCFS Admin & Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	35,465,732	37,767,592	38,189,290	38,120,604
Operating Expenses	9,219,604	7,439,383	7,513,515	7,835,052
Grants	902,538	854,520	1,206,996	1,206,996
<hr/> TOTAL	<hr/> 45,587,874	<hr/> 46,061,495	<hr/> 46,909,801	<hr/> 47,162,652
FUND TYPE				
General Fund	14,224,117	15,044,158	14,848,959	16,383,046
Special Fund	302,466	0	0	0
American Recovery & Reinvestment Act	287,354	0	0	0
Federal Revenue Fund	16,759,224	13,783,952	15,528,319	14,330,642
Global Commitment Fund	13,958,413	17,233,385	16,320,023	16,236,464
Interdepartmental Transfer	56,300	0	212,500	212,500
<hr/> TOTAL	<hr/> 45,587,874	<hr/> 46,061,495	<hr/> 46,909,801	<hr/> 47,162,652

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DCFS - Family Services

Appropriation Key Budget Issues

A 2007 federal audit of those programs identified concerns in the following areas:

*The “front door” of the child welfare system is too narrow and too inconsistent.
Not enough focus is placed on supporting families whose children are in the home.
Too many children in foster care experience placement instability.
There is generally insufficient worker/client contact.*

The Division has undergone significant changes over the past three years including:

- Creation of Centralized Intake
- Implementation of various family engagement strategies
- Reduction in the use of out of home care and increase in use of kin
- Shifting of resources toward front line work (adding 5 social workers and properly equipping all social workers)
- Expanded family visiting and “front end” services.
- Passage of two major new laws governing all aspects of operation and requiring major changes in practice
- Expansion of services to youth aging out of services
- Implementation of differential response

The results have been exceptional:

- 30% increase in acceptance of reports of abuse and neglect
- Increased use of kin and decrease in out of home care
- Continued high rate of adoptions
- Substantial improvement in community/client perception of services
- Improvement in client contact

Budget changes include several reductions in the use of substitute care, increases in adoption subsidies and continued increases in services for youth aging out of care.

Several potential risks include:

Increases in substance abuse and domestic violence in Vermont negatively affect children, youth and families - and precipitate DCF intervention. Often, these families’ circumstances result in a neglect or risk of harm substantiation.

The number of child abuse investigations is significantly increased since the centralization of child abuse intake in September of 2008. We have opened 40% more investigations than during the same period in 2007.

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DCFS - Family Services

Implementation of due process requirements for individuals whose names may be placed on the state child abuse and neglect registry –this new requirement called for in 2007 legislation was implemented without new resources. The demand for hearings has severely stretched our resources.

The federal government has continued to push down supports and increase regulations. This environment may change in the coming year, but remains a concern at this time.

Currently, the division provides supports to nearly 1800 adopted children with special needs. These children, adopted at an older age, continue to need supportive services after adoptions, which have not kept pace with caseload.

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DCFS - Family Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	21,501,257	22,899,710	24,042,035	23,318,476
Operating Expenses	3,411,543	3,344,491	3,325,941	3,408,618
Grants	59,688,673	63,133,025	61,407,497	59,827,063
<hr/> TOTAL	<hr/> 84,601,473	<hr/> 89,377,226	<hr/> 88,775,473	<hr/> 86,554,157
FUND TYPE				
General Fund	19,058,215	21,230,731	20,488,632	20,618,613
Special Fund	1,731,590	1,966,637	1,966,637	1,966,637
American Recovery & Reinvestment Act	1,338,058	705,724	935,361	0
Federal Revenue Fund	25,702,548	27,503,180	27,901,255	27,652,387
Global Commitment Fund	36,671,062	37,870,954	37,383,588	36,216,520
Interdepartmental Transfer	100,000	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 84,601,473	<hr/> 89,377,226	<hr/> 88,775,473	<hr/> 86,554,157

STATE OF VERMONT
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DCFS - Child Development

Appropriation Key Budget Issues

Meeting Federal Requirements:

Federal requirements mandate that the Part C Early Intervention Program screen all children birth to age 3 who are substantiated victims of child abuse and neglect. While the federal mandate has not changed, Vermont has chosen to handle allegations of child abuse and neglect through differential response. One outcome of differential response is a reduction in the number of children who are designated as eligible for CAPTA referrals. Children not mandated for a screening under CAPTA may still be considered ‘at risk’ due to challenging family circumstances. Some regions are seeing an increase in the number of ‘at risk’ referrals to early intervention which may be due to decrease in CAPTA mandated referrals. These children receive a developmental screening unless they are referred with a developmental concern or their family is requesting a full evaluation

The Office of Child Care in the US Department of Health and Human Services has significantly revised the preprint for the biennial Child Care and Development Fund (CCDF) State Plan which is due in July 2011. Though program regulations have not been changed, new expectations regarding evaluation of child care quality initiatives funded through the block grant are embedded in the pre-print and states are being asked to collect and report on a number of new data elements. There will be some information technology (IT) costs related to capturing and reporting the new data elements and an increased burden on CDD related to evaluation of major quality initiatives.

Pressures on the Child Care Financial Assistance Program:

In January 2010, CDD/DCF implemented major changes in the CC Financial Assistance program to achieve the following goals:

- Increase access to high quality child care in Vermont
- Align Vermont’s rates and eligibility with federal guidelines
- Reinforce provider incentives to achieve quality
- Increase work incentives and support for families
- Increase fairness and equity in CC Financial Assistance Program
- Sustain specialized providers and comprehensive services
- Support continuity of care for children and economic stability for families

Quality: Vermont STARS recognizes child care quality and encourages child care providers on the path to higher quality standards. One aspect of STARS translates into increased rates in the CC Financial Assistance Program for providers with STARS ratings. This encourages providers to commit to continuous quality improvement and expands access to higher quality care for low income families. The

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DCFS - Child Development

program has been very successful with the numbers of children served in quality programs rising dramatically over the past few years. Currently, approximately 33% (or 2530 children) of all children receiving assistance are enrolled in STARS rated programs - 27% in programs with a STARS rating of 3 or more (on a scale from 1 – 5). As we achieve the goal of more subsidized children in higher quality settings, the average cost per child in the program rises.

Accessibility: The maximum rates in the Child Care Financial Assistance Program were increased for all regulated CC providers in 2010 to increase access to high quality child care for families receiving child care benefits. Subsidy rates paid for programs and providers with a 4 STAR rating meet or exceed the rates reported by 75% of regulated providers in 2008. This is intended to provide subsidized families access to the majority of available regulated CC providers with limited co-payment obligations beyond the state rate. CDD conducted a new Market Rate Survey of regulated CC providers in October 2010 (a bi-annual Market Rate Survey is a federal requirement). Rate increases in the child care marketplace since 2008 have outpaced the state rate - the current 4 STAR rate is at the 50th percentile of 2010 provider rates leaving subsidized families access to only half of the regulated CC market with out co-payment obligations beyond the state rate.

Affordability: The sliding fee scale in the CC Financial Assistance Program establishes eligibility standards and determines the amount of benefit each family receives according to gross family income and family size. The gradual decrease in benefit levels as income rises is intended to ease the “benefit cliff” that occurs when a benefit is dramatically reduced due to a change in family circumstances. In January 2010, the legislature approved an adjustment to the sliding fee scale to bring it up to date to the 2009 Federal Poverty Level Standard. CDD analysis shows that this has increased access to child care for those families with a benefit level of 50% or more. For families with less than a 50 % benefit, which means that they have to pay more than 50% of the rate charged by their CC provider themselves, paying for child care, especially good quality care, remains a challenge, even with a subsidy. For low wage workers the expense of paying for more than 50% of child care expenses in a regulated child care setting can become a disincentive to work or a burden that seriously limits their choice of CC providers. This can only be ameliorated with additional adjustments to the sliding fee scale to increase the state’s share of child care expenses for eligible families.

An Improving Economy: The changes made to the child care program in 2010 were intended to provide greater support to more low income Vermonters seeking good quality child care for their children while they work. Take up rates in the program have not increased significantly in this first year, possibly due to the still sluggish economy and uncertain or unstable employment for many parents. As the economy begins to show signs of recovery and more parents are able to find and sustain work, we anticipate increases in the child care caseload

Complexity of Children’s Needs:

An increasing number of children in Vermont communities are in need of more intensive services due to these difficult economic times and the changing circumstances of Vermont families. The stress of incarcerated parents, addiction issues, homelessness, military deployment and other challenges impacts

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DCFS - Child Development

children's well-being and development. Mitigating such stresses requires specialized skills and comprehensive supports in the context of child development programs and services. Programs and services must be high quality and children must have access to enough of high quality service to attain developmental benefits that lead to better outcomes.

Program standards and monitoring, expert consultation, professional development system supports and well designed, well coordinated community based resources are critical to ensure that programs are able to meet child and family needs and service providers have the skills, knowledge, and resources necessary to nurture children and engage families. This means that under-resourced investments in CDD administered state-wide systems and community partnerships are especially critical.

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DCFS - Child Development**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,189,840	3,265,859	3,075,181	3,165,567
Operating Expenses	522,838	498,925	486,726	520,809
Grants	52,830,508	56,136,434	56,089,468	58,804,943
<hr/> TOTAL	<hr/> 56,543,186	<hr/> 59,901,218	<hr/> 59,651,375	<hr/> 62,491,319
FUND TYPE				
General Fund	22,610,016	23,198,997	22,930,917	23,492,835
Special Fund	1,794,227	1,820,000	1,820,000	1,820,000
American Recovery & Reinvestment Act	1,911,697	2,282,687	2,297,223	0
Federal Revenue Fund	25,232,910	27,011,087	26,894,087	29,131,536
Global Commitment Fund	4,795,343	5,448,940	5,569,641	7,907,441
Interdepartmental Transfer	198,993	139,507	139,507	139,507
<hr/> TOTAL	<hr/> 56,543,186	<hr/> 59,901,218	<hr/> 59,651,375	<hr/> 62,491,319

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - Child Support Services**

Appropriation Key Budget Issues

Position Elimination--Conducting Business with Less:

Vermont OCS understands the budgetary issues presented to states today. However, the impact of position eliminations will likely erode our usual high level of performance and reduce the number of legal actions on behalf of our customers. This pressure is also viewed as an opportunity for us, as well, as demonstrated in the section above. OCS will attempt to be creative and efficient by developing ways to prevent service impact to our customers. However, as customer needs increase and positions decrease there will likely be a saturation level when such consequences are felt.

Reduction in IV-D Performance Incentive Funding

The ability to receive IV-D FFP for performance incentive funding was eliminated under the Deficit Reduction Act of 2005. In addition, as other states' improve their performance the share of the incentive funding pool available to Vermont has been slowly decreasing each year. The result is that a greater share of state general fund dollars is now necessary to support OCS' budget, from approximately \$1.3M in SFY 05 to \$2.5M in SFY 11.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - Child Support Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	8,317,472	9,071,791	9,002,902	8,739,557
Operating Expenses	3,437,278	4,122,248	4,118,276	4,162,561
<hr/>				
TOTAL	11,754,750	13,194,039	13,121,178	12,902,118
FUND TYPE				
General Fund	2,114,350	2,690,672	2,517,811	2,638,576
Special Fund	457,463	455,718	555,718	455,718
American Recovery & Reinvestment Act	2,464,065	431,230	431,230	0
Federal Revenue Fund	6,331,272	9,228,819	9,228,819	9,420,224
Interdepartmental Transfer	387,600	387,600	387,600	387,600
<hr/>				
TOTAL	11,754,750	13,194,039	13,121,178	12,902,118

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - AABD**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,883,051	1,801,009	1,837,414	1,827,113
Grants	10,451,989	10,738,080	10,989,300	11,044,541
<hr/>				
TOTAL	12,335,040	12,539,089	12,826,714	12,871,654
 FUND TYPE				
General Fund	8,585,043	8,789,089	9,076,714	9,121,654
Global Commitment Fund	3,749,997	3,750,000	3,750,000	3,750,000
<hr/>				
TOTAL	12,335,040	12,539,089	12,826,714	12,871,654

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - General Assistance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Operating Expenses	41,158	0	0	0
Grants	6,996,385	5,850,928	7,000,928	6,500,000
TOTAL	7,037,543	5,850,928	7,000,928	6,500,000
FUND TYPE				
General Fund	3,799,538	2,700,196	3,493,538	5,048,680
American Recovery & Reinvestment Act	1,671,135	1,699,412	1,699,412	0
Federal Revenue Fund	983,790	1,111,320	1,111,320	1,111,320
Global Commitment Fund	583,080	340,000	500,000	340,000
Interdepartmental Transfer	0	0	196,658	0
TOTAL	7,037,543	5,850,928	7,000,928	6,500,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - Food Stamp Cashout**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	20,628,570	22,610,178	22,610,178	23,756,778
TOTAL	<u>20,628,570</u>	<u>22,610,178</u>	<u>22,610,178</u>	<u>23,756,778</u>
FUND TYPE				
American Recovery & Reinvestment Act	3,800,000	575,000	575,000	0
Federal Revenue Fund	16,828,570	22,035,178	22,035,178	23,756,778
TOTAL	<u>20,628,570</u>	<u>22,610,178</u>	<u>22,610,178</u>	<u>23,756,778</u>

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - Reach Up**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	19,542	0	0	0
Operating Expenses	177,689	0	0	0
Grants	45,171,957	49,229,159	50,713,826	49,155,572
TOTAL	45,369,188	49,229,159	50,713,826	49,155,572
FUND TYPE				
General Fund	13,638,334	19,927,750	19,097,210	19,481,509
Special Fund	23,076,281	19,916,856	20,051,356	19,916,856
American Recovery & Reinvestment Act	5,130,323	1,127,346	1,808,053	0
Federal Revenue Fund	3,348,872	7,882,807	7,882,807	7,882,807
Global Commitment Fund	175,378	374,400	1,874,400	1,874,400
TOTAL	45,369,188	49,229,159	50,713,826	49,155,572

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - LIHEAP**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	0	20,000	20,000	20,000
Operating Expenses	0	90,000	90,000	90,000
Grants	23,921,509	11,502,664	11,502,664	11,502,664
<hr/>				
TOTAL	23,921,509	11,612,664	11,612,664	11,612,664
FUND TYPE				
Federal Revenue Fund	23,921,509	11,612,664	11,612,664	11,612,664
<hr/>				
TOTAL	23,921,509	11,612,664	11,612,664	11,612,664

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp

Appropriation Key Budget Issues

Homelessness plagues many Vermonters. And the recent “freeze” on section 8 housing vouchers will only exacerbate the problem. Families with children are found in increasing numbers in homeless shelters. Homeless shelters, Community Action Agencies and other service providers struggle to find decent housing — at any price — for the large number of working, but homeless, families. Living in shelters and being homeless has a negative effect on children. As shelters reach capacity, more and more Vermonters are turned away, ultimately living on the streets or on someone’s couch. Transitional housing with supportive services can alleviate some of this pressure.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	222,323	266,289	262,607	262,256
Operating Expenses	50,478	78,339	77,620	80,518
Grants	8,491,743	4,747,762	4,732,071	4,732,071
<hr/> TOTAL	<hr/> 8,764,544	<hr/> 5,092,390	<hr/> 5,072,298	<hr/> 5,074,845
FUND TYPE				
General Fund	1,281,915	1,241,285	1,221,193	1,223,740
Special Fund	59,178	57,990	57,990	57,990
American Recovery & Reinvestment Act	3,274,416	0	0	0
Federal Revenue Fund	4,149,035	3,793,115	3,793,115	3,793,115
<hr/> TOTAL	<hr/> 8,764,544	<hr/> 5,092,390	<hr/> 5,072,298	<hr/> 5,074,845

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization**

Appropriation Key Budget Issues

Weatherization Trust Fund dollars were moved out of OEO in a “one-time” action this past year and with the loss of ARRA funding, will need to be replaced if Vermont is to continue its’ weatherization production at the current pace.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	148,591	183,254	182,289	167,676
Operating Expenses	286,243	130,762	130,762	131,124
Grants	11,395,715	14,959,936	14,959,936	8,100,866
<hr/> TOTAL	<hr/> 11,830,549	<hr/> 15,273,952	<hr/> 15,272,987	<hr/> 8,399,666
FUND TYPE				
Special Fund	3,964,927	4,602,998	4,602,033	7,000,000
American Recovery & Reinvestment Act	6,584,569	8,421,288	8,421,288	0
Federal Revenue Fund	1,281,053	2,249,666	2,249,666	1,399,666
<hr/> TOTAL	<hr/> 11,830,549	<hr/> 15,273,952	<hr/> 15,272,987	<hr/> 8,399,666

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - Woodside Rehab Center**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,217,901	3,453,113	3,131,668	3,691,894
Operating Expenses	461,298	578,399	577,605	590,115
<hr/>				
TOTAL	<hr/> 3,679,199	<hr/> 4,031,512	<hr/> 3,709,273	<hr/> 4,282,009
FUND TYPE				
General Fund	3,679,199	3,976,620	2,847,068	964,774
Global Commitment Fund	0	0	807,313	3,262,343
Interdepartmental Transfer	0	54,892	54,892	54,892
<hr/>				
TOTAL	<hr/> 3,679,199	<hr/> 4,031,512	<hr/> 3,709,273	<hr/> 4,282,009

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - DDS**

Appropriation Key Budget Issues

Staffing

Maintaining sufficient DDS staffing is critical. It takes a minimum of two years to train entry-level adjudicators to basic competency and another two to three years for full competency with all claims. A loss of even one adjudicator significantly reduces the number of claims that the DDS can complete until the replacement is trained. Social Security usually authorizes DDS hiring during a short window after the federal budget is passed and before the federal fiscal year ends. Since all DDS staff's salaries and benefits are 100% federally funded, the Department makes every effort to facilitate prompt hiring whenever authorized by Social Security. Otherwise, some of the most vulnerable Vermonters – people with disabilities in severe financial hardship – may suffer from significant claim delays. Reviews of medical eligibility for benefits may also be delayed, enabling people who are no longer disabled to continue to collect benefits until the reviews of their claims are complete.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DCFS - DDS**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	4,136,464	4,353,948	4,353,948	4,513,664
Operating Expenses	469,615	1,133,361	1,133,361	1,142,442
<hr/>				
TOTAL	<hr/> 4,606,079	<hr/> 5,487,309	<hr/> 5,487,309	<hr/> 5,656,106
FUND TYPE				
Federal Revenue Fund	4,359,562	5,240,792	5,240,792	5,409,589
Global Commitment Fund	246,517	246,517	246,517	246,517
<hr/>				
TOTAL	<hr/> 4,606,079	<hr/> 5,487,309	<hr/> 5,487,309	<hr/> 5,656,106

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Children's Trust Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	20,018	0	0	0
<hr/> TOTAL	<hr/> 20,018	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	4,250	0	0	0
Special Fund	3,162	0	0	0
Federal Revenue Fund	12,606	0	0	0
<hr/> TOTAL	<hr/> 20,018	<hr/> 0	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

Department Mission Statement

The Department's mission is to make Vermont the best state in the nation in which to grow old or live with a disability, with dignity, respect and independence.

Description of Appropriations, Divisions, & Programs

The Department has four major divisions that contribute to achieving the mission.

* **The Division for the Blind and Visually Impaired (DBVI)** assists Vermonters who are blind or have a visual impairment to enter or return to work, much the same as VR. It also provides some funds for independent living services, to help blind or visually impaired individuals to live and contribute in their communities. The major programs in DBVI include: the core rehabilitation work, known as Section 110 services and the Older Blind Program.

* **The Division of Disability and Aging Services (DDAS)** manages a wide variety of programs and services for elders, people with physical disabilities, individuals with developmental disabilities and people with traumatic brain injuries. The primary goal of these services is to help individuals gain independence or remain independent and active in their community and to ensure their long-term care needs are met. The major programs in this division include: the long term care Section 1115 Choices for Care Waiver (managed by DAIL, but the funds are in OVHA); the Developmental Disability Home and Community Based Services (now part of the Global Commitment); Flexible Family Funding; all Older Americans Act programs in the Area Agencies on Aging, including case management and nutrition programs; Adult Day Services; Attendant Services Program; the Office of Public Guardian; Traumatic Brain Injury Program (now part of Global Commitment), Children's Personal Care Services (managed in DDAS, but the funds are in OVHA); and the High Tech Program (managed in DDAS, but the funds are in OVHA).

* **The Division of Licensing and Protection (DLP)** performs a critical role in ensuring the quality of many health care services and protecting vulnerable adults from abuse, neglect and exploitation. Major programs in DLP include: Survey and Certification which involves inspections and surveys of all Medicare and Medicaid facilities and organizations including nursing homes and home health agencies; State licensure of residential care homes; and other facilities; and Adult Protective Services, which

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

investigates allegations of abuse, neglect and exploitation against vulnerable adults.

* **The Division of Vocational Rehabilitation (VR)** assists Vermonters with a disability to enter or re-enter the work force through a wide variety of programs and individual support services. The core program (VR Section 110) enables Vermonters with a disability to assess their skills and abilities, identify a vocational goal, develop an Individualized Plan for Employment and receive services leading to meaningful employment. VR invests heavily in serving people with the most significant disabilities through supported employment programs and has developed a network of specialized Transition Counselors to support young adults from school to work. The Division operates the VR Reach Up program to serve TANF recipients with disabilities, a state wide Benefits Counseling Program to support Social Security beneficiaries to work, and the Assistive Technology (AT) Project that provides Vermonters with information and training on AT devices and services.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration & Support	293	261	273	26,218,236	27,770,604	27,534,346	27,931,270
Advocacy & Indep Living Grants	0	0	0	22,101,469	22,233,616	22,173,616	20,183,729
DBVI Grants	0	0	0	1,565,079	1,481,457	1,481,457	1,481,457
Vocational Rehab Grants	0	0	0	7,232,366	7,302,971	7,302,971	5,968,971
Developmental Services Grants	0	0	0	138,460,959	149,922,473	148,619,145	148,441,048
TBI & Community Based Waiver	0	0	0	4,418,395	4,044,899	4,744,899	4,744,899
<hr/>							
TOTAL	293	261	273	199,996,504	212,756,020	211,856,434	208,751,374
FUND TYPE							
General Fund				18,196,743	19,093,931	18,797,673	17,773,889
Special Fund				1,420,081	1,128,159	1,128,159	1,128,159
American Recovery & Reinvestment Act				1,566,518	1,738,000	1,738,000	0
Federal Revenue Fund				22,958,971	24,032,602	24,032,602	23,981,456
Global Commitment Fund				152,376,108	163,342,659	162,739,331	162,447,201
Interdepartmental Transfer				3,478,083	3,420,669	3,420,669	3,420,669
<hr/>							
TOTAL				199,996,504	212,756,020	211,856,434	208,751,374

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration & Support**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration & Support

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	22,115,358	24,109,012	23,933,112	24,093,021
Operating Expenses	4,056,350	3,661,592	3,601,234	3,838,249
Grants	46,528	0	0	0
<hr/> TOTAL	<hr/> 26,218,236	<hr/> 27,770,604	<hr/> 27,534,346	<hr/> 27,931,270
FUND TYPE				
General Fund	6,332,966	7,131,010	6,894,752	7,126,532
Special Fund	1,136,168	889,246	889,246	889,246
American Recovery & Reinvestment Act	116,612	0	0	0
Federal Revenue Fund	10,342,574	11,246,096	11,246,096	11,194,950
Global Commitment Fund	5,858,089	6,014,470	6,014,470	6,230,760
Interdepartmental Transfer	2,431,827	2,489,782	2,489,782	2,489,782
<hr/> TOTAL	<hr/> 26,218,236	<hr/> 27,770,604	<hr/> 27,534,346	<hr/> 27,931,270

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Advocacy & Indep Living Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,200,793	0	0	0
Grants	19,900,676	22,233,616	22,173,616	20,183,729
<hr/> TOTAL	<hr/> 22,101,469	<hr/> 22,233,616	<hr/> 22,173,616	<hr/> 20,183,729
FUND TYPE				
General Fund	9,791,392	9,908,037	9,848,037	8,592,473
Special Fund	112,164	0	0	0
American Recovery & Reinvestment Act	609,670	404,000	404,000	0
Federal Revenue Fund	7,426,299	7,645,317	7,645,317	7,645,317
Global Commitment Fund	3,790,292	3,638,762	3,638,762	3,308,439
Interdepartmental Transfer	371,652	637,500	637,500	637,500
<hr/> TOTAL	<hr/> 22,101,469	<hr/> 22,233,616	<hr/> 22,173,616	<hr/> 20,183,729

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
DBVI Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	1,565,079	1,481,457	1,481,457	1,481,457
TOTAL	<u>1,565,079</u>	<u>1,481,457</u>	<u>1,481,457</u>	<u>1,481,457</u>
FUND TYPE				
General Fund	364,064	364,064	364,064	364,064
Special Fund	161,499	223,450	223,450	223,450
American Recovery & Reinvestment Act	138,477	0	0	0
Federal Revenue Fund	656,039	648,943	648,943	648,943
Global Commitment Fund	245,000	245,000	245,000	245,000
TOTAL	<u>1,565,079</u>	<u>1,481,457</u>	<u>1,481,457</u>	<u>1,481,457</u>

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vocational Rehab Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	7,232,366	7,302,971	7,302,971	5,968,971
TOTAL	7,232,366	7,302,971	7,302,971	5,968,971
FUND TYPE				
General Fund	1,535,696	1,535,695	1,535,695	1,535,695
American Recovery & Reinvestment Act	701,759	1,334,000	1,334,000	0
Federal Revenue Fund	4,320,307	4,132,389	4,132,389	4,132,389
Global Commitment Fund	0	7,500	7,500	7,500
Interdepartmental Transfer	674,604	293,387	293,387	293,387
TOTAL	7,232,366	7,302,971	7,302,971	5,968,971

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Developmental Services Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	138,460,959	149,922,473	148,619,145	148,441,048
<hr/> TOTAL	<hr/> 138,460,959	<hr/> 149,922,473	<hr/> 148,619,145	<hr/> 148,441,048
FUND TYPE				
General Fund	172,625	155,125	155,125	155,125
Special Fund	10,250	15,463	15,463	15,463
Federal Revenue Fund	213,752	359,857	359,857	359,857
Global Commitment Fund	138,064,332	149,392,028	148,088,700	147,910,603
<hr/> TOTAL	<hr/> 138,460,959	<hr/> 149,922,473	<hr/> 148,619,145	<hr/> 148,441,048

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
TBI & Community Based Waiver**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	4,418,395	4,044,899	4,744,899	4,744,899
<hr/> TOTAL	<hr/> 4,418,395	<hr/> 4,044,899	<hr/> 4,744,899	<hr/> 4,744,899
FUND TYPE				
Global Commitment Fund	4,418,395	4,044,899	4,744,899	4,744,899
<hr/> TOTAL	<hr/> 4,418,395	<hr/> 4,044,899	<hr/> 4,744,899	<hr/> 4,744,899

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections

Department Mission Statement

The Vermont Department of Corrections supports community safety by ensuring offenders serve their sentence, take responsibility for their crimes and have the opportunity to make amends to their victims. The department partners with Vermont communities to manage offender risk and assure accountability. It provides disciplined preparation of offenders to become productive citizens. The vision statement for the Department states it more broadly: To be valued by the citizens of Vermont as a partner in the prevention, research, control and treatment of criminal behavior.

Description of Appropriations, Divisions, & Programs

ADMINISTRATION

The Department of Corrections has five basic goals: to involve the community; to address the needs of victims; to restore the community; to ensure that offenders are held responsible; and to keep offenders safely in custody.

The administration of the Department consists of the commissioner, deputy commissioner and the supporting divisions of finance, and a legal division staffed by the attorney general. Information technology support is provided at the agency level overseen by DOC personnel.

PAROLE BOARD

The Parole Board is an autonomous body that is included in the Corrections appropriation for administrative purposes. The board reviews recommendations made by the department to grant or revoke parole status, revoke or release offenders from SCS status, and also reviews requests for condition modifications, reprimands, and for early termination of parole. The Parole Board reviews all inmates in statutory reviews, and makes site visits to all facilities to perform parole hearings as required by law.

EDUCATION

The purpose of the Community High School of Vermont (CHSVT) is to provide an accredited, coordinated and personalized education that assists students in their academic, social and vocational successes. Through education, students in the custody of the Vermont DOC obtain knowledge and job skills that they can utilize to become contributing members of their communities upon their release.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections

These skills support the reduction of recidivism and add to the economic health of our state upon release.

The Community High School of Vermont awarded 130 High School Diplomas and 376 Industry Approved Trades Certifications during Fiscal Year 2010.

CORRECTIONAL SERVICES

Correctional Services administers for the courts six Legal Sanctions:

Probation: An offender found guilty of a crime upon verdict or plea, is released by the court without confinement, subject to the conditions and supervision by the Commissioner of Corrections. This is a contract between the offender and the court, to abide by conditions in return for the court not imposing the sentence. Violation of this sanction requires due process, with a court hearing, counsel, and proof beyond reasonable doubt. Within the probation sanction is the reparative probation program, which allows citizens on community panels to determine the quality of restitution made to the victim and repair of harm to the community, consistent with 28 VSA Chapter 12.

Supervised Community Sentence: Based on a law passed in 1990 that provides the legal framework for the intermediate sanctions program. The judge sentences, with prior approval of the Commissioner, to a set of conditions, minimum and maximum time frames and an intermediate sanctions programs. The offender is under the supervision of the Department of Corrections. The Parole Board is the appointed authority and violations are resolved through a Parole Hearing. When the offender reaches his minimum sentence the Parole Board may continue on SCS, convert to Parole, or discharge from supervision completely.

Pre-approved Furlough: The offender is sentenced to a term of confinement, but with prior approval of the Commissioner, for immediate release on furlough. Furlough status is a community placement, but the revocation is administrative, and the rules for behavior more stringent.

Incarceration: The sentence is confinement to a correctional facility, under the care and custody of the Commissioner. Release is by the Parole Board, upon completion of the minimum term or placement on conditional reentry by the Commissioner.

Conditional Reentry: Up to 180 days prior to completion of the minimum term of sentence, the inmate may be released to the community, still under confinement, subject to conditions of reentry. This status is more restrictive than any other community based placement.

Parole: On completion of Conditional Reentry, or during the term of incarceration, on petition of the State or the inmate, the Parole Board may release the inmate on Parole, subject to the rules of the Board, supervised by Corrections.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections

PROGRAMS:

Correctional Facilities

Central Correctional Facilities: Northern State [Newport], and Southern State [Springfield] hold and treat violent and sexual offenders serving long sentences.

Regional Correctional Facilities: Northeast Regional [St. Johnsbury], Chittenden Regional [South Burlington] and Marble Valley Regional [Rutland] serve courts and law enforcement agencies by providing detention, classification and short sentence housing, though this distinction has become less defined as a result of increased incarceration.

Work Camp: The Caledonia Community Work Camp [St. Johnsbury] and the Windsor Community Work Camp [Windsor] provides less expensive incarceration for appropriate offenders working in the community.

Facilities for Female Offenders: Northwest State Correctional Facility [St Albans] provides incarceration for women offenders.

Key outcomes include public safety, rehabilitation/reentry and quality assurance. Programs in facilities include sex offender treatment, the violent offender program, an intensive domestic violence program, a federally funded substance abuse program, Community High School of Vermont, vocational training, and offender work programs. Offenders are entitled to standards of care such as nutrition, sanitation, recreation, education, religion, basic safety, medical, dental, and mental health care. More detailed data is presented in Facts and Figures, the Department's annual report on statistics and outcomes.

Probation & Parole Offices

Eleven Probation and Parole Offices manage offenders in the community who need supervision, treatment, and surveillance. The Vermont DOC partners with community-based organizations and treatment providers to offer programs in domestic violence, intensive substance abuse, cognitive skills training and education (through Community High School of Vermont), sex offender treatment and women's programs.

Probation & Parole Offices provide information to the courts at sentencing and eligibility determinations for program placement, while assisting Community Justice Centers and Reparative Boards in creating appropriate reparative sanctions to low risk offenders. These services can also include restitution and community service.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections

Key outcomes include community and victim reparation, and community involvement/reintegration.

There are currently 15 Community Justice Centers that assist 70 reparative boards operating in 45 different Vermont communities. In the last year, these groups have included over 650 citizen volunteers who developed sanctions and restorative plans for 1,450 offenders under DOC probation supervision, and a large number who were diverted from prosecution in Community Justice Centers. These offices also monitor probation conditions for some 8,500 offenders.

Other Outcomes

There were no escapes from custody last year. Failures to return under field supervision remained level at about 5% of the number of furlougees supervised during the fiscal year (about 200 of about 2,000 each year). New charges filed against persons under supervision remain at about 17.2% of all charges in Vermont during FY 2010 versus 17.1% in FT 2009. Recidivism: Three year follow-up recidivism for the 2006 cohort is 52%, the same as the previous two cohorts (2004 and 2005) Reparation to community: Offender work hours increased 10.7% to 490,600 person hours; inmate hours increased 30% in the first full year of operation of the Southeast Work Camp while community-based hours decreased 5%.

CORRECTION FACILITIES - RECREATION

The recreation fund is funded by the receipts from inmate commissaries and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities. In addition, several of the inmate boards have decided to make substantive donations to victims' activities. The Recreation fund is also used to pay for inmate postage and to provide for support for reentry after release including housing.

CORRECTIONAL SERVICES-OUT OF STATE BEDS

Due to the current size of the sentenced and detainee populations in Vermont, additional space to house inmates is provided by correctional facilities outside the state. The Out of State population (at this time, 560+/- inmates) is currently managed by the Out of State Unit. This office coordinates the classification and movement of appropriate offenders between Vermont DOC facilities and out of state facilities located currently in Kentucky, Arizona, and Massachusetts

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections**

VERMONT OFFENDER WORK PROGRAMS (VOWP)

Vermont Offender Work Programs provides industrial and vocational training programs as well as work opportunities through three divisions. The Vermont Correctional Industry (VCI) shops include a print shop, a furniture manufacture and assembly shop, a license plate and sheet metal working shop, and smaller correctional industries. The program also works with the Caledonia and Windsor Community Work Camps, providing many surrounding communities with work service crews that perform a wide variety of reparative services.

The majority of Vermont DOC Probation and Parole Offices host Community Restitution Service Units (CRSU'S) that provide work crews composed of offenders on probation and intermediate sanctions. These crews provide work service to communities across Vermont. Among many other projects, correctional community work service crews maintain all 110 fishing access areas managed by the Department of Fish and Wildlife, while also providing support to the Vermont State Parks and several forest projects. Crews work for nearly every town in Vermont, and many of the non-profit agencies ranging from food shelves to public libraries.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Corrections - Administration	30	21	21	2,523,934	2,199,496	2,192,155	2,153,815
Corrections - Parole Board	3	3	2	376,642	389,059	383,870	322,632
Corrections - Education	55	55	55	4,145,172	4,725,983	4,828,289	4,697,484
Correctional Services	985	943	960	112,459,876	117,538,706	117,287,017	123,116,620
Correctional Fac - Rec Fund	7	7	7	715,263	817,868	809,301	817,770
Correctional Services-Out of State Beds	0	0	0	17,327,688	17,008,240	10,388,484	8,249,395
Admin - VT Offender Work Prog	16	13	12	1,458,620	1,540,358	1,540,358	1,463,890
TOTAL	1,096	1,042	1,057	139,007,195	144,219,710	137,429,474	140,821,606
FUND TYPE							
General Fund				128,802,795	133,396,480	126,591,286	133,931,003
Special Fund				1,429,765	1,961,322	1,970,025	1,389,233
Federal Revenue Fund				364,902	170,962	170,962	170,962
Global Commitment Fund				3,064,213	3,094,144	3,096,456	3,094,144
Internal Service Fund				1,458,620	1,540,358	1,540,358	1,463,890
Interdepartmental Transfer				3,886,900	4,056,444	4,060,387	772,374
TOTAL				139,007,195	144,219,710	137,429,474	140,821,606

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections - Administration**

Appropriation Key Budget Issues

The Administration of the Department of Corrections continues to face serious fiscal, programmatic and infrastructure challenges in the next fiscal year. In an environment of reduced budget funding, the Department continues to reevaluate its mission and the sustainability of all of its operations. Of particular concern, is the Departments' continuing struggles related to an out-dated and often, unreliable offender database. Other ongoing challenges include population growth, aging facilities and increasing demands from advocates for both victims and offenders.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections - Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,714,393	1,984,192	1,939,851	1,959,290
Operating Expenses	809,541	215,304	252,304	194,525
<hr/>				
TOTAL	<hr/> 2,523,934	<hr/> 2,199,496	<hr/> 2,192,155	<hr/> 2,153,815
FUND TYPE				
General Fund	2,523,934	2,199,496	2,192,155	2,153,815
<hr/>				
TOTAL	<hr/> 2,523,934	<hr/> 2,199,496	<hr/> 2,192,155	<hr/> 2,153,815

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections - Parole Board**

Appropriation Key Budget Issues

The Parole board is an autonomous entity, funded under the Department of Corrections for administrative purposes. The population served by the parole board continues to increase as the incarcerated population grows and is released to the community. The Parole Board is also reviewing an increasing number of offenders on parole after serving a sentence on supervised community sentence status. Although the expenditures for periodic review of inmates serving sentences in out of state facilities was reduced, the board must still travel throughout the State of Vermont to conduct its work. Controlling expenditures related to board member per-diem payments, as well as mileage and lodging expenditures continues to pose a challenge to the Department

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections - Parole Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	293,452	328,861	323,672	262,434
Operating Expenses	83,190	60,198	60,198	60,198
<hr/> TOTAL	<hr/> 376,642	<hr/> 389,059	<hr/> 383,870	<hr/> 322,632
FUND TYPE				
General Fund	376,642	389,059	383,870	322,632
<hr/> TOTAL	<hr/> 376,642	<hr/> 389,059	<hr/> 383,870	<hr/> 322,632

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections - Education

Appropriation Key Budget Issues

The VT DOC is statutorily mandated to provide education services for offenders in custody who are under the age of 23 and have not achieved a high school diploma. The Community High School of Vermont serves as the vehicle for offenders to obtain their high school diplomas, through academic, social and vocational training. As an accredited independent high school, there are mandated services that the educational program must provide to students including vocational education, special education and Title 1. Critical issues facing the education program include the provision of appropriate levels of educational services to the offenders. This includes students who require a traditional academic course as well as those who are in need of special education in order for the school to provide a free and appropriate education. Other concerns include the ability to provide quality programs in the facilities and probation and parole campuses as dictated by statute as enrollment fluctuates.

Performance Program Information

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Corrections - Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,678,721	4,419,709	4,522,015	4,391,210
Operating Expenses	466,451	306,274	306,274	306,274
<hr/> TOTAL	<hr/> 4,145,172	<hr/> 4,725,983	<hr/> 4,828,289	<hr/> 4,697,484
FUND TYPE				
General Fund	236,092	368,863	484,013	4,321,425
Special Fund	500,002	696,991	684,147	0
Interdepartmental Transfer	3,409,078	3,660,129	3,660,129	376,059
<hr/> TOTAL	<hr/> 4,145,172	<hr/> 4,725,983	<hr/> 4,828,289	<hr/> 4,697,484

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Correctional Services

Appropriation Key Budget Issues

The Department of Corrections continues to face staffing challenges including a very high vacancy savings target. The department continues to review current facility roles and operations to maximize their potential; this budget includes role adjustments for our Chittenden and Northwest facilities. On any given day, DOC averages 50 temporary Correctional Officers on duty, it is our desire to convert the majority of these positions to classified service in a manageable fashion, and will start with 8 conversions in this fiscal year. Also included in this request are the normal increases related to regular inflationary items which impact facility operations (food and utilities), normal internal service fund and employee fringe benefit adjustments.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Correctional Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	91,687,489	80,054,352	79,240,740	82,130,351
Operating Expenses	17,042,550	33,761,401	34,323,324	34,909,316
Grants	3,729,740	3,722,953	3,722,953	6,076,953
Non Operating Exp Budget	97	0	0	0
<hr/> TOTAL	<hr/> 112,459,876	<hr/> 117,538,706	<hr/> 117,287,017	<hr/> 123,116,620
FUND TYPE				
General Fund	108,213,439	113,305,822	113,017,764	118,883,736
Special Fund	339,500	571,463	601,577	571,463
Federal Revenue Fund	364,902	170,962	170,962	170,962
Global Commitment Fund	3,064,213	3,094,144	3,096,456	3,094,144
Interdepartmental Transfer	477,822	396,315	400,258	396,315
<hr/> TOTAL	<hr/> 112,459,876	<hr/> 117,538,706	<hr/> 117,287,017	<hr/> 123,116,620

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund**

Appropriation Key Budget Issues

The recreation fund is supported by the commission receipts from inmate commissary sales and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities. Funds that are not expended in the year in which they are collected remain in the Recreation Fund to be used for this purpose in a subsequent year. In response to a Legislative mandate, inmate postage stamps are provided from this fund, as are some monies in support of the successful reentry of offenders. This fund/program continues to benefit from a renegotiated commission structure related to commissary items. To ensure that the inmate recreation fund can continue to be self supportive, internal allocations are limited to annual fund receipts. We are able this year to discontinue any reliance on general fund contributions for this program..

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	434,401	475,506	466,939	475,408
Operating Expenses	280,862	342,362	342,362	342,362
TOTAL	715,263	817,868	809,301	817,770
FUND TYPE				
General Fund	125,000	125,000	125,000	0
Special Fund	590,263	692,868	684,301	817,770
TOTAL	715,263	817,868	809,301	817,770

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds

Appropriation Key Budget Issues

Presently there are +/-560 male inmates incarcerated outside of Vermont in private correctional facilities. This is a decrease from a high of 685 in Fiscal Year 2011. This decrease is the result of our implementation of program adjustments within the Challenge for Change initiative, working closely with our partners with the judiciary community and the hard work of our staff. Currently Vermont houses male inmates in Arizona, Kentucky and Massachusetts. While out-of-state providers are significantly less costly than Vermont DOC prisons, these funds flow out of the state with no positive impact on the local economy.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	17,327,688	17,008,240	10,388,484	8,249,395
TOTAL	17,327,688	17,008,240	10,388,484	8,249,395
FUND TYPE				
General Fund	17,327,688	17,008,240	10,388,484	8,249,395
TOTAL	17,327,688	17,008,240	10,388,484	8,249,395

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

Appropriation Key Budget Issues

The VOWP is a self-funded operation, providing offender work and vocational training at no cost to the general fund. Like many other businesses, the VOWP has seen a downturn in business resulting in a deficit in the fund balance. All three divisions of VOWP (Correctional Industries, Community Restitution Service Units and Work Camps) expect stable revenues in the coming year and the Department has worked to minimize unnecessary expenditures so the current deficit in the fund can be reduced in the coming year.

VOWP Service Impacts:

In addition to the programmatic value of preparing offenders for the work force, the VOWP adds value in several other ways. Virtually all VOWP expenses represent money put back into the economy that would not have otherwise existed. The majority of this money is spent in Vermont. All raw materials are purchased in the private sector, as are many services. Wages to offenders and VOWP staff are also spent mostly in the Vermont economy. Essentially, nearly all VOWP revenues represent an equal amount of money put into the local economy in the form of operating expenses.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	875,116	986,255	986,255	910,776
Operating Expenses	583,497	554,103	554,103	553,114
Non Operating Exp Budget	7	0	0	0
<hr/> TOTAL	<hr/> 1,458,620	<hr/> 1,540,358	<hr/> 1,540,358	<hr/> 1,463,890
FUND TYPE				
Internal Service Fund	1,458,620	1,540,358	1,540,358	1,463,890
<hr/> TOTAL	<hr/> 1,458,620	<hr/> 1,540,358	<hr/> 1,540,358	<hr/> 1,463,890

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

Department Mission Statement

The Vermont Veterans' Home has been serving veterans for over 120 years. On April 1, 1887, the first Civil War Veteran was admitted to what would later become the Vermont Veterans' Home. In its earliest years, the Vermont Veterans' Home provided housing to one hundred and sixty veterans on a working farm in Bennington. That farm on the Northern gateway to town is now the site of our nursing care facility. We have changed over time but have maintained our rich tradition of serving veterans and their families. Our mission of "Fulfilling the Promise" is deeply ingrained in the culture of our Home.

The Vermont Veterans' Home is one of five skilled nursing facilities in Bennington County. We have a 177 bed skilled nursing facility with an 8 bed Residential Care Unit. We only consider Veterans, their spouses and Gold Star Parents for admission. Our facility has a certified Alzheimer's Unit and we are home to the nationally acclaimed and award winning "Namaste" program. The Namaste program is a palliative care program for those with a diagnosis of end stage dementia.

Our residents differ from those who reside in other skilled nursing facilities in that the population is overwhelmingly male, greater than 75 percent have a diagnosis of post traumatic stress disorder or depression, and many have little or no active family involvement, placing them at a higher risk for negative outcomes.

We continue to focus on meeting the individualized needs of our residents as veterans and as individuals. We accomplish this through our skilled nursing services, skilled mental health services, an intensive rehabilitative service and an active recreational therapy program. All are designed to meet the special needs of our veteran population.

We currently serve residents from the following counties of Vermont: Addison, Bennington, Orleans, Rutland, Washington, and Windham. Additionally, since we receive Medicare and Medicaid funding and are unable to restrict admissions based on geography, we also serve veterans from New York, Massachusetts, New Hampshire and Connecticut

The administration of the Vermont Veterans' Home continues to strive to:

- Assess and implement financial efficiencies without impacting resident services.
- Recruit and retain a high quality health care team.
- Continue to pursue and implement best practice programs and care interventions.
- Continue to foster and encourage residents to make their own life decisions while meeting their medical and psychosocial needs.

As we look to 2012, we continue to implement programmatic changes to improve the delivery of care to our veterans. The work on the geo-thermal project will be completed. Air-conditioned rooms will be available for all veterans and members. North wing will be completely renovated. The Home is excited

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Veterans' Home**

about its future in this more modernized environment.

Description of Appropriations, Divisions, & Programs

The Vermont Veterans' Home is a component of the State of Vermont that provides skilled nursing, rehabilitative, psychological and domiciliary care to Veterans, spouses of Veterans and Gold Star Parents. The home will generate nearly \$19 million of revenue in SFY '12 and provide over 53,000 days of resident care. Sources of funding were Medicare, Vermont and New York Medicaid, Private funds, other insurances and stipends / per diems from the Veterans Administration. The budgeted revenue is based on a daily census of 147 skilled nursing and 6 domiciliary residents. This represents 82 % occupancy of available beds.

PROGRAMS:

The Vermont Veterans' Home has developed specialized programs to address the acute needs of our Veterans and their family members.

1) **DEMENTIA CARE** - The Vermont Veterans' Home is the site of "Namaste", a world acknowledged dementia program. This program has demonstrated the ability to facilitate contact with the inner being of residents diagnosed with advanced dementia. Our program has been so successful that it has been the focus of many conferences, both nationally and internationally.

2) **PALLIATIVE CARE** - The Reagan Room allows residents to die with dignity and within a supportive environment. Residents are surrounded by the pictures of loved ones and familiar and reassuring music. Additionally, families of residents are able to be comfortable and near their loved one during the end stage of life. Guest accommodations are available and are especially helpful to those who live a distance from the home. Our Chapel continues to be available for both residents and their families.

3) **PAIN MANAGEMENT** - Pain management is a critical component of the care at the Vermont Veterans' Home. Continuous education is provided to staff to assist in identifying pain related issues and to intervene and advocate for our residents so that they are as comfortable as is humanly possible. We continue to focus on a delivery of care that includes the management of pain.

4) **WOUND CARE** - The Vermont Veterans Home has a skilled and effective wound care team. Cutting edge technology and care interventions are used with significant success. We are justifiably proud of our wound healing successes.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

5) **SKILLED REHABILITATION** - The Vermont Veterans' Home has a professional team of occupational therapists, physical therapists and speech language pathologists. The Home has been successful in rehabilitating many residents to their previous level of functioning so that many return home. Additionally, the Vermont Veterans' Home now provides outpatient therapy services for veterans who reside in the community.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Care and Support Services	222	218	216	18,013,635	19,058,443	19,428,786	18,928,476
<hr/>							
TOTAL	222	218	216	18,013,635	19,058,443	19,428,786	18,928,476
 FUND TYPE							
Special Fund				10,686,285	11,615,802	11,986,145	10,635,885
Federal Revenue Fund				6,490,125	6,031,685	6,031,685	6,881,635
Global Commitment Fund				837,225	1,410,956	1,410,956	1,410,956
<hr/>							
TOTAL				18,013,635	19,058,443	19,428,786	18,928,476

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Care and Support Services

Appropriation Key Budget Issues

Operations

- The Geo-thermal project is to be completed in Spring of 2011; this provides air-conditioning and a new heating system for the residents and a modernized North Wing .
- Total expenses are \$130,000 less than the 2011 budget, despite increases for workers compensation (\$164,000), DII (\$130,00), Health Insurance (\$46,000) and Retirement (\$39,000)
- The Home with 65% funding from the VA will be implementing an Electronic Medical Record in 2012.

Revenue

- The Home's budget is based on an average daily census of 147. This is below last year's budget but in line with current volumes.
- Medicare reimbursement is higher at \$360. The new MDS and RUG rate system is having a positive impact.
- The VT Medicaid rate is budgeted at \$234 with an estimated adjustment from a prior year settlement of \$240,000.
- The proportion of residents with New York Medicaid is about 18%.
- Private pay rates will be increased by approximately \$10.
- The VA payment for veterans with 70% service connected disability is \$327. The VA stipend is budgeted at \$94 dollars.
- The Home is requesting Global Commitment funds of \$1,410,956, the same as last year..

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Care and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	14,264,073	15,385,424	15,245,767	14,924,037
Operating Expenses	3,747,202	3,673,019	4,183,019	4,004,439
Grants	960	0	0	0
Non Operating Exp Budget	1,400	0	0	0
<hr/>				
TOTAL	18,013,635	19,058,443	19,428,786	18,928,476
 FUND TYPE				
Special Fund	10,686,285	11,615,802	11,986,145	10,635,885
Federal Revenue Fund	6,490,125	6,031,685	6,031,685	6,881,635
Global Commitment Fund	837,225	1,410,956	1,410,956	1,410,956
<hr/>				
TOTAL	18,013,635	19,058,443	19,428,786	18,928,476

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Department Mission Statement

The Vermont Commission on Women (VCW), as a state agency, works to shape policy by educating and informing the public. The Commission works to find long-term solutions to the problems that confront women and their families by increasing educational, economic, social and health-related opportunities.

Core Values: The Commission operates with these tenets in mind:

*that all women and girls must have the opportunity and be encouraged to participate fully in society for the betterment of the lives of all.

*that all women should be able to live with justice, equity, freedom, dignity, privacy, equality, economic self-sufficiency, mental and physical health, and well-being.

The Commission is comprised of 16 Commissioners, appointed by multiple appointing authorities, and drawn throughout the state and from diverse backgrounds. An Advisory Council, representing various organizations, provides information on the concerns of Vermont women and assists the Commission with the fulfillment of its responsibilities.

Description of Appropriations, Divisions, & Programs

The Commission is the only state entity singularly focused on women's economic and social well-being. The activities of the Commission are organized into three program areas: information and referral, public education, and public policy, and the Commission work is guided by a strategic plan, summarized below:

PRIORITY AREA #1: ECONOMIC EQUITY & SECURITY

Goal: Women will have support to balance work and family life.

Goal: Women and men will earn equal pay and a livable wage.

Goal: Workplaces will be free of gender bias and harassment.

Goal: Women entrepreneurs will be supported in starting or expanding business.

PRIORITY AREA #2: LEADERSHIP & PUBLIC LIFE

Goal: Legislature will increase its knowledge of women's issues.

Goal: Women will be influential leaders.

Goal: Women shall have equal representation on state and local boards and commissions.

PRIORITY AREA #3: HEALTH, SAFETY, & CIVIL RIGHTS

Goal: Women will live free of violence and have access to quality health care,

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Goal: Women will understand their rights under Vermont law.

PRIORITY AREA #4: EDUCATION AND HUMAN DEVELOPMENT

Goal: Schools will be free of gender bias and harassment.

Goal: Women and girls will have equal access to math, science, and technology education.

Goal: Women will have equal access to workforce training and development throughout their working lives.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Commission on Women

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Commission on Women	3	3	3	287,029	301,822	304,352	304,058
<hr/>							
TOTAL	3	3	3	287,029	301,822	304,352	304,058
FUND TYPE							
General Fund				284,599	296,822	299,352	299,058
Special Fund				0	5,000	5,000	5,000
Interdepartmental Transfer				2,430	0	0	0
<hr/>							
TOTAL				287,029	301,822	304,352	304,058

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Commission on Women**

Appropriation Key Budget Issues

Seventy-nine percent of the Commission's budget is for personal services, providing for 2.75 FTE staff positions. Thirteen percent is for allocated expenses such as fee-for-space and VISION. The remaining eight percent covers all other operating expenses, such as commissioner travel reimbursement (mandated), staff travel, phone, printing/publications, postage, membership/dues, copier maintenance fee, computer repair and maintenance.

Staff share responsibilities for implementation in all program areas; capital needs are met by utilizing recycled equipment from other state departments, and interns and volunteers are relied upon for many Commission activities.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Commission on Women

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	233,996	235,132	238,512	235,779
Operating Expenses	53,033	66,690	65,840	68,279
<hr/> TOTAL	<hr/> 287,029	<hr/> 301,822	<hr/> 304,352	<hr/> 304,058
FUND TYPE				
General Fund	284,599	296,822	299,352	299,058
Special Fund	0	5,000	5,000	5,000
Interdepartmental Transfer	2,430	0	0	0
<hr/> TOTAL	<hr/> 287,029	<hr/> 301,822	<hr/> 304,352	<hr/> 304,058

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

Department Mission Statement

State funding to RSVP, which amounts to 10%-15% of the projects operating budget, helps to further the mission of meeting local community needs through the utilization of the skills and talents of volunteers.

Description of Appropriations, Divisions, & Programs

The Retired and Senior Volunteer Program is one of three volunteer programs within the Senior Corps funded by the Corporation for National and Community Service by the National Service Trust Act of 1993. RSVP recruits persons 55 and older to serve as volunteers in a variety of non-profit agencies and health care facilities. RSVP volunteers provide a wide range of services to meet critical community needs. They may serve as from as little as 1 to as many as 40 hours a week. Their volunteer service is non-stipended.

In Vermont there are currently over 2,739 volunteers who, in grant year 2010, gave 570,711 hours of service to over 690 community non-profit organizations. These organizations include schools, aging programs, cultural organizations, libraries, hospitals, social service agencies, health care organizations, and many others. Their volunteer service provided equaled 11.2 million dollars of social capital to the State of Vermont.

State funding has been provided since FY 77 under Act No. 185 of the 1977 Adjourned Session. The Act reads: "funds shall be administered by the Department of Aging and Disabilities and be disbursed by it to each local program to meet direct costs incurred by supporting volunteers such as insurance, travel, and meals".

State funds are awarded, based on an agreed-upon formula, to the following non-profit agencies that sponsor RSVP programs:

- United Way of Chittenden County, Grantee for Chittenden County RSVP
- Rutland Mental Health Services, Inc., Grantee for Addison and Rutland County RSVP
- Green Mt Community Network, Grantee for Green Mountain RSVP serving Counties of Windham, Windsor and Bennington.
- Central VT Council on Aging, Grantee for RSVP for Central Vermont (Washington, Orange, Lamoille Counties) and Northeast Kingdom (Orleans, Essex & Caledonia Counties).

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Retired Senior Volunteer Program	0	0	0	131,096	131,096	131,096	131,096
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096
FUND TYPE							
General Fund				131,096	131,096	131,096	131,096
<hr/> TOTAL				<hr/> 131,096	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	131,096	131,096	131,096	131,096
<hr/> TOTAL	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096
FUND TYPE				
General Fund	131,096	131,096	131,096	131,096
<hr/> TOTAL	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Department of Labor

Department Mission Statement

The Vermont Department of Labor is dedicated to helping develop and maintain the economic health and safety of Vermont businesses and workers by providing labor market information and various programs supporting safety and health, workforce development, wage and other compensation protection.

Description of Appropriations, Divisions, & Programs

During this next year the department will look for further ways to improve service to Vermont's businesses and workforce, as well as assisting the increased numbers of unemployed, who are in need of both benefit payments and job retraining. The department has updated its website to assist the user to more easily access information and services from all divisions. The department, with federal funding, will be upgrading its unemployment claims application to provide enhanced service. In all areas of the Department, we continue to look for enterprise opportunities, more efficient delivery models, and enhance partnerships to better leverage strained funding.

The Department of Labor's total fiscal 2012 request is approximately \$31.5 million. 76 percent of the funding is federal with 12 percent special funds, 7.5 percent general funds and 4.5 percent interdepartmental transfer.

Economic and Labor Market Information

The Economic and Labor Market Information Division, in cooperation with the US Bureau of Labor Statistics, surveys businesses and utilizes information from the Current Population Survey to produce a wide variety of information on jobs, the labor force, occupations, and workplace injuries and deaths. The division also produces a number of reports for the US Department of Labor's Employment and Training Administration. The Economic and Labor Market Information Division has 13 employees. Its funding is 100 percent federal. There remains a threat of significant federal budget cuts to this activity.

Information generated by the Division is used by other state agencies particularly the Department of Economic Development and the Regional Development Corporations. We produce monthly reports disseminated to and used by a wide variety of Vermont businesses, along with projections related to labor and employment movement. The Division can produce certain specialized reports upon request.

Currently the division is heavily engaged in a federal grant with several other states. Upon completion of the grant, Vermont will be better able to project employment sectors and future labor demands.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Department of Labor

Unemployment Insurance and Wages Division

The 95 full-time and limited service employees of the Unemployment Insurance (UI) and Wages Division process claims for unemployment compensation, oversees employer tax contribution functions, ensures UI program integrity and compliance, and provides wage and hour law guidance. Over the last year, the division processed approximately 769,000 weekly claims for unemployment benefits, resolved 21,000 disputed claims, and processed 88,000 employer reports. Benefit payments in calendar year 2009 totaled \$217 million. Federal funds account for 94 percent of the division's resources and pay for unemployment insurance activities.

The Benefit Accuracy Measure and Tax Performance System programs test methods and procedures, many of which are related to federally mandated performance measures. The Program Integrity Unit audits paid unemployment benefits to detect and administer improper payments stemming from unreported employment, resulting in credit adjustments to taxable employers. The Employer Services Unit and Unemployment Claims Center handle employer and claimant unemployment insurance needs, as well as investigation potential misclassification and fraud issues.

During the last year, the Wage and Hour program handled 7,500 inquiries from businesses and workers and pursues about 250 wage claims, resulting in the recovery of approximately \$125,000 of unpaid wages being turned over to claimants. The Wage and Hour program works closely with employers and employees to educate them of their rights and responsibilities under the Vermont employment laws as well as oversees the program to get mandatory postings out to Vermont employers. The division also provides information about wage and hour and child labor laws and resolves wage disputes. The 2 FTE Wage and Hour staff are supported with general funds.

The Division is also responsible for administering the Employer Health Care Contributions, Domestic and Sexual Violence Transition Benefits, and Employee Leasing program.

During the past year the Division completed the following projects:

- Launched web application for employers to file return-to-work dates for workers along with populating their new hire information.
- Launched web application for employers to submit weekly certifications on STC plans
- Increased the number of employers filing and paying quarterly reports electronically
- Overall increase on claimants enrolled in direct deposit
- Expanded work search reporting to claimants with extended filing
- Ensured smooth transition off from Extended Benefits (EB) and EUC as Vermont triggered off from these programs (as a result of reductions in the unemployment rate).
- Initiated the implementation of a federal Reemployment Eligibility Assessment (REA) Grant

The Division continues work on the development and improvement of the following:

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Department of Labor

- Electronic benefit payments (via debit cards)
- Various Internet applications to assist claimants and employers with responding to department request and/or accessing/updating individual account information.
- On-line filing and work search verification
- Investigating employer/claimant fraud and misclassification

Workforce Development Council

The Workforce Development Council is designated as the State Workforce Investment Board under the Federal Workforce Investment Act, and under State law 10 VSA 541. The Council advises the Governor on the development and implementation of a comprehensive, flexible and responsive workforce education and training system. The Council, by law, has a business majority to help ensure that the workforce development efforts of the public members of the Council are consistent with business needs.

The Department serves as fiscal agent for the Council and its staff is housed at our offices at 5 Green Mountain Drive. Limited funding is provided to the Council from the Department and the federal government.

The 2010 legislative session made changes to the legislation authorizing the Regional Workforce Investment Boards (WIBs). In Act 146, Regional Technical Centers were assigned to take over these responsibilities. However, the Technical Centers were offered the option of declining. Five Centers agreed to assume these responsibilities and six pre-existing WIBs were subsequently re-authorized. One regional Technical Center that had been serving as the WIB declined to continue, and a new WIB was authorized in that region.

Workers' Compensation and Safety Division

The Workers' Compensation and Safety Division offers a number of services focused upon workplace safety and resolving disputes between injured workers and their employers.

The division's goal is to:

- Reduce injuries and shorten time for those injured to return to work.
- Make safety a "core" value for all employers
- Lower workers' compensation costs

The division's strategy is to:

- Combine labor market information and workers' compensation to better determine what sectors need the most focus.
- Reach out to the medical community, employer groups, health and safety associations, insurers and others to reduce injuries and identify efficiencies.
- Acknowledge and commend those employers in Vermont who have successful workplace safety

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Department of Labor

programs.

The Workers' Compensation program of the division ensures that workers who are injured because of work receive medical and disability compensation from the employer or employer's insurance company. The program is a Charter unit, and is engaged in an effort to streamline its processes to be more effective and efficient. It is important to note the Department does NOT set worker's compensation insurance rates. That function is performed by the Banking, Insurance, Securities and Health Care Administration. The 17 staff provides dispute resolution, including form audits, mediation, adjudication, and compliance reviews. In FY 2010 the division received 16,683 injury reports (a significant decrease most likely attributable to the higher rate of unemployment during that period). Approximately 4,000 of the injuries involve lost work time of three or more days. Approximately 166 interim orders were issued, and 179 cases were referred for formal hearing, many of which were resolved through the new mediation process; 50 formal hearing decisions were issued. The Workers' compensation Program at VDOL is funded by an assessment on workers' compensation premiums. Because it is anticipated that premiums will continue to drop or remain flat in calendar year 2010, it is necessary to increase the assessment rate again this year. In addition, program staff track employer compliance with Vermont's workers' compensation laws, and investigate alleged fraud. Where non-compliance or fraud is identified, administrative sanctions and penalties are issued. During the last fiscal year, approximately 60 misclassification/no insurance investigations were conducted and 54 claimant fraud or insurer malfeasance investigations were conducted. Twenty-two administrative citations and penalties were issued. Penalties totaling \$221,120 have been assessed, but only \$14,565 has been collected. Some penalties are still in contest, and some are involved in Superior court collection actions.

The Vermont Occupational Safety and Health Administration (VOSHA) works to ensure that all persons are provided safe and healthy conditions at their workplace. Activities include inspecting workplaces for violations of VOSHA standards and imposing penalties for violations classified as Serious. Additional penalties are assessed if violations are not corrected. In addition compliance officers investigate serious workplace accidents. The VOSHA inspections at Vermont businesses are mandatory. The department also recognizes businesses for their efforts in workplace safety with programs such as the Green Mountain Voluntary Protection Program (VPP). The Vermont Compliance Assistance Specialist works with trade associations and industry groups to help employers comply with the VOSHA Safety and Health standards. The 14 employees are funded on a 50 percent federal, 50 percent general fund basis. Last year (federal fiscal year ending 09/30/2010) VOSHA conducted 372 inspections, found and ordered correction of 532 serious, repeat or willful violations and 233 other than serious violations, and collected \$667,612 in penalties, which were turned over to the general Fund.

Project WorkSAFE provides voluntary consulting services to employers wishing to improve the health and safety condition of the workplace. Its six employees are funded with a combination of federal and state funds. Seventy-five to eighty percent of the funding is federal and the remainder is a mixture of general funds and funding from the workers' compensation administrative fund. Federal OSHA grant requirements have a target of 200 visits to the private sector for onsite safety and health consultations.

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Department of Labor

including review or development of safety and health management programs. 25 onsite public sector onsite safety and health consultations were conducted, including review or development of safety and health management programs. Additional responsibilities include: developing and providing safety and health trainings to Vermont companies on new OSHA regulations and other topics as requested; emergency response consultation and assistance with radiological and biological issues, in cooperation with the Vermont Department of Health and the Department on Public Safety; maintaining and increasing the amount of VT Companies in the Safety and Health Achievement Recognition Program (SHARP); and, developing recommendations for the Governors' Workplace Safety Awards. In FY 2010 WorkSAFE conducted 227 employer consultation visits. Staff identified and had corrected 863 serious hazards in these workplaces, and identified and had corrected 64 less serious hazards.

The RoadSafe employer traffic safety program provides educational outreach to employers concerning employee travel related hazards. Travel related accidental injury or death continues to be a significant problem in Vermont and nationally. The program provides a regular safety newsletter, and works closely with the Governor's Highway Safety Council, and industry groups to promote awareness and traffic safety education. The one employee in this program is funded through a federal grant.

The Passenger Tramway Program inspects the construction, operation and maintenance of ski tows, lifts and trams and monitors them for compliance with state regulations. Each year there are about 250 injuries related to ski lifts over the course of 4 million skier days. Vermont's 26 ski areas pay the cost of this program. There are three inspectors.

Workforce Development Division

The Workforce Development Division provides employment services and training assistance to businesses and workers.

State-funded programs include:

- The Next Generation Program, first established by the 2007 Legislature, continues to fund a variety of programs that promote the creation and retention of high quality jobs, and the growth of a highly skilled workforce by funding occupational skills training, internships for secondary and post-secondary students, and other specialized training activities that lead to employment with new and existing businesses. The Workforce Education and Training Fund (WETF) is the largest of the Next Generation Programs, providing grants under two categories, Training and Internships. During the most recent program year, approximately 1800 new and incumbent workers received training that upgraded their skills and wages. Over 500 secondary and post-secondary students participated in WETF sponsored internships.
- The Registered Apprenticeship Program continues to be one of VDOL's most effective workforce training models. The combination of technical classroom instruction and paid hands-on training under a qualified employer sponsor, ensures that training is relevant, current, and directly tied to employment. Apprenticeship is supported by a combination of state general funds and "special

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Department of Labor**

funds” that consist of employer-paid tuition for classroom instruction. This year, VDOL served nearly 300 employer sponsors. In total there were over 700 registered apprentices in more than 20 occupations.

- The Reach Up Program receives funding from the Economic Services Division of the Department for Children and Families to enable the Vermont Department of Labor to provide employment services statewide, to Reach Up (TANF) participants through a contractual agreement with the Division of Vocational Rehabilitation and its AHS Creative Workforce Solutions initiative. In the most recent program year, 650 people who received services started new jobs, and 205 people started Community Service positions to meet work requirements.

Federally funded programs include:

- The Workforce Investment Act (WIA) consists of three separate elements WIA funding is governed by national allocation formulas.
 - The Youth programs focus on serving at-risk youth. Priority is given to out-of-school youth, with the option of serving in-school youth most at risk of dropping out.
 - The Adult program primarily serves low-income individuals with little to no work experience who need to enter the labor.
 - The Dislocated Worker program offers individuals who have lost their jobs due to a major layoff or plant closure the resources necessary to become re-employed, including Rapid Response activity provided on behalf of workers who will be displaced early on in a plant closure or downsizing event.

In the most recent program year, we served:

PY 2009

	Number Served	Average Cost
Adult	623	\$4,564
Youth	802	\$5,582
Dislocated Worker	351	\$6,691
Total	1,776	\$5,444

- The Trade Adjustment Assistance (TAA) is a federal program which offers help to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports.
- Alien Certification Program is funded to process applications submitted by employers to bring foreign workers into Vermont. Its role is to insure that employers explore every source for domestic workers before issuing a certificate that will allow INS to bring foreign workers into the Vermont workplace.

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Department of Labor

Two major components are agricultural and non-Ag Certification.

- Veterans - Local Veterans Employment Representatives/Disabled Veterans Outreach Program
 - o LVER's have functional responsibility for ensuring priority in employment services to Veterans in each regional office, as well as providing direct service to Veterans. DVOP's perform outreach to disabled Veterans through part-time out-stationing in Veterans' organizations and perform direct services to Veterans.
- Work Opportunity Tax Credit (WOTC) is a Federal income tax credit that encourage employers to hire from nine targeted groups of job seekers. It can reduce employer Federal income tax liability as much as \$2,400 per new hire.

Additional federal grants totaling approximately \$1.5 M:

- The National Emergency Grant, on-the-job training grant (ARRA) to assist those experiencing prolonged unemployment beginning January 1, 2008.
- The Female Offender Re-entry Grant provides training and job placement and support services to women transitioning from incarceration.
- The Labor Market Improvement Grant is a discretionary Vermont acquired on behalf of 8 states and Georgetown Technical University, which is directed towards developing tools to accurately project real time job availability in emerging occupations.
- Regional Innovation Grant is a competitive grant used for planning economic development future of the Northeast Kingdom.
- A training program for mine safety.

Administration

Administration consists of the commissioner's office, the business office, information technology, building maintenance and other support activities. The cost of administration is allocated across the various programs based upon a federally approved allocation formula, which focuses upon personal services costs.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Department of Labor**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
VDOL Program	253	278	286	30,437,533	32,217,480	32,217,480	28,856,832
VDOL Administration	38	32	27	2,985,803	3,354,240	3,354,240	2,592,511
Domestic Violence	0	0	0	30,000	0	0	0
<hr/>							
TOTAL	291	310	313	33,453,336	35,571,720	35,571,720	31,449,343
FUND TYPE							
General Fund				2,559,415	2,561,430	2,561,430	2,400,316
Special Fund				2,797,414	3,765,862	3,765,862	3,765,862
American Recovery & Reinvestment Act				7,529,633	4,571,772	4,571,772	0
Federal Revenue Fund				18,951,342	23,172,655	23,172,655	23,888,739
Interdepartmental Transfer				1,615,532	1,500,001	1,500,001	1,394,426
<hr/>							
TOTAL				33,453,336	35,571,720	35,571,720	31,449,343

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VDOL Program

Appropriation Key Budget Issues

The nation and Vermont continue to face an economic crisis. While the recession may “technically” be over, Vermont is not yet seeing strong signs of recovery. The demand for unemployment insurance, job search and job training assistance continues at historical levels.

The Department has been fortunate to have federal funds increase to meet the increased demand in unemployment claims. The American Recovery and Reinvestment Act (ARRA) also provided additional resources to assist with workforce development and job search capability. However, temporary staff added to meet increased demand in our resource centers, for the most part, will be gone at the close of calendar year 2010. This will put a tremendous strain on services provided in our centers, despite the continuation of heightened demand for services in the centers. In addition, there has been and continues to be an increase demand for programs and training funded by state general funds, which has forced the Department to make difficult choices as to what projects, at what level, can be funded.

Congress has extended unemployment benefits several times in the last year and funded the cost of those benefits. However, high unemployment placed strains on a diminishing unemployment insurance (UI) trust fund which forced the state to borrow in calendar year 2010, expected to exceed \$50 million before the end of the year, to cover UI benefit obligations. Even with legislative reforms, it is projected borrowing will continue off and on until 2015. VDOL continually seeks to improve processes and automate many operations in our unemployment division as special resources and/or grant funding allows. Temporary and limited staff continue to assist with increased workloads and claims taking. The Department does not have any general funds supporting UI claims taking operations.

Our workers compensation division continues to see increased demand for services, with staffing levels remaining virtually the same absent the legislative mandated misclassification investigators positions. The Project WorkSAFE program continues to be popular, so much so that there is a substantial waiting period before a consultation can be done due to limited staffing resources.

Explanation of Significant Changes:

Workers’ Compensation functions are funded through an assessment on insurance premiums paid to the insurance companies. Fortunately, workers’ compensation claims and related premiums are expected to decline for the fourth year in a row. However, the decline in claims and premiums is not reflected in the workload. Fewer but more complicated cases continue to place a heavy demand for the Department’s dispute resolution services. There is also an increased demand from employers, organized labor, and the Legislature to more actively pursue fraud and/or premium avoidance on the part employers and workers. Furthermore, recent statutory changes have significantly increased the amount of paperwork that must be filed and maintained by the department. The net result is that administrative costs to the Department have not declined. And, as the dollar value of premiums declines the assessment rate must increase to cover level funding. The recession has also resulted in fewer private sector employees being employed

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VDOL Program

and therefore insured for workers compensation. This has further reduced premium dollars demanding yet another increase in the annual assessment on premiums is needed to fund a level funded budget.

Last year, the Department was successful in obtaining one competitive federal grant to fund new labor market activities. This year, an additional competitive grant will enable enhanced training activities above and beyond state funded Next Generation activities in certain markets.

Demand for Next Generation programs continues to grow. Employers are seeking to upgrade wages to remain competitive and expand markets. Some employers are diversifying their product and service base resulting in new demands for training. Further, Vermonters need enhanced training to be more competitive in the workforce. Demand for the Workforce Education and Training Funds continues to outpace available funds.

Pressure on our Workforce Investment Act funds has grown significantly this year, due to level funding in our federal programs, the ending of ARRA funds, and a substantial increase in needs. The Workforce Development Division is now allocating these funds extremely carefully.

As we demand ever more accountability from the programs we fund, including a direct link between job training and job placement/advancement, longtime partners who have come to rely on us for program funding face their own challenges. We have begun making the shift from being a funder of first resort to being one of many sources that have to be looked at simultaneously. Organizations who have come to rely on the Department as a reliable funding source are expressing their concern about the budget impact on them, and having to shift both thinking and approach

The Unemployment Insurance Division and the Workforce Development Division are partnering on initiatives to conduct reemployment eligibility assessments and to ensure proper work search documentation for claimants (who do not have a return to work date) filing initial unemployment insurance claims. These initiatives are designed to engage the claimant with workforce development services on the onset of filing in hopes of providing timely assistance that will lead to successful reemployment opportunities. The overall objectives are to reemploy claimants sooner and to yield savings for the trust fund.

As noted previously, the state is now borrowing to cover Unemployment Insurance benefit payments. Federal rule outlines that interest due on the loan “cannot, either directly or indirectly, be paid by a state from amounts in its unemployment fund”. Legislation passed during the last session demonstrated a commitment toward attaining solvency. However, even with the bold changes such solvency is not projected to occur until 2015. During this time of borrowing the state will be burdened with identifying non-unemployment funds to cover interest cost accumulated on this loan.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VDOL Program**

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VDOL Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	26,315,543	23,010,309	23,010,309	22,797,972
Operating Expenses	4,462,372	5,488,024	5,488,024	5,113,860
Grants	(340,382)	3,719,147	3,719,147	945,000
TOTAL	30,437,533	32,217,480	32,217,480	28,856,832
FUND TYPE				
General Fund	2,271,856	2,288,674	2,288,674	2,276,918
Special Fund	2,470,111	3,229,987	3,229,987	3,334,237
American Recovery & Reinvestment Act	7,272,455	4,222,948	4,222,948	0
Federal Revenue Fund	16,951,846	21,170,870	21,170,870	21,980,723
Interdepartmental Transfer	1,471,265	1,305,001	1,305,001	1,264,954
TOTAL	30,437,533	32,217,480	32,217,480	28,856,832

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VDOL Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	0	2,746,693	2,746,693	2,013,694
Operating Expenses	0	577,547	577,547	548,817
Grants	2,985,803	30,000	30,000	30,000
<hr/> TOTAL	<hr/> 2,985,803	<hr/> 3,354,240	<hr/> 3,354,240	<hr/> 2,592,511
FUND TYPE				
General Fund	287,559	272,756	272,756	123,398
Special Fund	297,303	535,875	535,875	431,625
American Recovery & Reinvestment Act	257,178	348,824	348,824	0
Federal Revenue Fund	1,999,496	2,001,785	2,001,785	1,908,016
Interdepartmental Transfer	144,267	195,000	195,000	129,472
<hr/> TOTAL	<hr/> 2,985,803	<hr/> 3,354,240	<hr/> 3,354,240	<hr/> 2,592,511

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Domestic Violence**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	30,000	0	0	0
<hr/> TOTAL	<hr/> 30,000	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
Special Fund	30,000	0	0	0
<hr/> TOTAL	<hr/> 30,000	<hr/> 0	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Education

Department Mission Statement

Mission - Provide leadership, support and oversight to ensure that the Vermont public education system enables each student to be successful.

Vision - Every learner completes his or her public education with the knowledge and skills necessary for success in college, continuing education, careers, and citizenship. The public education system provides flexible learning environments rich with 21st century tools that promote self-development, academic achievement, and active engagement in learning. It operates within a framework of high expectations for every learner with support from educators, families and the community.

Goal One - Educational Leadership: All levels of Vermont's public education system are guided by effective, transformative educational leaders.

Goal Two - Learning Expectations: Standards and expectations define the knowledge and skills essential for all PreK-12 learners to be successful in the 21st century.

Goal Three - Instructional Practices and Environments: Learning environments and instructional practices support multiple ways of learning, yield deep understanding and application of essential knowledge and skills, and ensure the success of every student.

Goal Four - PK-16 Partnerships: PK-16 education partnerships facilitate improved student success, by strengthening kindergarten readiness, increasing student engagement and relevance in K-12 education, and improving postsecondary aspiration, continuation and completion rates for all learners.

Goal Five - Policy and Governance: State and local policy and governance facilitate attainment of the educational practices and student outcomes articulated in the Vision Statement.

Description of Appropriations, Divisions, & Programs

Finance and Administration: Provides the operating functions of the department including information technology, business and financial management, human resources, school district accounting, Medicaid and special education administration and accounting, legal support and complaint investigation, and public relations and legislative support. The budgets for the Commissioner's office and the State Board of Education are also included.

Education Programs: The four major areas comprising education programs are Educator Quality,

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Education

General Supervision and Monitoring, Integrated Support for Learning, and Research, Standards and Assessment. Each of these areas provides technical assistance and program support for Vermont's education system. The types of programs supported range from special education for preschool aged children to literacy skills for adults.

The remainder of the education budget is composed of the following programs.

Tobacco: Tobacco Use Prevention funds administered by the Department of Education awarded directly to schools to conduct research-based tobacco prevention programs.

Act 117: Responsible for strengthening regular education capacity to better meet the needs of all students outside of special education programs, addressing staff shortages in special education instruction and special education administration, developing a consistent approach to decision-making regarding special education eligibility, and enhancing prevention and intervention in the areas of early literacy and emotional and behavioral skills problems.

Adult Education and Literacy: Funding for the four community nonprofit organizations which deliver the statewide adult basic education program distributed through a county needs-based formula.

Small Schools Grant: Grant to assist small schools with high per pupil fixed costs. Available to schools with enrollment of less than 100 students or less than 20 students per grade.

Special Education Formula: State share of special education funding including a block grant, reimbursement for extraordinary expenses, and intensive reimbursement.

State Placed Students: Reimbursement to Local Education Agency's for non mainstream special education services and residential placements for students placed by the Department of Social and Rehabilitation Services or the Department of Mental Health in a school district outside of the parents' district of residence.

Capital Debt Service Aid: Formula grants to eligible school districts for principal and interest on capital construction projects. This aid has dramatically been reduced by the higher funding levels of Act 68.

Transportation: Funds used for formula reimbursement for a portion of school transportation expenses.

Education Grant: Funding for education spending under act 68 implemented for the first time in FY 2005. The education spending amount makes up about 80 percent of school budgets statewide.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Education

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Finance and Administration	67	58	59	18,435,603	18,766,525	18,994,299	20,093,587
Education Services	115	0	0	149,541,614	0	0	0
Special Education - Formula Grants	0	0	0	138,327,635	142,687,975	142,687,975	148,817,440
State-placed Students	0	0	0	14,450,990	15,300,000	15,300,000	15,000,000
Adult Education and Literacy	0	0	0	6,049,963	6,463,656	6,463,656	7,463,656
Education Services	0	101	98	0	180,575,277	180,575,277	150,200,426
Adjusted Education Payment	0	0	0	1,135,482,757	1,138,075,036	1,138,175,036	1,136,176,100
Transportation	0	0	0	15,542,809	15,782,031	15,782,031	16,313,885
Small School Grants	0	0	0	6,857,698	7,000,000	7,000,000	7,100,000
Capital Debt Service Aid	0	0	0	162,097	180,000	180,000	160,000
Tobacco Litigation	2	1	1	899,402	988,917	988,917	981,944
Essential Early Education Grant	0	0	0	5,520,471	5,679,216	5,679,216	5,782,900
Technical Education	0	0	0	12,652,472	12,784,382	12,938,382	12,872,274
Act 117 Cost Containment	12	12	12	861,296	1,282,707	1,282,707	1,265,100
TOTAL	196	172	171	1,504,784,807	1,545,565,722	1,546,047,496	1,522,227,312
FUND TYPE							
General Fund				8,375,900	8,696,556	8,924,330	9,639,157
Education Fund				1,297,564,028	1,305,042,881	1,305,296,881	1,348,312,689
Special Fund				16,444,833	16,728,905	16,728,905	17,738,389
American Recovery & Reinvestment Act				26,293,501	46,719,169	46,719,169	10,613,000
Federal Revenue Fund				118,348,603	128,720,522	128,720,522	134,449,434
Global Commitment Fund				997,796	1,053,092	1,053,092	941,971
Interdepartmental Transfer				36,760,146	38,604,597	38,604,597	532,672
TOTAL				1,504,784,807	1,545,565,722	1,546,047,496	1,522,227,312

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Finance and Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	4,837,765	5,666,454	5,666,454	5,373,825
Operating Expenses	1,397,367	1,715,341	1,943,115	2,336,262
Grants	12,200,471	11,384,730	11,384,730	12,383,500
<hr/> TOTAL	<hr/> 18,435,603	<hr/> 18,766,525	<hr/> 18,994,299	<hr/> 20,093,587
FUND TYPE				
General Fund	3,047,307	3,103,135	3,330,909	3,011,957
Education Fund	0	427,526	427,526	1,020,090
Special Fund	12,682,572	12,395,755	12,395,755	13,300,096
Federal Revenue Fund	1,933,740	2,012,287	2,012,287	2,041,473
Global Commitment Fund	767,796	823,092	823,092	711,971
Interdepartmental Transfer	4,188	4,730	4,730	8,000
<hr/> TOTAL	<hr/> 18,435,603	<hr/> 18,766,525	<hr/> 18,994,299	<hr/> 20,093,587

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Education Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	11,087,391	0	0	0
Operating Expenses	1,620,954	0	0	0
Grants	136,833,269	0	0	0
<hr/> TOTAL	<hr/> 149,541,614	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	4,540,598	0	0	0
Education Fund	1,036,721	0	0	0
Special Fund	2,001,563	0	0	0
American Recovery & Reinvestment Act	26,293,501	0	0	0
Federal Revenue Fund	115,620,262	0	0	0
Interdepartmental Transfer	48,969	0	0	0
<hr/> TOTAL	<hr/> 149,541,614	<hr/> 0	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Special Education - Formula Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	138,327,635	142,687,975	142,687,975	148,817,440
<hr/> TOTAL	<hr/> 138,327,635	<hr/> 142,687,975	<hr/> 142,687,975	<hr/> 148,817,440
FUND TYPE				
Education Fund	138,097,635	142,457,975	142,457,975	148,587,440
Global Commitment Fund	230,000	230,000	230,000	230,000
<hr/> TOTAL	<hr/> 138,327,635	<hr/> 142,687,975	<hr/> 142,687,975	<hr/> 148,817,440

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State-placed Students**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Operating Expenses	64,459	0	0	0
Grants	14,386,531	15,300,000	15,300,000	15,000,000
TOTAL	14,450,990	15,300,000	15,300,000	15,000,000
FUND TYPE				
Education Fund	14,450,990	15,300,000	15,300,000	15,000,000
TOTAL	14,450,990	15,300,000	15,300,000	15,000,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Adult Education and Literacy**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	6,049,963	6,463,656	6,463,656	7,463,656
<hr/> TOTAL	<hr/> 6,049,963	<hr/> 6,463,656	<hr/> 6,463,656	<hr/> 7,463,656
FUND TYPE				
General Fund	787,995	787,995	787,995	787,995
Education Fund	4,467,367	4,800,000	4,800,000	5,800,000
Federal Revenue Fund	794,601	875,661	875,661	875,661
<hr/> TOTAL	<hr/> 6,049,963	<hr/> 6,463,656	<hr/> 6,463,656	<hr/> 7,463,656

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Education Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	0	12,293,389	12,293,389	11,948,471
Operating Expenses	0	1,598,645	1,598,645	1,562,985
Grants	0	166,683,243	166,683,243	136,688,970
<hr/> TOTAL	<hr/> 0	<hr/> 180,575,277	<hr/> 180,575,277	<hr/> 150,200,426
FUND TYPE				
General Fund	0	4,805,426	4,805,426	5,839,205
Education Fund	0	1,131,751	1,131,751	0
Special Fund	0	2,061,526	2,061,526	2,191,249
American Recovery & Reinvestment Act	0	46,719,169	46,719,169	10,613,000
Federal Revenue Fund	0	125,832,574	125,832,574	131,532,300
Interdepartmental Transfer	0	24,831	24,831	24,672
<hr/> TOTAL	<hr/> 0	<hr/> 180,575,277	<hr/> 180,575,277	<hr/> 150,200,426

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Adjusted Education Payment

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	1,135,482,757	1,138,075,036	1,138,175,036	1,136,176,100
<hr/> TOTAL	<hr/> 1,135,482,757	<hr/> 1,138,075,036	<hr/> 1,138,175,036	<hr/> 1,136,176,100
FUND TYPE				
Education Fund	1,098,775,768	1,099,500,000	1,099,600,000	1,135,676,100
Interdepartmental Transfer	36,706,989	38,575,036	38,575,036	500,000
<hr/> TOTAL	<hr/> 1,135,482,757	<hr/> 1,138,075,036	<hr/> 1,138,175,036	<hr/> 1,136,176,100

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Transportation**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	15,542,809	15,782,031	15,782,031	16,313,885
<hr/> TOTAL	<hr/> 15,542,809	<hr/> 15,782,031	<hr/> 15,782,031	<hr/> 16,313,885
FUND TYPE				
Education Fund	15,542,809	15,782,031	15,782,031	16,313,885
<hr/> TOTAL	<hr/> 15,542,809	<hr/> 15,782,031	<hr/> 15,782,031	<hr/> 16,313,885

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Small School Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	6,857,698	7,000,000	7,000,000	7,100,000
TOTAL	6,857,698	7,000,000	7,000,000	7,100,000
FUND TYPE				
Education Fund	6,857,698	7,000,000	7,000,000	7,100,000
TOTAL	6,857,698	7,000,000	7,000,000	7,100,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Capital Debt Service Aid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	162,097	180,000	180,000	160,000
<hr/> TOTAL	<hr/> 162,097	<hr/> 180,000	<hr/> 180,000	<hr/> 160,000
FUND TYPE				
Education Fund	162,097	180,000	180,000	160,000
<hr/> TOTAL	<hr/> 162,097	<hr/> 180,000	<hr/> 180,000	<hr/> 160,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tobacco Litigation**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	114,253	129,931	129,931	130,418
Operating Expenses	51,313	46,222	46,222	47,015
Grants	733,836	812,764	812,764	804,511
<hr/> TOTAL	<hr/> 899,402	<hr/> 988,917	<hr/> 988,917	<hr/> 981,944
FUND TYPE				
Special Fund	899,402	988,917	988,917	981,944
<hr/> TOTAL	<hr/> 899,402	<hr/> 988,917	<hr/> 988,917	<hr/> 981,944

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Essential Early Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	5,520,471	5,679,216	5,679,216	5,782,900
<hr/> TOTAL	<hr/> 5,520,471	<hr/> 5,679,216	<hr/> 5,679,216	<hr/> 5,782,900
FUND TYPE				
Education Fund	5,520,471	5,679,216	5,679,216	5,782,900
<hr/> TOTAL	<hr/> 5,520,471	<hr/> 5,679,216	<hr/> 5,679,216	<hr/> 5,782,900

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Technical Education**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	12,652,472	12,784,382	12,938,382	12,872,274
<hr/> TOTAL	<hr/> 12,652,472	<hr/> 12,784,382	<hr/> 12,938,382	<hr/> 12,872,274
FUND TYPE				
Education Fund	12,652,472	12,784,382	12,938,382	12,872,274
<hr/> TOTAL	<hr/> 12,652,472	<hr/> 12,784,382	<hr/> 12,938,382	<hr/> 12,872,274

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Act 117 Cost Containment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	779,174	1,059,820	1,059,820	1,043,831
Operating Expenses	82,122	131,887	131,887	130,269
Grants	0	91,000	91,000	91,000
<hr/> TOTAL	<hr/> 861,296	<hr/> 1,282,707	<hr/> 1,282,707	<hr/> 1,265,100
FUND TYPE				
Special Fund	861,296	1,282,707	1,282,707	1,265,100
<hr/> TOTAL	<hr/> 861,296	<hr/> 1,282,707	<hr/> 1,282,707	<hr/> 1,265,100

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund**

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
General Fund Approp to Ed Fund	0	0	0	240,803,944	240,803,945	240,803,945	271,913,749
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 240,803,944	<hr/> 240,803,945	<hr/> 240,803,945	<hr/> 271,913,749
FUND TYPE							
General Fund				240,803,944	240,803,945	240,803,945	271,913,749
<hr/> TOTAL				<hr/> 240,803,944	<hr/> 240,803,945	<hr/> 240,803,945	<hr/> 271,913,749

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	0	240,803,945	240,803,945	271,913,749
Other Financing Uses Budget	240,803,944	0	0	0
TOTAL	240,803,944	240,803,945	240,803,945	271,913,749
FUND TYPE				
General Fund	240,803,944	240,803,945	240,803,945	271,913,749
TOTAL	240,803,944	240,803,945	240,803,945	271,913,749

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

Department Mission Statement

The State Teachers' Retirement System is the uniform public pension plan covering all public school teachers and administrators in the state. It was created in 1947 and is now governed by Title 16, V.S.A., Chapter 55. It has undergone significant changes over the years, with the most recent being the implementation of a non-contributory group with major benefit reforms as provided by Act No 41 of 1981, and a significant change in a return to a mandatory contributory system as of July 1, 1990.

As of June 30, 2009, the system consisted of approximately 10,509 active members, 2,853 inactive members, 718 terminated vested members and approximately 6,146 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The actuarial value of the fund was approximately \$1,410 million as of June 30, 2010, compared with about \$1,374 million as of June 30, 2008. The system paid \$115.0 million in retirement benefits during fiscal year 2010.

The State Teachers' Retirement System Board of Trustees is responsible for the administration of the system. The Board consists of the State Treasurer, Commissioner of Education, Commissioner of Banking, Insurance, Securities and Health Care Administration, two active members elected by the membership, and one retired teacher appointed by the Vermont Retired Teachers Association. Staff is provided by the Retirement Division of the State Treasurer's Office which also administers the Vermont State Retirement System and the Vermont Municipal Employees' Retirement System.

In addition to pension payments, the fund also makes health care payments to retirees, totaling \$17.3 million in FY2010. These are not added to the pension calculation and are treated as coming from the assets of the fund, therefore creating an actuarial loss. In addition, the actuary annually calculates an annual required contribution (ARC), similar to the pension contribution, necessary to recognize full accrual of retiree health care costs, including prefunding of benefits earned but not yet paid. Currently the State does not prefund these amounts. One recommendation of the Treasurer and the Commission on the Design and Funding of Retirement and Retiree Health Benefit Plans for State Employees and Teachers is that the Legislature develop and implement a structural plan to fund health care obligations and set money aside in a material way through a separate, independent funding mechanism. Full funding of the ARC for OPEB on a prefunded basis is \$28,170,239. Budgeted cash payments in the pension are \$21,000,000 leaving the ARC to be funded of \$7,170,239. If prefunding does not occur, the remaining ARC cost rises significantly (\$22,455,703 total, less \$21,000,000 budgeted, leaving the ARC to be funded at \$22,455,703).

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Teachers' Retirement System - Grant	0	0	0	40,228,002	46,913,381	46,913,381	51,672,307
State Teachers' Retirement System	0	0	0	24,565,804	28,233,387	28,233,387	28,884,517
<hr/>							
TOTAL	0	0	0	64,793,806	75,146,768	75,146,768	80,556,824
 FUND TYPE							
General Fund				40,228,002	46,913,381	46,913,381	51,672,307
Pension Trust Fund				24,565,804	28,233,387	28,233,387	28,884,517
<hr/>							
TOTAL				64,793,806	75,146,768	75,146,768	80,556,824

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	40,228,002	46,913,381	46,913,381	51,672,307
<hr/> TOTAL	<hr/> 40,228,002	<hr/> 46,913,381	<hr/> 46,913,381	<hr/> 51,672,307
FUND TYPE				
General Fund	40,228,002	46,913,381	46,913,381	51,672,307
<hr/> TOTAL	<hr/> 40,228,002	<hr/> 46,913,381	<hr/> 46,913,381	<hr/> 51,672,307

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	22,136,834	7,269,278	7,269,278	6,830,976
Operating Expenses	2,428,970	20,964,109	20,964,109	22,053,541
<hr/>				
TOTAL	<hr/> 24,565,804	<hr/> 28,233,387	<hr/> 28,233,387	<hr/> 28,884,517
FUND TYPE				
Pension Trust Fund	24,565,804	28,233,387	28,233,387	28,884,517
<hr/>				
TOTAL	<hr/> 24,565,804	<hr/> 28,233,387	<hr/> 28,233,387	<hr/> 28,884,517

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

Department Mission Statement

As a result of Act 60 of 1997, municipalities receive financial assistance from the state to support the collection of education tax revenue. All municipalities receive \$8.50 per grand list parcel per year to help with the cost of reappraisals and maintenance of their grand lists plus an additional dollar to assist PVR with its equalization study. Lister training is funded through a formula providing \$3.65 per parcel for the first 100 parcels, \$.20 per parcel for the next 100 parcels and \$.01 per parcel for any parcels remaining. These programs are administered by the Property Valuation and Review Division within the Tax Department.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Reappraisal and Listing Payments	0	0	0	3,433,131	3,243,196	3,243,196	3,240,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 3,433,131	<hr/> 3,243,196	<hr/> 3,243,196	<hr/> 3,240,000
FUND TYPE							
Education Fund				3,433,131	3,243,196	3,243,196	3,240,000
<hr/> TOTAL				<hr/> 3,433,131	<hr/> 3,243,196	<hr/> 3,243,196	<hr/> 3,240,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	3,433,131	3,243,196	3,243,196	3,240,000
<hr/> TOTAL	<hr/> 3,433,131	<hr/> 3,243,196	<hr/> 3,243,196	<hr/> 3,240,000
FUND TYPE				
Education Fund	3,433,131	3,243,196	3,243,196	3,240,000
<hr/> TOTAL	<hr/> 3,433,131	<hr/> 3,243,196	<hr/> 3,243,196	<hr/> 3,240,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Home Owner Rebate

Description of Appropriations, Divisions, & Programs

32 V.S.A. 6066(a) establishes the Home Owner Rebate Program. It provides property tax relief to home owners earning \$47,000 or less; benefits are determined on a sliding scale based upon one's income and their total property tax bill. This relief is supplemental to the education property tax relief provided under 32 V.S.A 6066.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Home Owner Rebate**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Home Owner Rebate	0	0	0	13,463,172	16,720,000	13,750,000	15,100,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 13,463,172	<hr/> 16,720,000	<hr/> 13,750,000	<hr/> 15,100,000
FUND TYPE							
General Fund				13,463,172	16,720,000	13,750,000	15,100,000
<hr/> TOTAL				<hr/> 13,463,172	<hr/> 16,720,000	<hr/> 13,750,000	<hr/> 15,100,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Home Owner Rebate**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Operating Expenses	13,463,172	0	0	0
Grants	0	16,720,000	13,750,000	15,100,000
<hr/> TOTAL	<hr/> 13,463,172	<hr/> 16,720,000	<hr/> 13,750,000	<hr/> 15,100,000
FUND TYPE				
General Fund	13,463,172	16,720,000	13,750,000	15,100,000
<hr/> TOTAL	<hr/> 13,463,172	<hr/> 16,720,000	<hr/> 13,750,000	<hr/> 15,100,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Renter Rebate

Description of Appropriations, Divisions, & Programs

32 V.S.A. 6066(b) establishes the Renter Rebate Program. It provides relief, on a sliding scale based upon income, to those earning \$47,000 or less. It is intended to offset a portion of the rent used by the property owner for property taxes.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Renter Rebate

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Renter Rebate	0	0	0	8,029,429	8,300,000	8,300,000	8,300,000
<hr/>							
TOTAL	0	0	0	8,029,429	8,300,000	8,300,000	8,300,000
FUND TYPE							
General Fund				2,540,939	2,500,000	2,500,000	2,500,000
Education Fund				5,488,490	5,800,000	5,800,000	5,800,000
<hr/>							
TOTAL				8,029,429	8,300,000	8,300,000	8,300,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Renter Rebate

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Operating Expenses	8,029,429	0	0	0
Grants	0	8,300,000	8,300,000	8,300,000
<hr/> TOTAL	<hr/> 8,029,429	<hr/> 8,300,000	<hr/> 8,300,000	<hr/> 8,300,000
FUND TYPE				
General Fund	2,540,939	2,500,000	2,500,000	2,500,000
Education Fund	5,488,490	5,800,000	5,800,000	5,800,000
<hr/> TOTAL	<hr/> 8,029,429	<hr/> 8,300,000	<hr/> 8,300,000	<hr/> 8,300,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
University of Vermont

Department Mission Statement

The University of Vermont's mission is to create, evaluate, share, and apply knowledge and to prepare students to be accountable leaders who will bring to their work dedication to the global community, a grasp of complexity, effective problem-solving and communication skills, and an enduring commitment to learning and ethical conduct. Chartered in 1791, the same year that Vermont became the fourteenth state in the Union, the University of Vermont was established as the fifth college in New England. It became the state's land-grant institution in 1865, when it was merged with the Vermont Agricultural College that had been formed one year earlier in accord with provisions of the Morrill Act. In 1955, the General Assembly recognized the University of Vermont and State Agricultural College "as an instrumentality of the State for providing public higher education." Previous to that recognition, Vermont had annually appropriated funds specifically to the College of Medicine and to the Agricultural Services and had appropriated tuition scholarship funds for Vermont residents in certain fields of study.

Beginning in 1956, new funding subsidizing the cost of educating Vermont students was added to the appropriations going to the College of Medicine and Agricultural Services. From that date forward, the statutory requirement is that in-state tuition cannot exceed 40% of the out-of-state tuition rate.

Description of Appropriations, Divisions, & Programs

The University of Vermont is comprised of seven separate undergraduate colleges and schools (the College of Agriculture and Life Sciences, the College of Arts and Sciences, the College of Education and Social Services, the College of Engineering and Mathematical Sciences, the School of Business Administration, the College of Nursing and Health Sciences, the Rubenstein School of Environment and Natural Resources), the Graduate College, the College of Medicine, the Honors College, the Extension System, and the Division of Continuing Education that operate statewide and nationally. The University offers a rich environment for research, scholarship, and creative work in many realms of human inquiry, sharing the excitement and fruits of investigation and discovery with students and society.

The University lives out its mission through teaching, research, and service. This tri-partite mission supports a full range of inquiry and application within the University and in the broader community. The University of Vermont is unique in the Vermont educational system because of its comprehensive and complex offerings. The University is involved not only in undergraduate education but also to a significant extent in graduate and professional education, research, and public service activities. These high level and complex educational opportunities which are vital for the welfare of this state are more costly than are programs of institutions that do not offer degrees in, for example, engineering, medicine, clinical health programs, advanced science, or agriculture. These areas, as well as the general educational mission of the University of Vermont, are critical for Vermont's well-being in the future.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
University of Vermont

OUTCOMES

Currently, the purpose of the state base appropriation is to:

- Support the College of Medicine's education of medical students;
- Fund the teaching, research, and public service activities of Extension, the Agricultural Experiment Station, and the related agricultural services;
- Subsidize tuition rates for Vermonters, but at a level that does not cover costs; and,
- Provide matching funds for the VT Experimental Program to Stimulate Competitive Research (EPSCoR).

State funding of the University of Vermont's base state appropriation will allow the University to continue to provide these services.

The University stresses the importance of educating individuals, thereby providing the State with strong leadership, good citizens, entrepreneurship, and social responsibility. In addition to high quality education, the University of Vermont is a distinguished, comprehensive research institution of nationally renowned reputation—a critical driver for enhancing the State's economy, health, and well-being. The newly-educated professionals entering the workforce, research dollars generated, the businesses created, and the hundreds of millions of dollars brought into Vermont from other states and countries by the University of Vermont are essential to Vermont's future vitality.

The University of Vermont: Educating Vermonters

- Vermonters comprise 39.3% of the University's student body (fall 2010: 5,324 Vermonters out of a total enrollment of 13,554)
- The University is attracting academically strong Vermont students from all parts of the State.
- First to second year retention for Vermont students is currently 91%, and the graduation rate for Vermonters in May 2010 was 80.4%.
- The University supports Vermonters through academic scholarships including: Vermont Scholarships for students in the top tier of their high school classes; Green and Gold Scholarships for the top student in each Vermont public high school and select private high schools; and, Vermont Merit Scholarships for high-achieving Vermonters who qualify as National Merit Scholars, National Achievement, and National Hispanic Scholars.
- The University also supports Vermonters through institutional grant aid based on financial need.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
University of Vermont

Approximately 85% of Vermont undergraduates will receive some form of financial aid, scholarships or grants, this year. For academic year 2008-2009, the University began ensuring that the tuition and fees for all Vermonters eligible for Federal PELL grants were met without loans. In addition to state and federal support, almost \$16 million in grant and scholarship aid from the University's own funds went to Vermonters in FY 2010. Starting in FY 2008, the University began awarding financial aid from the Next Generation scholarship funds.

- The University provides continuing education to more than 8,500 individuals from Vermont and beyond.

The University of Vermont: A Research Enterprise to the State

- In FY 2010, UVM was awarded \$145.9 million in grants and contracts.
- In FY 2010 87% of grant and contract funding came from out-of-state sources
- University spin-off companies as a result of intellectual property generated at UVM include: Apollo Bioscience, Plomics, Stromatec, TeleMedTest, Vermedx, Vermont Natural Coatings, PhosphoReduc, Costa Enterprises, Microgen, and Green Mountain Spark. In addition, the following companies did not have UVM intellectual property but were founded by UVM faculty: Bio-Tek Instruments, Haematologic Technologies, Green Mountain Antibodies, Rowing Innovations, Inc., and Vermont Soy.
- One million dollars (\$1M) in FY 2007 one-time funds was invested in agriculture and environmental innovations, advanced engineering and technology, and public knowledge programs. In FY 2011, \$118,750 appropriated from the Next Generation fund was used by the University's technology transfer program to help bring University research innovations to the marketplace.
- The Vermont Business Center, a partnership between the School of Business Administration and Continuing Education, provides executive and professional education for Vermont employers, and the Center's Family Business Initiative offers support to small businesses.
- The University supports Vermont agriculture through research-based programs such as the Proctor Maple Laboratory, the Center for Sustainable Agriculture, the Center for Rural Studies, and a partnership with the non-profit Center for an Agricultural Economy.

The University of Vermont: Service to Vermont

- UVM students perform more than 110,000 hours of community and internship service annually.
- Medical, nursing, and allied health students help to meet a broad range of health care needs in

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
University of Vermont

communities throughout the State. Physician graduates of UVM/Fletcher Allen programs account for 41% of Vermont's primary care doctors, and 35% of all physicians practicing in Vermont.

- Education and information are provided in Vermont communities with more than 850 significant educational programs focusing on issues important to Vermonters. The University's Extension programs make over 50,000 direct contacts annually, including 8,300 youth, through workshops, consultations and various other educational events.
- The University's George Bishop Lane Series, among Vermont's premier presenters of performing arts, entertained over 10,000 patrons last year.
- Keep Local Farms (KLF) is part of a broad effort to stabilize and enhance milk prices paid to dairy farmers in the Northeast -while also helping to secure the farms of today for future generations. KLF has identified The University of Vermont and Sodexo as key partners in this effort due to their commitment to environmental stewardship and their recognition as leaders in sustainability and social responsibility. 10 cents from the sale of all single serve Hood milk has been collected and transferred to the Keep Local Farms program in support of New England dairy farmers. Since the launch of this initiative to June 2010 \$4,800.00 has been raised to aid these farms.
- The University and the Windham Foundation have developed a collaborative model to make academic and cultural resources available in the Grafton, Vermont area and the southern part of the state. Together, they have facilitated presentations in the Grafton area by faculty members as well as other speakers who visit campus. These presentations have been consistent with the Windham Foundation's mission to promote the vitality of Vermont's rural communities, and have included topics such as land use, economic development, agriculture, energy, and natural resources. The series will continue to support the Windham Foundation's mission as well as creating an awareness of the resources the University can provide to the state, including the expertise of its faculty, staff, alumni and other constituents.

The University of Vermont: A Major Vermont Industry

- Over 29,000 alumni -- 30% of all UVM graduates -- reside in Vermont and contribute to their communities. Their earnings are estimated at \$1.5 billion annually.
- The University of Vermont is the fourth largest employer in the state. Almost 3,800 employees

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
University of Vermont

will receive wages and benefits of almost \$368 million this year.

- The direct and indirect economic impact of the University, faculty, staff, student, and visitor spending in Vermont is estimated at over a billion dollars annually.
- Since the beginning of 2005, the University has invested \$348 million in 42 major capital construction projects.
- The University's total operating budget for FY 2010 was \$582 million. This resulted in a **14 to 1 return** on the state's base appropriation of \$40.7 million.

The competition for high quality students is intense. In order to remain competitive, the University must make additional strategic investments to:

- Nurture and promote a reputation for academic excellence,
- Recruit and retain high quality faculty and staff,
- Construct and maintain excellent facilities,
- Invest in state-of-the art technology, and
- Provide adequate financial aid for students who need it.

These investments will allow the University of Vermont to maintain its position as a distinguished institution of higher learning, critical to the long-term economic security and overall vitality of Vermont. The University's plan to improve its competitive position involves strategic cost reductions, focused academic programming, and garnering additional resources from multiple sources including planned growth in the student body, private giving, and sponsored research. Increased State investment is another key source of support and will be critical to our success.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
University of Vermont**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
University of Vermont	0	0	0	40,746,624	40,746,633	40,746,633	40,746,633
UVM - Morgan Horse Farm	0	0	0	0	1	1	1
<hr/>							
TOTAL	0	0	0	40,746,624	40,746,634	40,746,634	40,746,634
 FUND TYPE							
General Fund				36,740,472	36,740,478	36,740,478	36,740,478
Global Commitment Fund				4,006,152	4,006,156	4,006,156	4,006,156
<hr/>							
TOTAL				40,746,624	40,746,634	40,746,634	40,746,634

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
University of Vermont**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	40,746,624	40,746,633	40,746,633	40,746,633
TOTAL	<u>40,746,624</u>	<u>40,746,633</u>	<u>40,746,633</u>	<u>40,746,633</u>
FUND TYPE				
General Fund	36,740,472	36,740,477	36,740,477	36,740,477
Global Commitment Fund	4,006,152	4,006,156	4,006,156	4,006,156
TOTAL	<u>40,746,624</u>	<u>40,746,633</u>	<u>40,746,633</u>	<u>40,746,633</u>

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	0	1	1	1
TOTAL	0	1	1	1
FUND TYPE				
General Fund	0	1	1	1
TOTAL	0	1	1	1

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Public Television**

Department Mission Statement

Vermont Public Television works to educate, inform, entertain and inspire Vermonters to be lifelong learners and be engaged in their community, by fostering:

- Understanding of one another and various points of view
- Lifelong learning
- Children's readiness to learn
- Personal enrichment through arts, culture and entertainment
- Appreciation and respect for the environment and working landscape
- Involvement and participation in community and civic affairs

Vermonters are the owners of VPT, shaping what Vermont's statewide network does. VPT is a locally owned and operated service, inviting people of all ages, income levels, interests and backgrounds to explore new ideas, discover new worlds and broaden their horizons.

Description of Appropriations, Divisions, & Programs

Vermont Public Television was created by the State in 1967. While best known as a broadcaster of programs like Vermont This Week, Outdoor Journal, Profile, election debates and historical documentaries, as well as PBS programs like Nova, Great Performances, Sesame Street and Newshour, VPT has developed into a public media organization that can respond readily to Vermonters' interests. It has content on multiple platforms -- on air, online, on mobile devices and in the community.

Recent highlights include awards for outreach around mental illness and the Lake Champlain Quadricentennial. Local productions Outdoor Journal and Emerging Science received awards in 2010. VPT devoted each Thursday night in October to debates among candidates for statewide offices on air and online on the newly revamped vpt.org. As VPT continues to convert its facilities to digital, new production equipment is being installed.

Vermont Public Television's annual state appropriation is essential support for the services VPT provides to Vermonters. It is 9% of VPT's operating revenue and the largest single source of the local funds on which VPT claims federal matching dollars. State support, at about 88 cents per capita, ensures that all Vermonters -- from the preschooler learning from WordWorld to elders enjoying a concert from home -- have free access to quality educational content.

For the seventh year, a GfK Roper poll showed that Americans consider PBS the most trusted and unbiased institution among a group of nationally known organizations. Public television ranked ahead of

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Public Television

courts of law, commercial television networks, newspaper companies and the federal government. On a rating of the value of services the federal government provides, public television ranked just below military defense and above police/law enforcement agencies as a use of tax dollars.

Following are some highlights of how the state's investment in VPT touches Vermonters every day:

Programming and Services for Children, Parents and Educators

Vermont's children are at the heart of VPT's mission. Non-violent, commercial-free content on air and online inspires them to ask questions, read, solve problems and explore science. Teachers use VPT's free video and study guides. In recent outreach efforts, VPT helped develop educational content for the Champlain Quadracentennial that was honored recently with a Corporation for Public Broadcasting Education Award. Thanks to a federal grant for VPT's Emerging Science series, 175 high schools received a DVD and classroom materials. Students enjoyed live video interactions with experts from the series.

Programming and Services That Foster Lifelong Learning

VPT gives lifelong learners inspiration and information to explore history, arts, culture and science. Nova, Great Performances, American Experience and Ken Burns' documentaries are among the most valued PBS shows. VPT's own Profile interviews feature the region's writers, artists, performers and leaders. In 2011, VPT will launch its fourth season of Emerging Science, a project that uses television programs, digital media and educational outreach to promote awareness of science and encourage young people to consider careers in the field.

Programming and Services That Foster Engagement in Community and Civic Life

VPT fosters understanding of various points of view, welcoming diverse voices and opinions. In Vermont This Week, Report From Montpelier, Report From Washington, Call the Governor and election debates, VPT helps Vermonters be informed citizens with news, analysis and public affairs content. Vermont's citizens prove every day that, in a democracy, people can work together for the common good -- and VPT is proud to participate in that endeavor.

In FY 2010, VPT used the power of its statewide platforms and worked with 100 organizations, including state agencies, to hold 80 events that addressed issues important to Vermonters.

Making the most of their skills and limited resources, the three public TV stations in Maine, New Hampshire and Vermont produced Making Sense New England, a project that combined 10 programs and a resource-rich website to help northern New Englanders weather -- and even thrive in -- the

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Public Television**

economic downturn. The project included 25 workshops around the state focused on fraud, budgeting, savings and credit.

VPT partnered with the Vermont National Guard to get word out on how to assist soldiers and military families during the deployment to Afghanistan.

Programming and Services That Foster Appreciation for the Environment and Working Landscape

VPT's Outdoor Journal celebrates the state's traditions of recreation and conservation and has been honored with numerous awards. The Vermont Dept. of Fish & Wildlife provides production funding.

Encouraging appreciation for local agriculture, VPT produces cooking specials each year with help from the Agency of Agriculture and partners with Vermont Fresh Network on these programs.

PBS programs like Nature and Nova have taught generations of viewers to appreciate the natural world.

Public Safety and Other Services

VPT offers weather advisories, school closings and emergency information. On its towers, VPT makes space available to NOAA, FBI, Vermont Dept. of Public Safety, ham radio groups, county sheriffs, Civil Air Patrol and local first responders (police and fire).

VPT has encouraged and assisted broadband and wireless service providers on its transmitter sites to expand the deployment of their services statewide.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Public Television**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Public Television	0	0	0	547,683	547,683	547,683	547,683
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 547,683	<hr/> 547,683	<hr/> 547,683	<hr/> 547,683
FUND TYPE							
General Fund				547,683	547,683	547,683	547,683
<hr/> TOTAL				<hr/> 547,683	<hr/> 547,683	<hr/> 547,683	<hr/> 547,683

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Public Television**

Appropriation Key Budget Issues

When the recession hit, Vermont Public Television wanted to help Vermonters cope, so it developed practical local programs and web resources. VPT joined with other PBS stations and local organizations, including state agencies, to develop practical content, including Making Sense New England.

At the same time, VPT has struggled behind the scenes to protect what is on screen. VPT cut expenses deeply, with yearlong reductions in staff compensation and benefits starting in 2009 and recently stopped printing and mailing its program guide.

For every state dollar VPT receives, it raises about \$9 from non-state sources, including contributions from thousands of individuals and businesses. These donors provide most of the operating revenue, and VPT works hard to retain them. However, like most non-profits, VPT has seen a decline in contributions that is likely to continue for at least another year.

The most significant revenue pressures on VPT are:

- Health insurance for staff
- Rising costs to purchase PBS national programs and syndicated programs that are essential to serving Vermonters
- Decrease in donations since last year from individuals and businesses

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Public Television**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	547,683	547,683	547,683	547,683
<hr/> TOTAL	<hr/> 547,683	<hr/> 547,683	<hr/> 547,683	<hr/> 547,683
FUND TYPE				
General Fund	547,683	547,683	547,683	547,683
<hr/> TOTAL	<hr/> 547,683	<hr/> 547,683	<hr/> 547,683	<hr/> 547,683

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont State Colleges

Department Mission Statement

For the benefit of Vermont, the Vermont State Colleges provide affordable, high quality, student centered, and accessible education, fully integrating professional, liberal, and career study.

This integrated education, in conjunction with applied learning experiences, assures that graduates of VSC programs will:

1. Demonstrate competence in communication, research and critical thinking,
2. Practice creative problem solving, both individually and collaboratively,
3. Be engaged, effective, and responsible citizens,
4. Bring to the workplace appropriate skills and an appreciation of work quality and ethics,
5. Embrace the necessity and joy of lifelong learning.

The Vermont State Colleges also offer numerous opportunities for others to engage in continuous learning to meet their specific goals.

Description of Appropriations, Divisions, & Programs

The **Vermont State Colleges** (VSC) is a public corporation formed in 1961 by Legislative action, combining the campuses and programs of Castleton State College (CSC), Johnson State College (JSC), Lyndon State College (LSC), and Vermont Technical College (VTC). In 1970-71 VSC assumed the programs and operations of the newly established Community College of Vermont (CCV), which delivers programs and services at twelve leased and owned sites around the state. Through its five colleges, the VSC offers certificate, associate, baccalaureate and graduate programs in over 150 majors through on-site as well as web-based learning. Over eighty percent of VSC graduates remain in Vermont to work and live, contributing to Vermont's workforce in such vital areas as K-12 education, criminal justice, social work, nursing, dental hygiene and allied health care, communications, meteorology, computer information systems, accounting, business management, hospitality and tourism management, construction management, engineering technology, agricultural technology, veterinary technology, and biotechnology. Over 26,000 VSC alumni live and work in Vermont.

VSC colleges continue to experience enrollment at or above all-time records. In the past eight years, full-time equivalent enrollment has increased 41 percent (it's instructive to note that in the same time period, staffing has increased by only 11 percent). Total VSC headcount enrollment for fall 2010 is 13,494 students of which 84% are Vermonters. Fifty-nine percent of all Vermonters who attend undergraduate college in Vermont are enrolled at the VSC. Also notable is that 54% of VSC students are the first generation in their families to go to college. More than 38% of those in the VSC are considered "non-traditional" students aged 25 or older, with many of these adult learners pursuing

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont State Colleges

college education while working to support their families. Approximately 75% of all VSC students require some form of financial aid, and VSC graduates incur an average debt load of \$20,000.

Overseeing the VSC System is a single 15-member board, comprised of nine Governor-appointed Trustees serving 6-year terms, four legislatively-elected Trustees serving 4-year terms, one student-elected Trustee serving a 1-year term, and the Governor.

Further overseen by the VSC Board but separately tracked within the VSC's State operating appropriation are Nursing and Allied Health. Nursing was transferred from the Vermont Department of Education beginning FY1995. The Nursing and Allied Health program provide curricula to teach students to become nurses, respiratory therapists and dental hygienists. The Nursing and Allied Health program is key to helping meet Vermont's critical shortage of health care workers. Nursing programs are located at its Thompson Campus in Brattleboro, Putnam Campus in Bennington, Fanny Allen Campus in Williston, on the Vermont Tech campus in Randolph Center, and via Vermont Interactive Television where the nursing program is offered at six additional locations throughout the State. Dental Hygiene is located at the Williston Campus and Respiratory Therapy is located in Williston, Rutland and Newport.

Also overseen by the VSC Board and separately tracked within the VSC's State operating appropriation is Workforce Development (WD, previously called Vermont Manufacturing Extension Center - VMEC). Beginning in FY2002, the State of Vermont's investment in WD shifted from passing through the Vermont Department of Economic Development to being a line item in the VSC budget. WD staff operates from offices located throughout the state, with WD's headquarters based centrally on the main Vermont Tech campus. WD services and training offerings help Vermont's manufacturers across the state accelerate profitable growth and innovation, increase productivity, improve manufacturing and business processes, adopt advanced technologies, reduce costs, and improve their competitiveness.

The VSC serves approximately 20,000 Vermonters annually through its workforce education and training programs, including WD described above as well as the Vermont Small Business Development Center, and customized business and industry programs and apprenticeships offered through VTC's Technical Extension Division. For 2011, the VSC has formed Vermont Corporate College, a collaboration between VTC and CCV, whose purpose includes improving the skills of unemployed and incumbent workers. These programs serve major employers including Green Mountain Coffee Roasters, IBM, General Dynamics, General Electric, Central Vermont Hospital, National Life, and many more Vermont businesses large and small. Additionally, the VSC oversees the separately appropriated Vermont Interactive Television, fully described below.

The VSC has full-time employees in over 60 locations statewide, with every Vermonter being within 25 miles from some VSC site. The VSC is the fifth largest employer in Vermont, providing over 2,200 jobs for Vermonters, whose employment contributes greatly to the economy of communities across the State.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont State Colleges**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont State Colleges	0	0	0	23,155,212	23,107,247	23,107,247	23,107,247
VSC - Allied Health	0	0	0	1,068,537	1,116,503	1,116,503	1,116,503
<hr/>							
TOTAL	0	0	0	24,223,749	24,223,750	24,223,750	24,223,750
 FUND TYPE							
General Fund				23,818,342	23,818,343	23,818,343	23,818,343
Global Commitment Fund				405,407	405,407	405,407	405,407
<hr/>							
TOTAL				24,223,749	24,223,750	24,223,750	24,223,750

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont State Colleges**

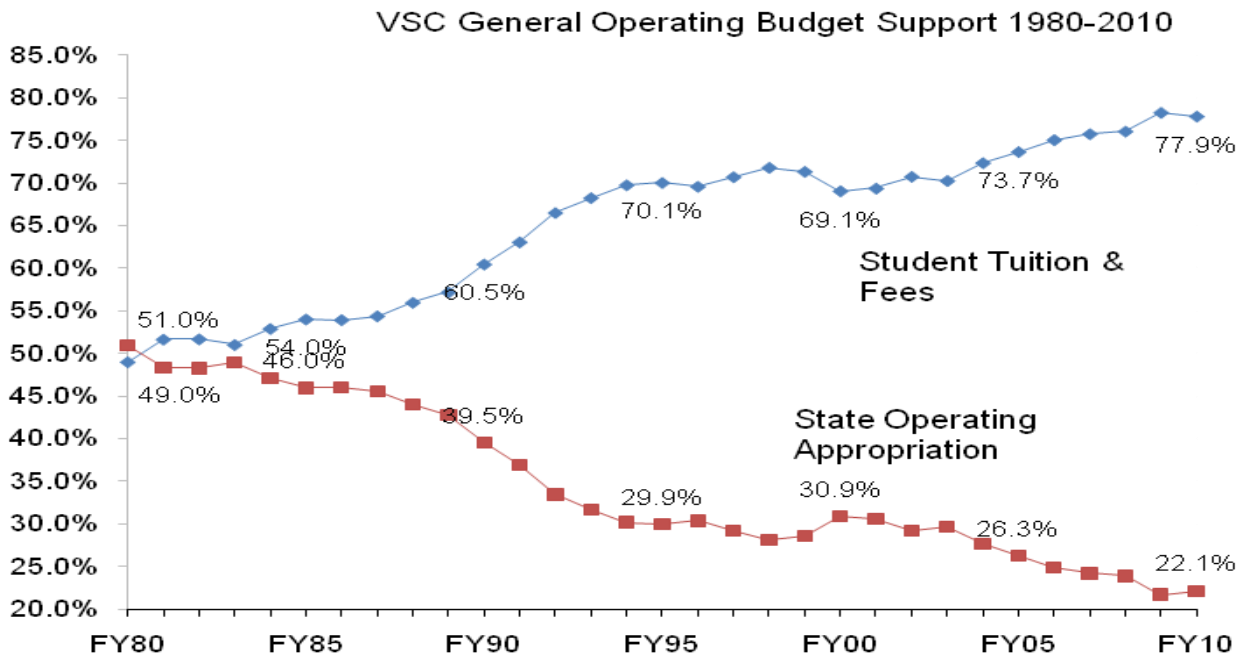
Appropriation Key Budget Issues

During the fifty years since VSC came into being, the percentage of State operating appropriations as a part of VSC revenue has consistently declined from originally around two-thirds to less than one-sixth presently.

To help offset reduced State support the VSC has made concerted efforts toward cost containment. This poses a constant challenge to the VSC in maintaining the quality of education needed to prepare students for good jobs in 21st century Vermont and elsewhere and the competitiveness of our institutions to continue to thrive in a time of demographic decline and economic turmoil.

Our higher education appropriations per FTE continue to rank last in the country by a substantial margin – for FY2009 \$2,654 per FTE while 49th place New Hampshire was \$3,131 per FTE. Those numbers are at the same funding levels per FTE as they were in 1980, without adjusting for inflation.

Following is the graphically illustrated state operating appropriations vs. student tuition and fees mix. It is well worth noting that during 1980's the state operating appropriation contributed more than tuition and fees. Since then, the mix has changed dramatically, and detrimentally, to almost \$4 of tuition and fees for every \$1 of state operating appropriation.



STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont State Colleges

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont State Colleges**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	23,155,212	23,107,247	23,107,247	23,107,247
<hr/> TOTAL	<hr/> 23,155,212	<hr/> 23,107,247	<hr/> 23,107,247	<hr/> 23,107,247
FUND TYPE				
General Fund	23,155,212	23,107,247	23,107,247	23,107,247
<hr/> TOTAL	<hr/> 23,155,212	<hr/> 23,107,247	<hr/> 23,107,247	<hr/> 23,107,247

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
VSC - Allied Health**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	1,068,537	1,116,503	1,116,503	1,116,503
TOTAL	1,068,537	1,116,503	1,116,503	1,116,503
FUND TYPE				
General Fund	663,130	711,096	711,096	711,096
Global Commitment Fund	405,407	405,407	405,407	405,407
TOTAL	1,068,537	1,116,503	1,116,503	1,116,503

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Interactive Television

Department Mission Statement

VIT's mission is to support the economic health and development of the State and its citizens by providing the statewide and worldwide videoconferencing infrastructure and operational expertise necessary to deliver education, training and information equally to all areas of the state.

Description of Appropriations, Divisions, & Programs

Appropriations

VIT evolved out of joint efforts involving the Vermont State Colleges (particularly Vermont Technical College), the Governor's Office, and the Vermont Telecommunications Commission. In 1986 the latter endorsed a report entitled "An Educational Telecommunications Transmission Network for Vermont", recommending that:

- o an integrated video, voice, and data telecommunications network be developed to meet the needs of education, government, and business; and
- o the telecommunications system be accessible within 25 miles of 90 percent of all Vermonters.

The General Assembly has supported VIT with annual operating appropriations beginning FY1989, as well as with several capital appropriations throughout the years to partially fund addition of new sites and needed replacement/upgrade to system equipment and infrastructure. Intent has continually been that VIT funding be separately appropriated and budgeted from the Vermont State Colleges, but that the VSC and its Board provide financial as well as managerial oversight to take advantage of existing administrative efficiencies. All VIT staff members are employees of the Vermont State Colleges and VIT is categorized as a higher education account. To further assure operational and policy guidance, the Governor established the VIT Coordinating Council—a seven-member group comprised of representatives from education, government, and business that meets on a monthly basis.

Community funding: All 17 Vermont studios are hosted without charge by an institution or business in each VIT community. This in-kind contribution is valued annually at more than \$300,000 and is critical to VIT's ongoing operations. In addition, the Vermont State Colleges provides in-kind administrative support, valued at approximately \$100,000 per year.

Sales and services make up the final component of VIT funding. In FY2011 VIT expects to earn an estimated \$330,000 in sales and service fees, derived from rates charged to clients to use the system as well as from consulting services.

Program

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Interactive Television

VIT has entered its second decade of service to Vermonters, making it possible for hundreds of organizations (in the education, nonprofit, government and business categories) to provide education, training, and information to people in all areas of the state. The State has invested \$1.2 million in equipment upgrades over the past 5 years to ensure that VIT's technology remains state-of-the-art and that the infrastructure continues to grow to meet Vermont's current and expanding videoconferencing and distance learning needs.

VIT currently operates **15 sites** (*17 studios-2 studios in Newport and Williston where the demand has been greater*) in Vermont, one within no more than 30 minutes of most Vermonters. Sites include: Bennington, Brattleboro, Castleton, Johnson, Lyndonville, Middlebury, Montpelier, Randolph Center, Rutland, Springfield, St. Albans, Waterbury, White River Junction & two studios in Newport and Williston).

In addition to statewide services, VIT offers nationwide and worldwide videoconferencing from all sites. VIT also has a direct connection to UVM's Distance Learning Network; connections to the Vermont Department of Corrections, the Vermont Criminal Justice Training Council; a partnership with the K-12 Learning Network of Vermont; and a consulting contract with the Vermont Department of Corrections. VIT recently designed and installed an in-house videoconferencing unit at the Vermont Supreme Court and bridged videoconference court proceedings between the Supreme Court in Montpelier, Costello Courthouse in Burlington and VIT sites.

VIT is uniquely positioned to provide videoconferencing via T1 and ISDN lines *and* via internet protocol (video over IP). As a result, VIT can connect to just about any desktop or room based videoconferencing system in the world. With State support, VIT installed a new multipoint control unit (MCU), also called a "bridge", this past summer. This new MCU allows VIT to bridge videoconferences for those who cannot afford the capital expense or management of an in-house MCU. VIT has been bridging conferences for the U.S. Bankruptcy Court and the Supreme Court and is in conversations with the Agency of Human Services regarding the same. The new bridge also expanded VIT's capabilities to include desktop videoconferencing services, archived and streaming video, and more.

This past year, through a partnership with Vermont Technical College and the Department of Education, VIT delivered a dual credit math course from Vermont Tech Williston campus to 10 students at Mount Anthony Union High School in Bennington. VIT has the ability to serve an ever expanding role in delivering education to Vermonters. VIT's staff members, most of who have more than 10 years experience, are Vermont's foremost videoconferencing and face-to-face distance learning experts.

VIT is well positioned to support room based, desktop and/or home based and eventually mobile videoconferencing and meeting applications. The ultimate goal is to provide this remote meeting technology anytime, anywhere.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Interactive Television**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Interactive Television	0	0	0	785,679	785,679	785,679	785,679
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 785,679	<hr/> 785,679	<hr/> 785,679	<hr/> 785,679
FUND TYPE							
General Fund				785,679	785,679	785,679	785,679
<hr/> TOTAL				<hr/> 785,679	<hr/> 785,679	<hr/> 785,679	<hr/> 785,679

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Interactive Television

Appropriation Key Budget Issues

VIT aims to retain its well developed technology and highly trained staff and maintain its current delivery model, while simultaneously expanding its services to support all videoconferencing applications in Vermont, no matter the location.

Vermonters are turning to VIT because it is an innovative, cost-effective and environmentally supportive travel alternative. VIT brings Vermonters cost savings, time savings and energy savings. For example, an average in-person meeting costs 70% more than a VIT videoconference meeting when personnel and mileage costs are considered. And, VIT is a green technology that can help reduce vehicle emissions. The Vermont Agency of Natural Resources calculated that for every average meeting held via VIT, vehicle emissions are reduced by $\frac{3}{4}$ ton. Each year, on average, through VIT use, Vermonters save:

- 4,872,696 miles
- 90,480 hours
- 190 tons of air pollution
- 2,500 tons of green house gases
- \$4,308,623 in travel expenses

Over the past six years, VIT has reduced staff (3.5 positions eliminated in 2005 and .4 in 2010) and expenses to minimal operational levels. Not too long ago, VIT had 16 full-time staff members running 12 sites. Today, VIT has only 8 full-time staff members managing 17 studios, a worldwide videoconferencing service and consulting contracts. VIT, even with its limited staff of 8 full-time employees, continues to work on increasing sales and service revenue. As in years past, the FY2012 assumes an aggressive sales goal. In addition, as previously stated, VIT communities and the VSC contribute approximately \$400,000 per year toward VIT operations. VIT will need continued support from the State in order to ensure that the 32,000+ Vermonters who have come to rely on VIT will have continued access to this resource and to ensure that the future demand for videoconferencing/distance learning can be met.

VIT will continue to focus on helping state agencies take advantage of this technology; thereby reducing the State travel budget, increasing staff productivity and reducing the carbon footprint. In 2009, Government use of VIT more than doubled.

VIT serves a broad cross-section of Vermont's institutions and organizations, including higher education, non-profits, state agencies, and businesses. Programs range in content from public hearings to workforce training, to undergraduate degree programs, to court proceedings, to updates on state and federal legislation and regulations for state employees, to national and international videoconferencing for such purposes as corporate meetings, candidate interviews and depositions. Last year's figures provide some dimension to evolving use of VIT over the last 21 years:

VIT...
-served 30,576 participants in Vermont

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Interactive Television

- hosted 1,145 videoconferences
- logged 19,761 hours on the system
- attracted 44 new clients
- hosted over 100 worldwide videoconferences
- transported Vermonters to destinations near and far, including: Armenia, Australia, Canada, Denmark, Netherlands, New Zealand, Russia, South Africa, United Arab Emirates, as well as Connecticut, Washington DC, California, New Jersey, Maryland, Montana, North Carolina, Pennsylvania, Colorado, Illinois, Kansas, Massachusetts, New Hampshire, Georgia, Rhode Island, Ohio, Oregon, Utah, Florida, Alabama, Maine, Indiana, Arkansas & Texas.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Interactive Television**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	785,679	785,679	785,679	785,679
TOTAL	785,679	785,679	785,679	785,679
FUND TYPE				
General Fund	785,679	785,679	785,679	785,679
TOTAL	785,679	785,679	785,679	785,679

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

Department Mission Statement

The Vermont Student Assistance Corporation (VSAC) was created by the Legislature in 1965 as a public nonprofit corporation overseen by an 11-member board of directors. Its mission is to ensure that all Vermonters have the necessary financial and information resources to pursue their education goals beyond high school. To achieve this mission, VSAC provides: (1) career and college planning services, (2) information on financial aid and postsecondary education and training programs, (3) financial aid in the form of grants, loans, and scholarships to qualified Vermonters, (4) early intervention and outreach to disadvantaged students, and (5) manages the Vermont Higher Education Investment Plan.

VSAC is unique in that all of its programs and services are available from a “one-stop” agency. While VSAC is probably best known for providing student loans, from origination through repayment, VSAC also supports social initiatives and addresses state workforce development needs by collaborating with other state agencies, such as the Department of Labor, in addition to working with many other public and private organizations.

Description of Appropriations, Divisions, & Programs

Career and Education Outreach Programs

Early career awareness and postsecondary aspiration are vital to Vermont’s economic growth and vitality; therefore, it is imperative that statewide career awareness and planning be made available to all students starting in 7th grade. From curriculum that emphasizes critical life skills and postsecondary education opportunities, to job shadowing and dual enrollment, Vermont students need to be more aware of how the choices they make today affect their lives tomorrow (such as making class choices with interests and future goals in mind).

As a state, we must invest in our youth, so that we have better-prepared graduates progressing onto postsecondary education, especially in light of the economic challenges we face at this time. Even with higher tuition and other costs, postsecondary education is as important today as a high school diploma was 20 years ago. Education beyond high school is likely to mean:

- **More job opportunities.** Most good jobs require more than a high school diploma. A college degree or other postsecondary training will open more doors for Vermont students because employers need people who can think critically, communicate well, and solve problems creatively.

- **Financial rewards.** Over a lifetime, a person with a four-year degree can earn twice as much as someone with only a high school diploma, according to the U.S. Census Bureau.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

• **A sense of accomplishment.** Increased educational attainment provides the satisfaction of personal growth. Vermonters need education beyond high school if they are to realize life's opportunities — sustainable incomes, career advancement, self-fulfillment, and effective citizenship — and for Vermont to survive and thrive.

VSAC is working with Vermont school counselors, educators, and parents to help Vermont students develop the knowledge and skills that will support their plans for the future. Eighty-six percent (86%) of students who received VSAC career and education outreach services were enrolled in a postsecondary education program in the fall of 2010.

<p><u>Middle school contacts:</u> 9,984 students in grades 5-8 received individual counselor contact or participated in a classroom workshop. (FY10)</p>
--

<p><u>High school contacts:</u> 35,641 students in grades 9-12 received individual counselor contact or participated in a classroom workshop. (FY10)</p>
--

Career Planning Initiative (CPI) Consultations and Trainings

Thirty schools (elementary, middle, and high schools) and more than 7,000 students across Vermont are benefitting from VSAC CPI consultation and training services. These services range from an overview of the program, to full, ongoing consultations and creation of a career awareness program for students.

Adult Career and Education Counseling

It is important that we not stop at high school graduation when it comes to career education and guidance. Many adult Vermonters already in the labor force find themselves seeking assistance when faced with such circumstances as job loss or change. To be successful in today's job market, individuals often must update their skills or attain additional education to increase overall employability.

VSAC staff provide counseling and objective information on career development, education options, and financial aid to Vermonters in communities around the state in individual and group sessions. Forty-four percent of the adults are referred by human services agencies and colleges. Also offered are career and education planning workshops for the general public, and specialized workshops to meet the needs of partner agencies. During FY10, VSAC counselors serving adults provided 7,666 counseling sessions to Vermonters.

Grant Program Descriptions

VSAC grants, funded in full by state appropriations, are awarded to Vermont students based on financial need. The grant programs include Incentive Grants for full-time students, Part-Time Incentive Grants for students taking fewer than 12 credits per semester, and Non-Degree Grants for students taking up to three individual courses to improve employability.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

Vermont Incentive Grants

Incentive Grants are the major source of need-based assistance to full-time Vermont students. They are available to residents who attend an approved postsecondary education institution and have not already received a bachelor's degree. Vermont residents enrolled at the University of Vermont College of Medicine or an approved school of veterinary medicine are also eligible.

FULL-TIME GRANT PROGRAM:	FY02	FY04	FY06	FY08	FY09	FY10	Change: FY02–FY10	
							#	%
Number of Applicants	16,242	17,793	16,172	15,666	16,002	16,663	421	2.6%
Number of Recipients	8,961	10,054	9,097	8,817	8,769	9,235	274	3.1%
Amount Awarded	\$14,219,107	\$15,945,062	\$16,534,123	\$17,922,115	\$16,272,121	\$17,589,732	\$3,370,625	23.7%
Average Grant	\$1,586.777	\$1,586	\$1,818	\$2,033	\$1,856	\$1,905	\$318	20.1%

Vermont Part-Time Incentive Grants

Part-Time Incentive Grants are available to degree students taking fewer than 12 credits per semester. Many working Vermonters receive part-time grants.

PART-TIME GRANT PROGRAM:	FY02	FY04	FY06	FY08	FY09	FY10	Change: FY02–FY10	
							#	%
Number of Applicants	4,382	4,846	4,340	4,237	4,349	4,717	335	7.6%
Number of Recipients	2,108	2,408	2,073	2,007	2,186	2,430	322	15.3%
Amount Awarded	\$987,122	\$1,025,923	\$1,050,240	\$1,105,472	\$1,119,640	\$1,212,450	\$225,328	22.8%
Average Grant	\$468	\$426	\$507	\$551	\$512	\$499	\$31	6.6%

Vermont Non-Degree Grants

Non-Degree Grants are available to Vermonters for non-degree courses that will improve an individual's employability or encourage further study, and which will not necessarily lead to a degree, certificate, or diploma. Non-Degree Grants are need-based and are a major source of financial aid for Vermonters seeking to acquire, keep, or expand their employment skills.

Non-Degree Grants are used at many types of institutions, including vocational/technical centers, trade-specific training schools, and community colleges. It is not unusual for Vermonters to begin a course of study by using a Non-Degree Grant and then become matriculating students. This grant is unique to Vermont, and is particularly useful for non-traditional students.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

NON-DEGREE GRANT PROGRAM:	FY02	FY04	FY06	FY08	FY09	FY10	Change: FY02–FY10	
							#	%
Number of Applicants	1,551	1,792	1,752	2,108	2,348	2,273	722	46.6%
Number of Recipients	932	962	884	1,122	1,222	1,052	120	12.9%
Amount Awarded	\$663,459	\$720,909	\$724,632	\$1,666,413	\$1,841,747	\$1,593,030	\$929,571	140.1%
Average Grant	\$712	\$749	\$820	\$1,485	\$1,507	\$1,514	\$802	112.7%

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vt Student Assistance Corp	0	0	0	18,363,606	18,363,607	18,363,607	18,363,607
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 18,363,606	<hr/> 18,363,607	<hr/> 18,363,607	<hr/> 18,363,607
FUND TYPE							
General Fund				18,363,606	18,363,607	18,363,607	18,363,607
<hr/> TOTAL				<hr/> 18,363,606	<hr/> 18,363,607	<hr/> 18,363,607	<hr/> 18,363,607

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	18,363,606	18,363,607	18,363,607	18,363,607
<hr/> TOTAL	<hr/> 18,363,606	<hr/> 18,363,607	<hr/> 18,363,607	<hr/> 18,363,607
FUND TYPE				
General Fund	18,363,606	18,363,607	18,363,607	18,363,607
<hr/> TOTAL	<hr/> 18,363,606	<hr/> 18,363,607	<hr/> 18,363,607	<hr/> 18,363,607

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
NE Higher Education Compact**

Department Mission Statement

The New England Board of Higher Education (NEBHE), created in 1955, is an interstate educational compact of the New England states authorized by the U.S. Congress and approved by the state legislatures. Two of NEBHE's goals are to promote regional coordination and efficient use of education resources among the six New England states and to strengthen the connection between higher education and economic development in the region. NEBHE also sponsors the Regional Student Program (RSP) that allows New England students to attend public colleges and universities throughout New England at a discounted tuition rate for programs that are not otherwise available in their home state.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
NE Higher Education Compact**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
NE Higher Education Compact	0	0	0	84,000	84,000	84,000	84,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000
FUND TYPE							
General Fund				84,000	84,000	84,000	84,000
<hr/> TOTAL				<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
NE Higher Education Compact**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	84,000	84,000	84,000	84,000
<hr/> TOTAL	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000
FUND TYPE				
General Fund	84,000	84,000	84,000	84,000
<hr/> TOTAL	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Natural Resources

Agency Mission Statement

It is the mission of the Agency of Natural Resources to protect, sustain, and enhance Vermont's natural resources for the benefit of this and future generations. To accomplish this mission, the Agency directs its activities to accomplish four primary goals:

- To promote the sustainable use of Vermont's natural resources
- To protect and improve the health of Vermont's people and ecosystems
- To promote sustainable outdoor recreation
- To operate efficiently and effectively as an agency so that we can fulfill our mission.

Description of Departments in Agency

Department of Fish and Wildlife -- responsible for the conservation and management of Vermont's fish and wildlife resources and the protection of the state's threatened and endangered species.

Department of Forests, Parks and Recreation - responsible for the conservation and management of Vermont's forest resources, the operation and maintenance of the state park system, and the promotion and support of outdoor recreation for Vermonters and our visitors.

Department of Environmental Conservation - responsible for the conservation and management of the state's natural resources and protection of the public health through various grant, regulatory, technical assistance, and public information and education programs.

Agency Central Office (Administration, Management and Planning) - responsible for leadership and oversight of all programs, as well as the financial management, personnel administration, information system management, and legal services for the agency.

Agency Key Budget Issues

The Agency of Natural Resources in FY12 continues to use alternate funding sources to overcome upward pressures while maintaining current levels of service on all major programs. The overall staffing level for the Agency for the first time in several years remains stable.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Natural Resources

AGENCY SUMMARY BY DEPARTMENT

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Natural Resources Central Office	47	41	31	6,878,260	6,803,031	6,709,567	6,054,876
Fish and Wildlife	130	133	135	18,354,167	18,605,015	18,494,265	18,875,703
Forests, Parks and Recreation	110	102	100	19,187,649	18,871,677	26,364,360	19,007,722
Environmental Conservation	289	268	273	37,981,754	38,514,044	38,730,778	42,192,635
<hr/>							
TOTAL	576	544	539	82,401,830	82,793,767	90,298,970	86,130,936
FUND TYPE							
General Fund				20,706,816	19,467,759	18,731,116	18,696,415
Fish & Wildlife Fund				16,859,247	17,113,525	17,113,525	17,531,844
Special Fund				25,970,207	27,232,870	27,974,716	30,643,489
American Recovery & Reinvestment Act				1,734,865	1,467,187	1,467,187	698,686
Federal Revenue Fund				14,293,545	14,659,151	22,159,151	15,796,383
Interdepartmental Transfer				2,837,150	2,853,275	2,853,275	2,764,119
<hr/>							
TOTAL				82,401,830	82,793,767	90,298,970	86,130,936

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Department Mission Statement

The mission of the Agency of Natural Resources Central Office is to provide both leadership for agency programs and the support that those programs need to accomplish their missions.

Description of Appropriations, Divisions, & Programs

The major components of the ANR Administration, Management and Planning appropriation are:

Secretary's Office - The Secretary's Office is responsible for the overall leadership and management of the Agency, oversight of legal services throughout the Agency, and coordination of Agency policy and public information.

Environmental Litigation and Regulatory Management Group – This Group represents the Agency in proceedings before the Environmental Court, the Public Service Board, and the Natural Resources Board. These proceedings may include: (1) Appeals of Agency actions such as the issuance or denial of permits, (2) Appeals of Act 250 permits to the Environmental Court from Environmental Commissions, and (3) the review of proposed projects seeking a certificate of public good before the Public Service Board. This team also manages the Agency's review of Act 250 applications and coordinates staff review teams for Act 250 and coordinates staff review of other regulatory processes, including Public Service Board and federal EIS processes. The Group publishes a weekly list of Act 250, Environmental Court and Public Service Board applications and maintains a data base of Act 250 records. The Group provides case management for large, complex projects in both pre application work and throughout the regulatory process.

Administrative Services Division - The Administrative Services Division is responsible for providing financial management services for the Agency and its departments, preparation and management of the Agency budget, coordination with the Agency of Administration on finance and office operations, personnel administration, management of Agency offices and other facilities, and logistical support of the Agency's six regional offices.

Information Technology Division - The Information Technology Division is responsible for providing direct information technology services to the entire Agency and to the Agency and Act 250 regional offices, and the development and implementation of the Agency's Information Technology Plan.

Regional Offices - The ANR Central Office appropriation includes funding to support office operations of the Agency's six regional offices, five of which are shared by staff from the Natural Resources Board

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Act 250 program.

Other Central Office support includes:

An appropriation for payment in lieu of property taxes on lands owned by the Agency.

A pass-through for the Connecticut River Joint Commission, which coordinates with Vermont citizens, municipalities and the State of New Hampshire on issues related to the management and protection of the Connecticut River.

A pass-through for support of the Lake Champlain Citizen's Advisory Committee, which provides citizen input to the General Assembly, the Lake Champlain Basin Program, and the Agency on issues related to the management and protection of Lake Champlain.

A pass-through to the Green Up Day Committee for implementation of the Green Up Day Program.

Department Key Budget Issues

The statewide consolidation of Human Resources in FY11 resulted in the reduction of three positions in the Central Office. In addition, four water quality positions are being reallocated to the Department of Environmental Conservation. The reduction of one position during FY11 enables the Central Office budget to overcome upward financial pressures due primarily to benefit increases and the return of the General Counsel to a full-time position.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Admin., Management & Planning	47	41	31	4,696,447	4,674,298	4,580,834	3,926,143
CT River Watershed Advisory Comm	0	0	0	38,000	0	0	0
Advisory Comm on Lake Champlain	0	0	0	7,500	0	0	0
Local Property Tax Assessment	0	0	0	2,118,169	2,128,733	2,128,733	2,128,733
Green Up	0	0	0	18,144	0	0	0
<hr/>							
TOTAL	47	41	31	6,878,260	6,803,031	6,709,567	6,054,876
FUND TYPE							
General Fund				6,132,437	5,976,498	5,883,034	5,427,446
Special Fund				19,483	17,797	17,797	54,484
Federal Revenue Fund				137,563	174,332	174,332	25,000
Interdepartmental Transfer				588,777	634,404	634,404	547,946
<hr/>							
TOTAL				6,878,260	6,803,031	6,709,567	6,054,876

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Admin., Management & Planning

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,398,172	3,496,740	3,412,106	2,739,259
Operating Expenses	1,275,006	1,107,048	1,098,218	1,141,374
Grants	23,269	70,510	70,510	45,510
<hr/> TOTAL	<hr/> 4,696,447	<hr/> 4,674,298	<hr/> 4,580,834	<hr/> 3,926,143
FUND TYPE				
General Fund	4,379,704	4,269,265	4,175,801	3,720,213
Special Fund	1,339	17,797	17,797	54,484
Federal Revenue Fund	137,563	174,332	174,332	25,000
Interdepartmental Transfer	177,841	212,904	212,904	126,446
<hr/> TOTAL	<hr/> 4,696,447	<hr/> 4,674,298	<hr/> 4,580,834	<hr/> 3,926,143

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	38,000	0	0	0
<hr/> TOTAL	<hr/> 38,000	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	38,000	0	0	0
<hr/> TOTAL	<hr/> 38,000	<hr/> 0	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	4,079	0	0	0
Operating Expenses	3,421	0	0	0
<hr/> TOTAL	<hr/> 7,500	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	7,500	0	0	0
<hr/> TOTAL	<hr/> 7,500	<hr/> 0	<hr/> 0	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Local Property Tax Assessment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Operating Expenses	2,118,169	2,128,733	2,128,733	2,128,733
TOTAL	2,118,169	2,128,733	2,128,733	2,128,733
FUND TYPE				
General Fund	1,707,233	1,707,233	1,707,233	1,707,233
Interdepartmental Transfer	410,936	421,500	421,500	421,500
TOTAL	2,118,169	2,128,733	2,128,733	2,128,733

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Green Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Operating Expenses	7,594	0	0	0
Grants	10,550	0	0	0
<hr/>				
TOTAL	18,144	0	0	0
FUND TYPE				
Special Fund	18,144	0	0	0
<hr/>				
TOTAL	18,144	0	0	0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fish and Wildlife

Department Mission Statement

The mission of the Vermont Department of Fish and Wildlife is the conservation of fish, wildlife, and plants and their habitats for the people of Vermont.

The fish, wildlife and plant resources of Vermont are a tremendous asset to the state and contribute to the quality of life of most Vermonters. In 2006, when asked, 97% of Vermonters said that wildlife habitats and lands were important to them. The Department is responsible for the conservation of wildlife in its broadest sense: 40 species of reptiles and amphibians, 91 species of fish, 252 species of birds, 58 species of mammals, more than 15,000 insect species, along with important wildlife habitats for present and future generations of Vermonters. To that end, native wildlife such as the beaver, moose, fisher, wild turkey, common loon, bald eagle, osprey, and peregrine falcon have been successfully restored through Department efforts. The Fish and Wildlife Department has conserved and manages over 120,000 acres of land for public use and as important habitat. In addition, the Department provides safe, high quality hunting, fishing, trapping, and wildlife viewing opportunities. Vermont currently ranks 3rd in the nation in participation in wildlife-associated recreation (combination of hunting, fishing, and wildlife watching) with 62% of Vermonters participating. These activities generate significant revenues for the state. In 2006, Vermonters and visitors spent more than \$376 million dollars in fishing, hunting, and wildlife viewing activities

Description of Appropriations, Divisions, & Programs

The **Support & Field Services** appropriation provides the funding for the Department's core services. These core services include: conserving, restoring and enhancing fish and wildlife habitat, wetlands and natural communities; inventorying, monitoring and managing game species to ensure sustainable population levels are maintained; inventorying, monitoring, and managing species that are not hunted and developing recovery initiatives for species that are threatened or endangered; promoting and providing a diversity of hunting and angling opportunities; promoting and facilitating land management planning and stewardship in Vermont; managing wildlife habitat on 86 Wildlife Management Areas, maintaining public access to water bodies on over 175 Access Areas, providing viewing and photography opportunities of fish and wildlife; ensure safe practices for those participating in fish- and wildlife-based recreational activities; maintaining full response to requests from citizens and agencies regarding threats to human life or safety; limiting the number of human injuries and fatalities that result from encounters with wildlife (i.e. moose and deer car collisions); informing and educating the public; and performing basic research. Also included in this appropriation is the funding to support watershed education efforts and projects that protect, restore, or enhance Vermont's watershed resources.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fish and Wildlife

Key Divisions within the Department are as follows:

Financial Services and Licensing Division - The Financial Services and Licensing Division provides policy, legal, planning, personnel, and financial management leadership for the Department. It oversees the production, distribution, and sales of all hunting and fishing licenses and over fifteen types of other permits related to resource protection. It is also responsible for the management of over \$8 million in federal grant dollars, ensuring the funds are spent appropriately and that all reporting requirements are met.

Fisheries Division - The Fisheries Division is responsible for the conservation and management of all fish and fish habitats throughout Vermont. Staff members are engaged in a wide variety of activities, including: monitoring populations of sport fish species, endangered species, and their habitats; cooperating in the research, management, and restoration of fish communities in the Lake Champlain and Connecticut River Basins; rearing and stocking more than 9 million sport fish annually for recreational and restoration purposes; evaluating current and preparing new fishing harvest regulation recommendations for lake trout, brook trout, perch, northern pike, walleye, bass, and other species; participating in the protection of critical aquatic habitat through regulatory processes such as Act 250 and technical assistance; and preparing educational materials.

Law Enforcement Division - The Law Enforcement Division is an integral part of fish and wildlife conservation and management. Its primary duty is to enforce Vermont's fish and wildlife laws and regulations. Fish and Wildlife species are held in the Public Trust and this Division enforces laws related to the protection of these resources for the benefit of all Vermonters. The Division provides responses to citizen requests in the for Department involving fish and wildlife resources, conflicts, search and rescue and many other additional law enforcement assistance to citizens and other law enforcement agencies.

Outreach Division - The Outreach Division is responsible for all major outreach and formal educational programs of the Fish and Wildlife Department. Programs are designed to improve the public's knowledge and appreciation of Vermont's fish and wildlife resources and their habitats as well as related laws, disease issues and management programs. Division staff supports the Department's mission by providing professional communications and education to the state's inhabitants and visitors alike. These efforts are a means to create awareness and achieve voluntary compliance with state laws, regulations and programs and encourage support for fish, wildlife and habitat conservation and protection programs.

Wildlife Division - The Wildlife Division is responsible for the conservation and management of all wildlife, plants, and their habitat throughout Vermont. Division staff are engaged in a variety of activities such as: conducting research in support of management actions and decisions; monitoring populations of rare, threatened and endangered plant and animal species; preparing harvest recommendations for wildlife species with open regulated hunting or trapping seasons; participating in the protection of critical wildlife habitat through regulatory processes such as Act 250; land acquisition

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fish and Wildlife

and management of 120,000 acres on the Department's 86 Wildlife Management Areas, monitoring wildlife diseases and the importation of wildlife into Vermont; and, technical assistance, planning and outreach to wildlife observers, landowners, hunters, school children, and natural resources professionals regarding wildlife in Vermont.

Department Key Budget Issues

FY 2011 was a fee bill year for the Department and FY 2012 will see a full year of those license fee increases. These increased fees will help to offset significant increases in health insurance and retirement costs.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Fish and Wildlife

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Support & Field Services	130	133	135	18,229,686	18,605,015	18,494,265	18,875,703
Watershed Improvement	0	0	0	124,481	0	0	0
<hr/>							
TOTAL	130	133	135	18,354,167	18,605,015	18,494,265	18,875,703
FUND TYPE							
General Fund				1,125,437	1,157,253	1,046,503	983,713
Fish & Wildlife Fund				16,859,247	17,113,525	17,113,525	17,531,844
Special Fund				13,106	0	0	20,000
Interdepartmental Transfer				356,377	334,237	334,237	340,146
<hr/>							
TOTAL				18,354,167	18,605,015	18,494,265	18,875,703

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Support & Field Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	12,089,406	12,803,506	12,714,066	12,718,176
Operating Expenses	5,147,124	4,897,176	4,875,866	5,253,194
Grants	993,156	904,333	904,333	904,333
<hr/>				
TOTAL	18,229,686	18,605,015	18,494,265	18,875,703
FUND TYPE				
General Fund	1,125,437	1,157,253	1,046,503	983,713
Fish & Wildlife Fund	16,734,766	17,113,525	17,113,525	17,531,844
Special Fund	13,106	0	0	20,000
Interdepartmental Transfer	356,377	334,237	334,237	340,146
<hr/>				
TOTAL	18,229,686	18,605,015	18,494,265	18,875,703

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Watershed Improvement**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Operating Expenses	236	0	0	0
Grants	124,245	0	0	0
<hr/>				
TOTAL	124,481	0	0	0
FUND TYPE				
Fish & Wildlife Fund	124,481	0	0	0
<hr/>				
TOTAL	124,481	0	0	0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

Department Mission Statement

The mission of the Vermont Department of Forests, Parks and Recreation (FPR) is to monitor and maintain the health, integrity, diversity and value of important species, natural communities, and ecological processes by:

- Managing forests for sustainable economic growth;
- Providing and promoting opportunities for compatible outdoor recreation; and
- Furnishing related information, education, and service.

Description of Appropriations, Divisions, & Programs

Administration - The Administration Division is responsible for leadership and oversight of all Department programs, financial management, personnel management, policy development and legal services, as well as administering recreation grant programs.

Forestry - Forestry programs affect a broad and expanding constituency concerned with the sustainable use, management, protection and future condition of Vermont's forest landscape, representing 75% of the state. These forests provide the economic resource base for Vermont's diverse forest products industry through sustainable timber management, as well as providing the cornerstone of the state's recreation and tourism economies. Vermont's actively managed forest also provides critical biological diversity, natural communities and wildlife habitats.

The Forestry Division has responsibility for administration and oversight of the 1.5 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 343,000 acres of state-owned land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the forest products industry—including the growing biomass energy market—and the administration of forestry assistance programs.

State Parks - The State Park Division is responsible for planning for the operation, maintenance and preservation of the state park system and the protection of the natural resources within it. The State Park system currently includes 52 developed parks that, not including capital construction, contribute and estimated \$60 million annually to Vermont's economy.

Land Administration - The Lands Division has responsibility for the administration and real estate activity of state-owned lands managed by the three departments with the Agency of Natural Resources (ANR) --approximately 343,000 acres. The Division also maintains ANR property records and maps; administers leases, licenses and special use permits for ANR lands; carries out land acquisitions and other transactions; assists with long-range management planning for ANR lands; surveys and maps

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

ANR lands, and coordinates development of ANR lands policies.

Vermont Youth Conservation Corps - FPR is the administrator of pass-through monies from AOT, trail funds, general funds and donations. This program educates youth in good conservation ethics through employment in natural resource related projects.

Forest Highway Maintenance - This program uses state funds to repair and maintain the ANR forest highway network. This network consists of approximately 600 miles of roads and essential to the interior maintenance of state forest land.

Key Budget Issues

In accordance with being a charter unit of state government, the Department of Forests, Parks & Recreation's FY 2012 budget continues to leverage available special fund revenues. This budget relies on revenue generated from operating State Parks and managing State Lands to offset upward pressures and make strategic investments.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration	13	10	10	3,923,613	3,354,694	3,893,389	3,445,743
Forestry	58	53	51	5,301,839	5,543,766	5,469,754	5,373,742
State Parks	34	34	34	7,614,417	7,488,172	7,525,686	7,801,387
Lands Administration	5	5	5	1,471,542	1,659,579	8,650,065	1,657,223
Youth Conservation Corps	0	0	0	686,398	670,541	670,541	574,702
Forest Highway Maintenance	0	0	0	189,840	154,925	154,925	154,925
TOTAL	110	102	100	19,187,649	18,871,677	26,364,360	19,007,722
FUND TYPE							
General Fund				5,600,213	5,370,370	4,922,452	5,029,349
Special Fund				9,127,500	9,202,127	9,642,728	10,186,467
American Recovery & Reinvestment Act				36,007	372,750	372,750	0
Federal Revenue Fund				3,679,087	3,366,906	10,866,906	3,366,906
Interdepartmental Transfer				744,842	559,524	559,524	425,000
TOTAL				19,187,649	18,871,677	26,364,360	19,007,722

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,037,590	918,024	906,719	980,517
Operating Expenses	800,425	621,179	921,179	649,734
Grants	2,085,598	1,815,491	2,065,491	1,815,492
<hr/> TOTAL	<hr/> 3,923,613	<hr/> 3,354,694	<hr/> 3,893,389	<hr/> 3,445,743
FUND TYPE				
General Fund	1,093,016	1,033,816	1,022,511	1,174,865
Special Fund	1,528,976	1,307,878	1,357,878	1,307,878
American Recovery & Reinvestment Act	6,007	50,000	50,000	0
Federal Revenue Fund	1,295,491	963,000	1,463,000	963,000
Interdepartmental Transfer	123	0	0	0
<hr/> TOTAL	<hr/> 3,923,613	<hr/> 3,354,694	<hr/> 3,893,389	<hr/> 3,445,743

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Forestry

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	4,229,525	4,511,199	4,437,187	4,377,380
Operating Expenses	452,197	531,567	531,567	495,362
Grants	620,117	501,000	501,000	501,000
<hr/> TOTAL	<hr/> 5,301,839	<hr/> 5,543,766	<hr/> 5,469,754	<hr/> 5,373,742
FUND TYPE				
General Fund	3,308,999	3,221,738	2,986,726	3,008,767
Special Fund	461,372	679,372	840,372	975,069
American Recovery & Reinvestment Act	29,177	252,750	252,750	0
Federal Revenue Fund	1,301,283	1,259,906	1,259,906	1,259,906
Interdepartmental Transfer	201,008	130,000	130,000	130,000
<hr/> TOTAL	<hr/> 5,301,839	<hr/> 5,543,766	<hr/> 5,469,754	<hr/> 5,373,742

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
State Parks

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	5,340,935	5,503,357	5,498,270	5,710,180
Operating Expenses	2,273,482	1,984,815	2,027,416	2,091,207
<hr/> TOTAL	<hr/> 7,614,417	<hr/> 7,488,172	<hr/> 7,525,686	<hr/> 7,801,387
FUND TYPE				
General Fund	585,419	532,197	340,110	265,454
Special Fund	6,720,025	6,751,451	6,981,052	7,535,933
American Recovery & Reinvestment Act	823	70,000	70,000	0
Interdepartmental Transfer	308,150	134,524	134,524	0
<hr/> TOTAL	<hr/> 7,614,417	<hr/> 7,488,172	<hr/> 7,525,686	<hr/> 7,801,387

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Lands Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	458,611	450,413	440,899	447,753
Operating Expenses	958,321	1,209,166	8,209,166	1,209,470
Grants	54,610	0	0	0
<hr/>				
TOTAL	1,471,542	1,659,579	8,650,065	1,657,223
FUND TYPE				
General Fund	376,939	385,374	375,860	383,018
Special Fund	35,849	179,205	179,205	179,205
Federal Revenue Fund	1,013,193	1,050,000	8,050,000	1,050,000
Interdepartmental Transfer	45,561	45,000	45,000	45,000
<hr/>				
TOTAL	1,471,542	1,659,579	8,650,065	1,657,223

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Youth Conservation Corps**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	686,398	670,541	670,541	574,702
<hr/> TOTAL	<hr/> 686,398	<hr/> 670,541	<hr/> 670,541	<hr/> 574,702
FUND TYPE				
General Fund	46,000	42,320	42,320	42,320
Special Fund	381,278	284,221	284,221	188,382
Federal Revenue Fund	69,120	94,000	94,000	94,000
Interdepartmental Transfer	190,000	250,000	250,000	250,000
<hr/> TOTAL	<hr/> 686,398	<hr/> 670,541	<hr/> 670,541	<hr/> 574,702

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	48,006	20,000	20,000	20,000
Operating Expenses	141,834	134,925	134,925	134,925
<hr/> TOTAL	<hr/> 189,840	<hr/> 154,925	<hr/> 154,925	<hr/> 154,925
FUND TYPE				
General Fund	189,840	154,925	154,925	154,925
<hr/> TOTAL	<hr/> 189,840	<hr/> 154,925	<hr/> 154,925	<hr/> 154,925

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Environmental Conservation

Department Mission Statement

The mission of the Vermont Department of Environmental Conservation is to preserve, enhance, restore, and conserve Vermont's natural resources, and protect human health, for the benefit of this and future generations

Description of Appropriations, Divisions, & Programs

By statute and through delegation from the Agency of Natural Resources, the Department of Environmental Conservation (DEC) is charged with protecting public health and the environment. The department meets this challenge through: (1) permits for activities that require specific conditions, compliance inspections and enforcement to ensure public health and the environment are protected in a fair, effective manner; (2) financial assistance in the form of grants and loans; (3) public education and technical assistance; (4) monitoring environmental quality and public health; and (5) restoring natural resources through projects such as aquatic weed harvesting and riverbank restoration. DEC believes that people must be treated fairly, honestly and openly; that programs must be efficient and cost-effective; that DEC must lead by example; that actions must be timely; and that the department must show respect for both Vermont's citizens and natural resources.

The Department administers various state and federal programs with responsibility for regulating the discharge or emission of pollutants into the air, water or soil. Many of these programs are administered under the authority of federal law with the approval of the United States Environmental Protection Agency. In this way, the State of Vermont retains control over decisions affecting its citizens and is eligible to receive federal funds to implement these programs.

The Department has four appropriations. Three appropriations cover the majority of the Department's work in eight divisions. Descriptions of each division are located below under their appropriation. The fourth appropriation is the Connecticut River Valley Flood Control Compact for Tax Losses.

Management and Support Services Appropriation

Commissioner's Office

The Commissioner's Office provides leadership, management, business, policy and planning services for all departmental divisions and programs. The Commissioner's Office includes the Environmental Assistance Office.

The Environmental Assistance Office (EAO) assists the public with permitting activities. Permit

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Environmental Conservation

specialists provide assistance and identify needed permits for each applicant. Compliance specialists provide assistance to small businesses and municipalities to help them understand and comply with environmental requirements.

Reginald A. LaRosa Environmental Laboratory

The R. A. LaRosa Laboratory provides analytical services primarily to the science-based programs of the Department of Environmental Conservation, but at times also to other Vermont state agencies and departments, neighboring states' environmental programs, and federal agencies needing environmental analysis. The laboratory provides scientific information regarding the health of natural resources, threats to human health and the environment, and the presence, discharges or emissions of contaminants into the environment.

Compliance and Enforcement Division

The Compliance and Enforcement Division is charged with managing compliance matters in the department, as well as conducting enforcement of laws and regulations administered by the Agency, except for those programs managed by the Department of Fish and Wildlife. The goals of this program are to integrate all compliance and enforcement activities in a manner that ensures the highest integrity for DEC regulatory programs. Division activities include civil and criminal investigations; prosecution of administrative enforcement cases before the Environmental Court, and screening and referrals of criminal and civil cases (as appropriate) to the state's attorneys and the Attorney General.

Air and Waste Management Appropriation

Air Pollution Control Division

The Air Pollution Control Division administers a statewide program of air pollution prevention, abatement, and control, with the goal of protecting public health and the environment. Additionally, the division has been actively involved at the national level in efforts to document and reduce the impact of Midwestern power plants on the environment of Vermont and other eastern states. The division has been active in the development of a Northeastern States and Eastern Canadian climate action plan as well as a "cap and trade" program for carbon dioxide emissions within seven states in the Northeast, known as the Regional Greenhouse Gas Initiative ("RGGI"). The division has been at the forefront of greenhouse gas litigation against the auto manufacturers, and has recently adopted new Low Emission Vehicles Rules. The division approaches the challenges of air quality management through risk assessment and risk management. The Planning and Technical Services Sections identify and assess risk; the Field Services, Engineering Services, and Mobile Source Control Sections implement risk management decisions.

Waste Management and Pollution Prevention

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Environmental Conservation

Through a combination of assistance, planning, regulation, permitting, and inspections, the Waste Management and Pollution Prevention Division oversees the management of solid and hazardous wastes to protect the public health and the environment. Hazardous and solid waste programs are managed to meet Vermont environmental law and regulatory standards and U.S. Environmental Protection Agency standards for the Resource Conservation Recovery Act. In addition to regulating the management and disposal of solid waste, the division oversees the investigation and remediation of sites contaminated by hazardous wastes from petroleum, chemical, and industrial release. The Petroleum Clean-up Fund is managed to remediate sites contaminated by petroleum. The Redevelopment of Contaminated Properties Program (“Brownfields”) promotes and assists in the clean-up and reuse of contaminated properties. The Underground Storage Tank (“UST”) Program is responsible for overseeing the management of USTs, and has successfully increased compliance with regulatory requirements via a new compliance program. In addition, the division maintains a 24-hour Spill Response Team to provide assistance in the control and clean-up of spills.

The Pollution Prevention office works to reduce pollution through pollution prevention planning and assistance, department-level continuous quality improvement for permitting and compliance, department-level information system design and oversight, and mercury education and reduction.

Office of Water Appropriation

Facilities Engineering Division

The Facilities Engineering Division assists in the planning, design, construction and first year operation phases for the new construction or upgrade of municipal and private potable water supply systems (including schools) and municipal wastewater systems. The division also administers the state and federal grant and revolving loan programs that fund this work. It also plans and implements the original construction or improvement projects for state-owned dams, and for Fish and Wildlife and Forests, Parks and Recreation projects such as fishing access areas, fish culture stations, and state park facilities. The division also administers the Dam Safety and Hydrology Program, which involves safety inspections of non-power generating dams, review and permitting for dam alteration or construction projects, coordinates FERC hydroelectric licensing reviews, and assures that stream flows below dams, water withdrawals, and hydropower reservoirs meet minimum standards.

Water Quality Division

The Water Quality Division helps protect surface water quality and quantity for Vermont’s 800 significant lakes and ponds, 7,000 miles of rivers and streams, and 300,000 acres of wetlands. The division conducts chemical, physical and biological environmental monitoring and provides guidance to citizen monitoring programs to determine current quality and threats to that quality. It publishes assessments of streams, rivers, lakes and wetlands and prepares watershed plans for each basin through public-private collaborations that work to identify waters that are experiencing difficulties and to develop and implement corrective strategies.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Environmental Conservation

The Division is responsible for implementation of the state's Wetland Program as well as state and federal Stormwater Programs. It issues Conditional Use Permits for allowed activities in state protected wetlands. It issues permits for Erosion Prevention and Sediment Control (land disturbances greater than one acre), Multi-Sector Industrial Stormwater Permits and Operational Stormwater Permits. The Division also issues permits for aquatic nuisance control, lakeshore encroachment, mineral prospecting, and stream alteration. The Division's work is carried out to assure compliance with the State's Water Quality Standards. The Division issues grants and provides technical assistance for local nonpoint source pollution management activities in lake and river watersheds. Finally, the division administers aquatic nuisance management, river management and flood hazard mitigation programs, and sponsors Project WET (Water Education for Teachers).

Wastewater Management Division

The Wastewater Management Division staff administers the federally delegated permitting programs for municipal and industrial discharges. It also administers the permitting programs for indirect discharges and residuals management. These programs regulate the pollutants contained in the approximately 150 million gallons of wastewater being discharged to Vermont waters each day. In addition to permitting, these programs conduct inspections, compliance review, and technical assistance (with particular attention to small communities). The Division also oversees the wastewater operator certification program.

The Division administers the wastewater system and potable water supply rules from its five regional offices. These rules regulate soil-based wastewater systems with a design capacity of less than 6,500 gallons per day as well as all connections to the municipal water and wastewater systems. The program currently covers all single family residences, commercial development, public buildings, mobile home parks, and campgrounds and has been issuing approximately 3,000 permits annually. This division also licenses the designers of the systems it permits.

Water Supply Division

The Water Supply Division is responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through sanitary surveys, technical assistance, operator certification, compliance tracking for nearly 100 contaminants, a low interest loan program and permitting of all aspects of source water development, construction and operation. The division also oversees the state's groundwater protection and well driller's regulatory programs.

Connecticut River Valley Flood Control Compact - Tax Losses Appropriation

The Connecticut Valley Flood Control Compact appropriation facilitates the management of receipts from Connecticut and Massachusetts for tax losses in Vermont towns where the U.S. Corps of Engineers has built flood control projects.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Environmental Conservation

Department Key Budget Issues

The Department of Environmental Conservation (DEC) budget reflects some stabilizing of permit revenues compared to previous years. Although leveling out, GF allocations remain tight in SFY '12, and federal funds which make up a considerable portion of DEC's budget are expected to remain flat.

A proposal to transfer the Division of Geology (Vermont Geological Survey) to the University of Vermont did not ultimately occur as planned in SFY '11 so the SFY '12 budget reflects an increase in costs to return the Division of Geology fully to the DEC budget.

In addition, while there has been an increase in contracting services, that increase is the result of the new E-waste program and is off-set by an equal increase in revenue.

In order to meet the budget targets a number of other initiatives are contemplated:

1. An environmental engineer position, which was funded entirely with GF to work on Lake Champlain projects, has been transferred to the wastewater regional office program to do permitting work.
2. Transfer the funding source for one stormwater position from GF to federal funds which have become available due to DEC providing assistance and administrative oversight to various municipalities who are receiving direct funding from US EPA for "water" related infrastructure projects.
3. Eliminate \$40,000 in GF-funded grant awards that would have been passed through for river corridor projects.
4. Transfer one full-time equivalent of Lake Champlain project work from GF to capital funds. This is possible because of the number of capital projects underway and the amount of capital-eligible design, development, and planning work directly associated with these projects.
5. Budget a reasonable portion of the US EPA competitive wetlands award directly. In past years all wetland work has had to be budgeted using GF because of timing of the federal competitive grants. This year federal funding is secured to cover the program through 9/30/2011. We have budgeted the federal amount for FY'12 at the lowest amount we have received in the past five years (since the grant award was converted to "competitive") in an effort to be conservative and avoid major implications to the program. There is a slight risk that Vermont would not receive a federal grant, but we will have time to respond should this amount not fully materialize.

The internal fund transfers within DEC which have been built into this FY'12 budget will allow the department to meet its obligations to the people of Vermont, and use resources more effectively and efficiently while at the same time keeping front-line program staff in their positions to better serve the DEC mission.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Environmental Conservation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Management and Support Services	49	44	45	4,747,319	4,965,585	5,125,430	5,063,724
Air and Waste Management	77	69	76	15,756,380	15,898,884	16,280,574	18,615,730
Office of Water Programs	163	155	152	17,443,355	17,614,875	17,290,074	18,478,481
Tax-Loss-Connecticut River Flood Control	0	0	0	34,700	34,700	34,700	34,700
<hr/>							
TOTAL	289	268	273	37,981,754	38,514,044	38,730,778	42,192,635
FUND TYPE							
General Fund				7,848,729	6,963,638	6,879,127	7,255,907
Special Fund				16,810,118	18,012,946	18,314,191	20,382,538
American Recovery & Reinvestment Act				1,698,858	1,094,437	1,094,437	698,686
Federal Revenue Fund				10,476,895	11,117,913	11,117,913	12,404,477
Interdepartmental Transfer				1,147,154	1,325,110	1,325,110	1,451,027
<hr/>							
TOTAL				37,981,754	38,514,044	38,730,778	42,192,635

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Management and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,742,266	3,745,984	3,905,829	3,958,930
Operating Expenses	923,315	1,119,601	1,119,601	994,994
Grants	81,738	100,000	100,000	109,800
<hr/> TOTAL	<hr/> 4,747,319	<hr/> 4,965,585	<hr/> 5,125,430	<hr/> 5,063,724
FUND TYPE				
General Fund	783,087	691,248	851,093	1,217,592
Special Fund	2,168,498	2,366,427	2,366,427	1,695,813
American Recovery & Reinvestment Act	10,236	0	0	230,000
Federal Revenue Fund	1,283,385	1,397,800	1,397,800	1,400,917
Interdepartmental Transfer	502,113	510,110	510,110	519,402
<hr/> TOTAL	<hr/> 4,747,319	<hr/> 4,965,585	<hr/> 5,125,430	<hr/> 5,063,724

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Air and Waste Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	6,440,988	7,715,537	7,797,227	9,579,425
Operating Expenses	6,985,599	6,426,547	6,726,547	6,851,818
Grants	2,329,793	1,756,800	1,756,800	2,184,487
TOTAL	15,756,380	15,898,884	16,280,574	18,615,730
FUND TYPE				
General Fund	873,127	560,448	642,138	413,960
Special Fund	10,666,684	10,909,314	11,209,314	13,739,808
American Recovery & Reinvestment Act	552,124	540,966	540,966	378,384
Federal Revenue Fund	3,458,704	3,583,156	3,583,156	3,778,578
Interdepartmental Transfer	205,741	305,000	305,000	305,000
TOTAL	15,756,380	15,898,884	16,280,574	18,615,730

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Office of Water Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	13,296,481	13,400,525	13,074,479	13,597,174
Operating Expenses	1,791,159	1,967,669	1,968,914	2,208,956
Grants	2,355,715	2,246,681	2,246,681	2,672,351
<hr/> TOTAL	<hr/> 17,443,355	<hr/> 17,614,875	<hr/> 17,290,074	<hr/> 18,478,481
FUND TYPE				
General Fund	6,192,515	5,708,472	5,382,426	5,620,885
Special Fund	3,940,236	4,705,975	4,707,220	4,915,687
American Recovery & Reinvestment Act	1,136,498	553,471	553,471	90,302
Federal Revenue Fund	5,734,806	6,136,957	6,136,957	7,224,982
Interdepartmental Transfer	439,300	510,000	510,000	626,625
<hr/> TOTAL	<hr/> 17,443,355	<hr/> 17,614,875	<hr/> 17,290,074	<hr/> 18,478,481

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Operating Expenses	34,700	34,700	34,700	34,700
<hr/> TOTAL	<hr/> 34,700	<hr/> 34,700	<hr/> 34,700	<hr/> 34,700
FUND TYPE				
General Fund	0	3,470	3,470	3,470
Special Fund	34,700	31,230	31,230	31,230
<hr/> TOTAL	<hr/> 34,700	<hr/> 34,700	<hr/> 34,700	<hr/> 34,700

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Board**

Description of Appropriations, Divisions, & Programs

Act 115 Transition/Act 183 Growth Center Legislation

1) Introduction

As a result of Act 115, the E Board and the WR Board were eliminated effective January 31, 2005 although they have continued to finish their respective caseloads, which was completed in 2006. There have been two remands from the Vermont Supreme Court. Act 115 consolidated all existing environmental permitting appeal routes so that acts or decisions of the District Environmental Commissions and the Agency of Natural Resources (ANR) are now subject to appeal to the newly expanded Environmental Court (E Court), as are decisions by local development review entities and jurisdictional opinions issued by District Environmental Coordinators.

2) New and Existing Responsibilities

Act 115 replaced the E Board and the WR Board with the Natural Resources Board (NRB), consisting of a full-time Chair and two citizen panels: a Land Use Panel (LUP) and a Water Resources Panel (WRP). These Panels consist of four citizen volunteers each, with the full time NRB Chair serving as a member and Chair of each Panel of each of the two panels.

The LUP has assumed procedural and substantive rulemaking functions previously exercised by the E Board and continues to manage the process by which Act 250 permits are issued. The LUP also initiates enforcement on related Act 250 matters, may intervene/participate as a statutory party in Act 250 appeals to the E Court, and may petition the E Court for permit revocation. The LUP is also authorized to hear District Commission fee issue appeals, and will also hear, at the discretion of a municipality, applications for Requests for findings of facts and conclusions of law under specific Act 250 criteria for designated Growth Centers.

3) Chair of the NRB

The full time Chair of the NRB, appointed by the Governor and confirmed by the Senate, serves as Chair of both Panels and focuses on: external relations, procedural and substantive rulemaking thus establishing significant land use and water resource policy in Vermont, enforcement of Act 250 land use permits, general oversight of E Court appeals and general oversight of the offices and employees of the NRB and the offices and employees of the District Commissions.

4) Act 250: Vermont's Land Use Control Law

The LUP has administrative oversight of over nine District Environmental Commissions consisting of up to 63 volunteer District environmental commissioners (Environmental Commissioners

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Board

(each District consists of three Members and up to four Alternates) appointed by the Governor). There are nine District Coordinators, three Assistant District Coordinators and seven administrative support staff. The professional staff of eighteen professionals support the nine district environmental Commissions in five Regional Offices: Springfield, Rutland, Essex, St. Johnsbury and Barre. The District Environmental Commissions process, an average of 500 Land Use Permit (Act 250) applications per year representing an average of \$425,000,000 in annual development activity. There are approximately 100 people in the NRB organization as a whole including Coordinators, District Commissioners, NRB Members and Alternates, legal and administrative staff.

5) Combined NRB Legal Staff

Before Act 115, a general counsel served the E Board and an Executive Officer served the WR Board. The WR Board's Executive Officer position has been eliminated. The General Counsel position is now serving the Natural Resources Board NRB and has general oversight over the legal staff. One attorney position continues to work full time on Act 250 enforcement matters in all areas of the State. In addition, two other staff attorney positions have been retained to assist the NRB and its respective Panels in the formulation of land use and water resource policy, goals, standards and the promulgation of administrative and substantive rules.

6) Administrative and Legal Support to the District Commissions

Since all appeals now go to the E Court, there has been an increased emphasis on providing necessary legal and administrative support to the District Environmental Commissions and staff in the five Regional Offices. Previous to this change, it was difficult to have complete and open discussions with the District Commissions and staff because of the E Board's role as adjudicator of District Commission decisions and the need to maintain the so called Chinese wall. Direct legal assistance is now being provided to the District Commissions without the concern that conflicts might arise in an appeal of a Commission decision to the E Board. The legal staff has assumed a much greater role in providing legal assistance to the District Coordinators and District Environmental Commissions.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Natural Resources Board	31	28	28	2,667,196	2,732,602	2,732,602	2,723,380
<hr/>							
TOTAL	31	28	28	2,667,196	2,732,602	2,732,602	2,723,380
FUND TYPE							
General Fund				793,083	766,716	766,716	757,494
Special Fund				1,874,113	1,965,886	1,965,886	1,965,886
<hr/>							
TOTAL				2,667,196	2,732,602	2,732,602	2,723,380

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Board**

Appropriation Key Budget Issues

NRB General Fund Carry Forward and Special Fund Surplus: Key Budget Issues

*The NRB has identified our **Document Imaging and Internet Map Project** as the top priority opportunity for any available funding in FY09 and FY 2010. This project will create an on-line database of Act 250 permits and supporting documents which are used extensively by Act 250 applicants, parties, and practitioners such as attorneys, real estate and title professionals, and banking officials. The project is closely tied to recent efforts of the Agency of Natural Resources (ANR) to develop a similar on-line permit database. ANR has identified its **Electronic Content Management System** as one of the priority opportunities in its SEI Step 2 submission. Integration with Act 250 documents and data is a key part of ANR's project. We believe the combined efforts of the two agencies will bring Vermont closer to its goal of becoming an e-government leader by providing citizens with electronic access to important documents and services through a revitalized web portal and agency web sites. Strategic Enterprise Initiative Memorandum to Michael Smith, April 16, 2006.*

Performance Program Information

Annual Report: Program Performance Information

This report is based upon a statistical analysis of Natural Resources Board (Board)NRB and District Environmental Commission activity during Calendar Year 2006 (CY 2006). Where appropriate, a historical perspective has been provided to complement the current information. Information for Fiscal Year 2006 (FY 2006) has been used for the fee revenue analysis.

1) Number of Act 250 Applications (CY 2006)

In CY 2006, 490 Act 250 permit applications were submitted tofiled with the nine District Environmental Commissions, compared to 516 the previous year, a decrease of 5%.

Seven permit applications were denied by the District Commissions in CY 2006, a rate of 1.4%. This compares to eight denials in CY 2005, a denial rate of 1.5%.

2) NRB Special Fund - Permit Application Fees

Act 250 permit application fees are based on the estimated cost of construction for each project, except state and municipal projects which are exempt from fees. 10 V.S.A. Section 6083a.

3) District Commission Performance (CY 2006)

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Board

In CY 2006 83% of all Act 250 applications were processed as either minor applications or administrative amendments, compared to an average of 81% the previous year. For minors, no hearing is held unless a statutory or permitted party files a timely request for a hearing. Administrative amendments are processed without a hearing; the amendment is distributed to all statutory parties and adjoining property owners with opportunity for reconsideration within 15 days. The minor and administrative amendment rate for CY 2006 was consistent with the average of 81% for the past several years.

The median processing time at the District Commission level for all decisions in CY 2006 was 27 days from the date the application was deemed complete. In CY 2006, 66% of all permit decisions were issued within 60 days and 83% were issued within 120 days. These percentages are comparable to those from the previous year.

4) Enforcement Activity

The NRB has a successful enforcement program. In 2007, the NRB reallocated significantly more of its legal resources to Act 250 enforcement. The result is a comprehensive, fair and even handed approach to Act 250 violations. This enhances the integrity of the Act 250 program and furthers the State's interest in its public health and environment.

The LUP of the NRB has certain administrative enforcement jurisdiction by virtue of 10 VSA Section 6027 (G); 10 VSA Section 8004; 10 VSA Section 8007; 10 VSA Section 8221 and Memorandum of Understanding and Delegation of Authority from ANR to LUP renewed on 9/1/06 for two years.

Thirty-five (35) administrative enforcement files were opened in CY 2006. Twenty-two (22) of these cases were resolved by the parties executing Assurances of Discontinuances. (AODs)

Eleven (11) cases opened in CY 2006 remain open and are in varying stages of administrative activity. Enforcement was declined in two matters after the files were opened.

In addition to the above, four files opened in CY 2005 were resolved by AODs.

Penalties assessed (AODs and AOs) in CY 2006 total \$26,861. Penalties collected in CY 2006 (assessed in CY 2005 and CY 2006) were \$30,986. In addition to penalties, 10 V.S.A. Section 8007(b) allows the LUP to include in any AOD, money for supplemental environmental projects (SEPs). SEPs assessed in CY 2006 total \$56,000. SEPs collected in CY 2006 were \$32,000.

The above numbers do not account for the large number of potential compliance/violation matters which see immediate correction due to the attention of our Coordinators and enforcement attorney.

In addition we have hired a permit compliance officer to investigate many of our cases. With our

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Board

own full time compliance officer we will for the first time have a systematic process for checking the status of Act 250 permits while the projects are being built. This will allow the NRB to not only be more pro-active in the enforcement arena but also help prevent many violations before they become major problems.

5) Public Information and Education

We continue to improve our access to E Board decisions and other information for both staff and the general public, using our web site and legal research tools such as the Board's E-Note Index. In CY 2006 NRB and Commission staff continued to educate the general public, the business community, and other interest groups about the role of Act 250 in Vermont's regulatory system by giving presentations to numerous groups throughout the state. We have made extensive use of our 18-page color brochure about the Act 250 process as well as slide and Power Point presentations developed for specific audiences.

In CY 2006 the NRB initiated a project which will result in a searchable, on-line database of all Act 250 District Commission decisions dating back to 1970, including scanned images of these decisions and all other important associated file documents. This database will significantly improve access to Act 250 documents for the general public and Act 250 practitioners, facilitating real estate transactions and the resolution of title issues. The NRB has contracted with a vendor, Competitive Computing, to conduct a systems analysis and to develop a comprehensive scope of work for this project. The NRB anticipates that this project will be completed in CY 2009.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Natural Resources Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	2,335,161	2,375,663	2,375,663	2,349,214
Operating Expenses	332,035	356,939	356,939	374,166
<hr/>				
TOTAL	2,667,196	2,732,602	2,732,602	2,723,380
 FUND TYPE				
General Fund	793,083	766,716	766,716	757,494
Special Fund	1,874,113	1,965,886	1,965,886	1,965,886
<hr/>				
TOTAL	2,667,196	2,732,602	2,732,602	2,723,380

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

Agency Mission Statement

The mission for the Agency of Commerce and Community Development is to help Vermonters improve their quality of life and build strong communities.

Description of Departments in Agency

The Agency is comprised of the Departments of Administration; Economic, Housing and Community Development (DEHCD); the Department of Tourism and Marketing (VDTM). The Agency reports annually to the Legislature on activities and outcomes. This narrative is an overview of our programs and activities. For specific information on FY10 activities, please refer to the Agency of Commerce and Community Development Annual Report.

Downsizing and Efficiencies: The Agency had gone through significant downsizing due to budget reductions in the last two years going from approximately 104 employees to approximately 80. However, we have not ceased many, if any activities. This has forced certain programs areas to become more efficient. Certain divisions have undertaken LEAN processes (business process improvements) and we have integrated a significant project management system for Information Technology and available for other activities. We have utilized technology to automate certain functions as well as a major grants management system.

In order to track agency goals, we have shifted grants to outside partners (explained below) to performance based contracts as part of the Challenges for Change process. This will lead to better measures and outcomes for these partnerships.

Divisions:

Administration

Administration consists of the Office of the Agency Secretary, Deputy Secretary, Communications, IT Services, Administrative Services, Grants Management and Legal Counsel. Together they provide managerial direction, coordination, and support services to the agency. The department also includes the Office of the Chief Marketing Officer for the state of Vermont.

Economic, Housing and Community Development

The Housing and Community Development Division serves Vermont's regions, municipalities, housing development organizations, owners of older and historic buildings, and the visiting public through six principal functions: 1) administration of state and federal grant programs; 2) provision of technical

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

assistance, including coordination of education and training for local land use decision-makers; 3) implementation of state and federal housing, planning, community development, and historic preservation policy, programs, and statutes; 4) management, maintenance, operation, and interpretation of the state-owned historic sites with an ongoing objective of increasing historic, educational, and economic value to Vermont citizens and tourists; 5) provision of funds that support local and regional planning efforts through the Municipal Planning Grants Program and Regional Planning Commissions; 6) provision of matching funds to historic buildings owned by nonprofits or local governments; to historic barns; and to Certified Local Government municipalities for planning and education.

The Economic Development Division provides support for businesses and job creation by assisting with finance, permitting, foreign trade, export finance, training, business recruitment/expansion, government marketing, and captive insurance sales and marketing services. The Vermont Economic Progress Council is an arm of the department but operates under direction of a separate board. The department also funds and supports regional economic development efforts through the Regional Development Corporations and general business development through other partners.

Tourism and Marketing

The Department of Tourism and Marketing (VDTM) promotes Vermont as a travel destination in order to support a diverse and vital economy. The VDTM mission is accomplished through the development and implementation of a comprehensive marketing plan that integrates television, radio, newspaper, magazine print and media communications with VermontVacation.com, the state's most comprehensive tourism database.

The department also supports and/or funds statewide initiatives including 5-1-1 travel information, travel and trade shows and familiarization trips. Informative and effective communication with the industry through newsletters, meetings, and conferences is also a priority of the Department.

Vermont Life Magazine promotes Vermont as a beautiful and interesting place to travel, work and live.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
ACCD - Administration Economic, Housing & Community Development	21	20	19	3,556,039	4,491,075	4,365,720	3,896,275
Economic Development	31	45	46	22,174,562	32,903,632	32,158,199	29,632,804
Tourism and Marketing	18	0	0	5,071,257	0	0	0
	20	18	16	4,010,021	4,099,227	3,727,663	3,863,699
TOTAL	90	83	81	34,811,879	41,493,934	40,251,582	37,392,778
FUND TYPE							
General Fund				11,636,341	12,114,545	11,272,435	11,542,218
Special Fund				4,209,336	4,557,257	4,355,786	4,345,665
American Recovery & Reinvestment Act				936,167	1,529,195	1,529,195	1,002,416
Federal Revenue Fund				16,394,447	21,843,850	21,725,291	19,583,790
Enterprise Fund				574,393	813,417	733,205	712,689
Interdepartmental Transfer				1,061,195	635,670	635,670	206,000
TOTAL				34,811,879	41,493,934	40,251,582	37,392,778

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
ACCD - Administration**

Department Mission Statement

The mission of the Department of Administration is the oversight and coordination of agency efforts to implement programs, develop policy and meet statutory objectives in all areas of responsibility.

Description of Appropriations, Divisions, & Programs

The Department is responsible for serving the members of the agency in the areas of communications, human resources, IT, legal, grants management and administrative support, management and supervisory training, and the prioritization of agency initiatives. The Office of the Chief Marketing Officer for the State of Vermont adds the responsibility of supporting state-wide marketing coordination.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
ACCD - Administration**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Administration Division	21	20	19	3,556,039	4,491,075	4,365,720	3,896,275
<hr/>							
TOTAL	21	20	19	3,556,039	4,491,075	4,365,720	3,896,275
FUND TYPE							
General Fund				2,668,503	2,726,075	2,600,720	2,690,275
American Recovery & Reinvestment Act				5,072	350,000	350,000	350,000
Federal Revenue Fund				231,427	800,000	800,000	800,000
Interdepartmental Transfer				651,037	615,000	615,000	56,000
<hr/>							
TOTAL				3,556,039	4,491,075	4,365,720	3,896,275

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration Division**

Appropriation Key Budget Issues

The Administration Department's budget challenges include maintaining level services with substantial cuts in resources, retaining valuable personnel, and planning for the future. Level funding for FY12 mitigates further concerns that additional cuts would have presented.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Administration Division

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,807,504	1,925,799	1,830,056	1,855,620
Operating Expenses	1,170,718	1,078,886	1,076,094	601,085
Grants	577,817	1,486,390	1,459,570	1,439,570
<hr/> TOTAL	<hr/> 3,556,039	<hr/> 4,491,075	<hr/> 4,365,720	<hr/> 3,896,275
FUND TYPE				
General Fund	2,668,503	2,726,075	2,600,720	2,690,275
American Recovery & Reinvestment Act	5,072	350,000	350,000	350,000
Federal Revenue Fund	231,427	800,000	800,000	800,000
Interdepartmental Transfer	651,037	615,000	615,000	56,000
<hr/> TOTAL	<hr/> 3,556,039	<hr/> 4,491,075	<hr/> 4,365,720	<hr/> 3,896,275

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

Department Mission Statement

The mission of the Department of Economic, Housing and Community Development is to lead a coordinated statewide effort to foster the growth of higher quality jobs that will develop a more vital and diverse economy through supporting existing businesses coupled with attracting new businesses to the state; to promote the production of housing that is affordable to all Vermonters; to preserve Vermont's built and archeological heritage; to promote vibrant communities through preservation of Vermont's historic downtowns and village centers; to support sound land use decision making at both the local and regional level; and to identify and protect the state's historic resources and promote our state-owned historic sites.

Description of Appropriations, Divisions, & Programs

Regional Development Corporations: The Department provides contracts to the state's 12 Regional Development Corporations (RDC's). These organizations are part of the economic delivery systems for the state and all areas of the state are served. The RDC's are independent, non-profit corporations that provide assistance to Vermont businesses with expansion, start-up and relocation to Vermont. They are the "eyes and ears" for the Agency on key issues and opportunities around the state. Each RDC leverages the state dollars with other private and/or public dollars from local communities to fund their operations. The regional network is critical as the needs of the various regions around the state vary depending on the make up the regional economy. The RDC's are staffed by professionals and directed by independent boards of directors. Challenges for Change have changed what was a grant to RDC's to a performance based contract for the first year in FY10. They will report to the Agency on outcomes and activities.

Retention and Expansion: DEHCD's retention and expansion program assists new and expanding companies that operate in Vermont with facility site relocation and/or expansion support, financing and marketing information, entrepreneurship, state permits and regulation information, and workforce training initiatives. The Department partners closely with 12 Regional Development Corporations (RDCs) around the state.

The goal of this program is:

- to retain existing jobs and assist Vermont companies in adding new quality jobs for Vermonters to facilitate and coordinate delivery of programs and services from funded partners and state government
- to provide companies with "one-stop shopping" for information regarding doing business in Vermont

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

- to provide companies with a direct avenue for feedback regarding state policies and regulations
- to assist companies in weathering difficult economic conditions and pursuing new targets of opportunity
- to support entrepreneurial efforts to grow new businesses and create new jobs

Procurement Technical Assistance Center (PTAC): This nationally recognized program assists Vermont companies in securing government contracts and subcontracts as well as helping them through any technical issues they encounter as bidders, contractors or subcontractors. VTPTAC administers the state bid board that not only acts for state government, but also provides a place for local and regional government to post bids as well, providing one source for government contract bid posting in Vermont. VTPTAC serves over 2,026 subscribers to this bid board. Additionally, VTPTAC maintains the Vermont Business to Business Directory, a fully searchable database of over 15,000 Vermont businesses available on the internet.

Vermont Training Program (VTP): VTP promotes industrial expansion and encourages the creation and retention of jobs in manufacturing by providing training contracts to new and existing businesses, thereby increasing the skills of the Vermont workforce, improving wages, and Vermonters' standard of living.

International Trade: The Vermont Global Trade Partnership (VGTP) provides international trade related technical assistance, training, private consultation, database and marketing research, and trade show assistance to Vermont businesses to help them expand their international sales opportunities. Common topics covered include NAFTA, Import and Customs regulations, International Traffic in Arms Regulations (ITAR), the Export Administration Regulations, international banking, international commercial terms (INOCTERMS), and international education. The Director of International Trade works with partners in US Customs, Dept of Commerce, the Small Business Administration, VEDA-EXIM bank, the Vermont Chamber, the VT Small Business Development Center network, the VT Training Program, the Procurement Technical Assistance Center and others in serving Vermont's international trade needs.

Entrepreneurship: DEHCD develops and supports a focused approach that optimizes the utilization of Vermont's resources in its efforts to grow and retain up and coming start-up businesses – both technology-based as well as general business – through coherent and inter-related strategies for incubation and access to risk capital. DEHCD annually sponsors the Vermont Investors Forum a daylong program of presentations by Vermont businesses seeking equity capital. DEHCD also annually sponsors the Vermont Venture Network which holds monthly networking and educational meetings and Fresh Tracks Capital's annual Peak Pitch event which provides the opportunity for entrepreneurs to network and pitch their business ideas and financing requirements to potential equity investors.

DEHCD also hosts North Country Angels, an angel investor's network that meets regularly to consider financing a wide variety of entrepreneurs.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

Recruitment: The Recruitment Program’s mission is to attract business to start-up, relocate and/or expand to Vermont. The DEHCD recruitment strategy continues to focus on increasing national perception and awareness of Vermont as a competitive location for a business to operate. As part of this strategy, various industry sectors and markets, such as green technology, have been selected as being of specific benefit to the State. Recruitment marketing tactics are focused on enhancing Vermont’s image as a business friendly State offering viable economic incentives and other competitive advantages such as our educated workforce, geographic proximity to major markets, and recognized quality of life. We actively market our applicable financial incentives, specifically Vermont Employment Growth Incentive (VEGI), VT Training Program (VTP), and VT Economic Development Authority (VEDA), as well as VT’s unique position as a regional EB-5 center. Historically, Vermont targets prospects in small to midsize operations, from 20 to 400 employees, which complements the States small scale and labor force.

Financial Services (Captive Insurance): The financial services program promotes Vermont’s leading position as the top US captive insurance domicile and seeks out new and diversified opportunities in complimenting financial services industries.

The captive insurance program’s target markets are Risk Managers and Chief Financial Officers, and the insurance brokers and consultants that work with these individuals. Originally the prime market was Fortune 1000 type companies, but this has expanded into more middle market companies. Another sector that has drawn specific interest is hospitals and doctors’ groups looking for medical malpractice coverage as this is a very fast growing sector for the captive industry.

To market to this group, a combination of strategies is effectively utilized. The department partners with the Captive Insurance Division of BISHCA and the Vermont Captive Insurance Association whenever possible to maximize resources and effectiveness. Tactics include speaking events throughout the country through “Business Development Road Shows”, speaking at conferences, media events, trade shows, electronic newsletters, direct marketing, networking and various other means of marketing Vermont.

The industry continues to be extremely competitive. Over 30 US states now compete with Vermont for this valuable industry. Offshore, Bermuda and the Cayman Islands are Vermont’s biggest competitors. More than ever, Vermont has to invest now to both retain our existing captive insurance companies and to attract new companies.

Vermont continues to compete fiercely with “No Premium Tax States.” Some of Vermont’s largest competitors are state’s that charge zero in premium tax; while Vermont’s tax can be up to \$200,000 per captive (Vermont has a \$200,000 premium tax cap.) The marketing and leadership role that this department puts forward to the marketplace is vital in keeping Vermont’s “Gold Standard” reputation. Without supporting and continuing to build this strong brand, Vermont would not be able to be the most expensive captive insurance domicile in terms of premium taxes. Vermont’s ‘Gold Standard Domicile’ reputation is what allows it to position itself as a high end product that is worth the additional expense,

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

because with it comes value. Appropriate level of funding of this program is vital to maintaining the continued revenue, jobs and related tourist activity of this industry and its resulting benefit to Vermont.

VT Economic Progress Council (VEPC): VEPC is an independent body governed by an eleven-member board, nine members appointed by the governor and two by the legislature. VEPC has one full-time staff and is attached to the Agency of Commerce and Community Development for administrative support. VEPC administers the application and authorization process for two programs: The Vermont Employment Growth Incentive (VEGI) program (including the Enhanced VEGI for Environmental Technology companies) and the Tax Increment Financing District program. Additionally, VEPC continues to jointly administer, with the Department of Taxes, the reporting, performance review, and recapture functions for the remaining authorizations made under the Economic Advancement Tax Incentive program.

The major budget costs for VEPC consist of staff salary and benefits, statutory per diem and travel costs for board members, contract and license fees for an economic and fiscal cost-benefit model required by statute, and operating costs.

Housing and Community Affairs: The division offers a wide range of programs to support sustainable development of Vermont communities: preservation of Vermont's historic downtowns and village centers; local and regional land use planning; the Vermont Community Development Program; the Neighborhood Stabilization Program; state housing policy, including the Mobile Home Park Program and Charitable Housing Investment Tax Credit; the identification and protection of historic resources, including incentive programs; and the State-owned historic sites where history comes alive.

Two-hundred-forty-five mobile home parks are registered with the Mobile Home Park Program with a total of 7,210 lots. The Program launched a new online registration service in 2010 and began transitioning its database records of lot rent increases, park sales and park closures.

Vermont Community Development Program: The Vermont Community Development Program (VCDP) assists communities with a wide range of Community, Economic and Housing needs. VCDP staff are assigned regions of the state and provide technical assistance to municipalities, businesses, nonprofit organizations and housing developers. VCDP staff assist applicants meet the complex federal requirements of the program and typically receives 30 to 50 applications from municipalities and their project partners each year. The grant requests typically outstrip the available resources each year. VCDP has been funded at a level of \$7 to \$8 million annually through the federal Community Development Block Grant Program administered by the U.S. Department of Housing and Urban Development (HUD). State funding to support the VCDP program is established in the federal authorizing legislation and only requires a 2% match of the federal funds used for program administration. The efficiency of the program allows all other funding to be awarded to communities to support their critical community development needs. Grants are made available to all municipalities in Vermont with the exception of the City of Burlington; they receive funds directly from HUD. Approved projects receive grant awards for vital community development projects in the categories of

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

affordable housing, economic development, public services and public facilities.

The VCDP funding priorities are established in the HUD Consolidated Plan for Vermont. This plan is developed every 5 years and then up-dated annually through an Action Plan. To develop the Consolidated Plan and the annual Action Plan the State must follow a Citizen Participation Plan that encourages participation by low-income people likely to benefit from projects and actions funded by VCDP. Last fiscal year the VCDP solicited public input, surveyed program partners and interests groups to develop a new 5 year Consolidated Plan for 2010-2015. The top priorities identified in the 2010-2015 Plan were to support Economic Development projects that create new jobs or retained good jobs for low and moderate income Vermonters and provide more affordable housing options for low and moderate income Vermonters. The 2010 Statewide Housing Needs Assessment, completed as part of the 2010 -2015 Consolidated Plan, showed a continued need for more affordable housing.

VCDP continues to fulfill its statutory purpose, which is to improve and maintain the economic and physical environment in Vermont's municipalities to enhance the quality of life for all Vermonters, particularly those of lower incomes. This overall goal is sustained by addressing the State's statutory legislative objectives of conserving, expanding, and improving housing; creating and retaining employment; and improving public facilities and services that support housing and economic development activities, or to eliminate a threat to public health and safety. The three goals stated in the current Consolidated Plan mirror those stated above. The three are 1) provide decent housing, 2) provide a suitable living environment, and 3) expand economic opportunities.

Vermont Downtown Program: The Vermont Downtown Program (VDP) is part of the Division for Community Planning and Revitalization, and supports community efforts to strengthen downtowns and village centers through training and technical assistance. There are incentives for both the public and private sector within the designated area, including tax credits for historic building rehabilitations and code improvements, transportation-related public improvements, and priority consideration for other State programs. Long-vacant upper floors in many downtowns are now being rehabilitated for housing and offices, storefronts and facades are being improved, and buildings are becoming more accessible and safe through code improvements.

One of the key incentives for VDP is the historic tax credits. Since FY 2007, the state has invested \$8.1 million in the downtown tax credit program. During the same period, the total construction value of downtown tax credit program is \$141 million. Thus, every \$1 of downtown credit leverages \$16 in outside investment. National studies estimate that one million dollars spent on new construction creates over 32 jobs.

The Downtown Program is also responsible for administering the Growth Center Program. The program provides incentives for communities to designate areas appropriate for dense and compact growth. Communities must show that necessary infrastructure is, or will be, in place to support the growth, that key natural resources are protected, and that the growth center will support at least 50% of that community's growth for the next 20 years. Substantial changes were made to growth center statute

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

in 2010, clarifying standards for approval and amending the composition of the Downtown Board. Revisions are being made to program guidance due to legislative changes, but it is unclear what application activity will be seen this year

Community Planning: As well as administering the Downtown, Village, VT Neighborhood and Growth Centers programs, the Division also provides technical assistance to local and regional officials on smart growth planning tools, primarily via coordination of the Vermont Land Use Education & Training Collaborative. This collaborative, primarily staffed by DEHCD, manages the Vermont Planning Information Center (VPIC) website, and has administered contracts for a series of publications and final editing. This year, working with the Vermont Law School, the Collaborative is developing a series of papers relating to the development review process.

The CP&R section also administers the Municipal Planning Grant Program (MPG) funded through the Property Transfer Tax. The Division annually awards and administers 30-40MPG grants per year. This year's appropriation is \$383,966. The Division has also administered the \$40,000 Municipal Education Grant Program – annually making 30-40 small grants that a town can use to pay for direct training to volunteer decision-makers in the development review process. The program was put on hold this year due to budgetary pressures.

Regional Planning Commissions (RPCs): Finally, the Division administers state funding for the 11 Regional Planning Commissions (RPCs). The RPC's are quasi-governmental organizations that operate under the Vermont Municipal and Regional Planning and Development Act (Title 24, Chapter 117, V.S.A.) and their adopted bylaws. They were formed by action of the municipalities for which they serve. All municipalities by law are members of their regional commission. The Challenges for Change legislation in 2010 reduced funding by another 5% to \$2,500,426, and required that the funding go through performance contracts rather than through grant agreements. These contracts supports local planning and bylaw development, regional land use planning, transportation planning, and work with other agencies relating to economic development, brownfields, energy, emergency management, and natural resource planning.

Division for Historic Preservation: The Division for Historic Preservation (DHP) helps Vermonters identify, preserve, interpret, and promotes Vermont's historic resources as vibrant components of our communities valued by residents and visitors. The DHP directly supports preservation projects through listing buildings, districts, and archeological sites on the State and National Registers of Historic Places; Historic Preservation Grants for community buildings; Barn Grants for historic agricultural buildings; and the 20% federal Rehabilitation Investment Tax Credit (RITC) for income-producing historic buildings in downtowns and village centers. The Certified Local Government Program includes 13 towns with local historic preservation commissions that play an active role in heritage stewardship in their communities and share some of DHP's federal funds. In 2011, a \$194,800 federal EDI grant secured by Senator Sanders will support 13 community building preservation projects and generate over 4000 days of employment. As required under federal and state laws, the DHP also annually reviews about 2,000 development projects for their impact on historic and archeological resources. Education

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

and outreach play an important part of the DHP toolkit, reaching out to many diverse Vermonters through a variety of projects, programs and media.

State Historic Sites: Part of the DHP, the State Historic Sites tell stories of Vermont's past in the places where it happened. There are 10 sites open to the public, including the President Calvin Coolidge site in Plymouth Notch, two nationally significant Revolutionary War sites, and the Bennington Battle Monument. Revenues from ticket and gift shop sales provide approximately 40% of the sites' budget. The DHP also owns several bridges and the Forestdale iron blast furnace as well as being custodian of all underwater sites under Vermont waters, including exceptional historic shipwrecks. Six of these are open to recreational divers as VT's Underwater Historic Preserve. Over 67,000 people visited the State Sites in the 2010 season.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Economic, Housing & Community Development	25	44	45	15,031,695	23,887,432	23,159,412	21,189,308
Historic Sites Operations	5	0	0	930,707	0	0	0
Historic Sites Special Improvements	0	0	0	85,414	80,670	79,291	13,000
Community Development Block Grants	0	0	0	5,940,144	8,535,530	8,535,530	8,046,530
Downtown Transp and Capital Imp Fund	1	1	1	186,602	400,000	383,966	383,966
TOTAL	31	45	46	22,174,562	32,903,632	32,158,199	29,632,804
FUND TYPE							
General Fund				1,596,822	6,108,660	5,683,257	5,750,933
Special Fund				3,817,999	4,551,257	4,349,786	4,345,665
American Recovery & Reinvestment Act				931,095	1,179,195	1,179,195	652,416
Federal Revenue Fund				15,822,646	21,043,850	20,925,291	18,783,790
Interdepartmental Transfer				6,000	20,670	20,670	100,000
TOTAL				22,174,562	32,903,632	32,158,199	29,632,804

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

Appropriation Key Budget Issues

Level funding of the Agency's budget this year stems many of the challenges we face. The primary challenge remains continuing the same level of service with smaller staff and a smaller budget. The new management team at the Agency will be undertaking a program review during the first three months of calendar year 2011 to determine what programs we continue to offer and how, what we may have to discontinue or partner with outside agencies and what programs we may want to bring in to the Agency. This will help us prioritize budgets and staff.

Another budget challenge includes our relationship with our outside partners. We partner with Regional Development Corporations (RDC's) to assist with the delivery of the Economic Development Program. We partner with Regional Planning Commissions (RPC's) to deliver community planning and development activities. We partner with regional and local housing groups to deliver workforce housing activities. In addition, we have other partners to undertake a variety of additional activities in support of economic and community development. As our budget has been reduced, we have been forced to reduce these outside contracts. The result has been that key organizations are struggling to remain financially viable and able to undertake their work. Without these partnerships, it will force even more work by the Agency further stretching our stressed personnel and other resources.

We have reduced our planning and housing staff to levels where we are struggling to provide much needed support to communities and outside groups to undertake important community planning, economic development and workforce housing activities.

Historic Preservation: Another challenge is the upkeep of our inventory of historic sites and the personnel to staff those sites. Capital improvements are necessary and part of our capital budget requests. As these properties age, the needs become greater. Core programs, such as archeology and the National Register, have been subject to position cuts. The Legislature, as requested by Vermonters, has passed important new legislation that requires the Division for Historic Preservation's (DHPs) attention and administration. Thus, existing and new work with fewer staff places significant burdens on DHP. At our Historic Sites, hours and days were cut in 2008; seasonal staff were also cut at some of the major sites, creating additional burdens on permanent staff. However, we have seen an increase in site attendance and gift shop receipts in the 2010 season. The sites' nationally significant collections of records, objects, and artifacts are at risk unless a secure and supported centralized, Internet-based system of digital data keeping is implemented. The lack of a collections manager stymies better use of and access to the collections by sites' staff, scholars, and interested Vermonters.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic, Housing & Community Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,901,245	4,364,330	7,510,852	7,792,289
Operating Expenses	221,259	1,360,756	1,382,384	1,294,316
Grants	12,909,191	18,162,346	14,266,176	12,102,703
<hr/> TOTAL	<hr/> 15,031,695	<hr/> 23,887,432	<hr/> 23,159,412	<hr/> 21,189,308
FUND TYPE				
General Fund	1,055,746	6,108,660	5,683,257	5,750,933
Special Fund	3,233,795	4,131,257	3,947,199	3,948,699
American Recovery & Reinvestment Act	0	90,195	90,195	52,416
Federal Revenue Fund	10,736,154	13,557,320	13,438,761	11,337,260
Interdepartmental Transfer	6,000	0	0	100,000
<hr/> TOTAL	<hr/> 15,031,695	<hr/> 23,887,432	<hr/> 23,159,412	<hr/> 21,189,308

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Historic Sites Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	562,630	0	0	0
Operating Expenses	368,077	0	0	0
<hr/>				
TOTAL	930,707	0	0	0
FUND TYPE				
General Fund	541,076	0	0	0
Special Fund	389,631	0	0	0
<hr/>				
TOTAL	930,707	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Historic Sites Special Improvements**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	76,737	40,000	38,621	0
Operating Expenses	8,677	40,670	40,670	13,000
TOTAL	85,414	80,670	79,291	13,000
FUND TYPE				
Special Fund	7,971	20,000	18,621	13,000
Federal Revenue Fund	77,443	40,000	40,000	0
Interdepartmental Transfer	0	20,670	20,670	0
TOTAL	85,414	80,670	79,291	13,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	19,382	0	0	0
Grants	5,920,762	8,535,530	8,535,530	8,046,530
<hr/>				
TOTAL	5,940,144	8,535,530	8,535,530	8,046,530
 FUND TYPE				
American Recovery & Reinvestment Act	931,095	1,089,000	1,089,000	600,000
Federal Revenue Fund	5,009,049	7,446,530	7,446,530	7,446,530
<hr/>				
TOTAL	5,940,144	8,535,530	8,535,530	8,046,530

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Downtown Transp and Capital Imp Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	74,918	79,326	77,488	78,828
Operating Expenses	8,942	0	1,838	0
Grants	102,742	320,674	304,640	305,138
<hr/> TOTAL	<hr/> 186,602	<hr/> 400,000	<hr/> 383,966	<hr/> 383,966
FUND TYPE				
Special Fund	186,602	400,000	383,966	383,966
<hr/> TOTAL	<hr/> 186,602	<hr/> 400,000	<hr/> 383,966	<hr/> 383,966

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic Development

Department Mission Statement

The Department of Tourism and Marketing's (VDTM) key objective is to increase awareness of Vermont as a tourism, recreation and conference destination. To accomplish the objective VDTM markets Vermont to likely travelers from across the country, from around the world and from within Vermont itself, as well as encouraging the purchase of Vermont products and services. VDTM continues to promote Vermont in the key drive/fly markets of New York City, Boston, Montreal, and Philadelphia, as well as important secondary markets.

Vermonters continue to discover that the best tourism and recreation opportunities are right in their backyard. The success of the Department's initial in-state tourism program titled the "*Resident awareness campaign*" demonstrated that this is a market with considerable growth potential. Current efforts are focused on highlighting the Vermont tourism experience for a broad cross-section of Vermonters.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic Development**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Economic Development	16	0	0	3,491,545	0	0	0
Vermont Training Program	2	0	0	1,579,712	0	0	0
<hr/>							
TOTAL	18	0	0	5,071,257	0	0	0
FUND TYPE							
General Fund				4,251,225	0	0	0
Special Fund				388,347	0	0	0
Federal Revenue Fund				340,374	0	0	0
Interdepartmental Transfer				91,311	0	0	0
<hr/>							
TOTAL				5,071,257	0	0	0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Economic Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	1,262,425	0	0	0
Operating Expenses	674,849	0	0	0
Grants	1,554,271	0	0	0
<hr/>				
TOTAL	3,491,545	0	0	0
FUND TYPE				
General Fund	2,768,947	0	0	0
Special Fund	382,224	0	0	0
Federal Revenue Fund	340,374	0	0	0
<hr/>				
TOTAL	3,491,545	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Training Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	173,601	0	0	0
Operating Expenses	13,730	0	0	0
Grants	1,392,381	0	0	0
<hr/>				
TOTAL	1,579,712	0	0	0
FUND TYPE				
General Fund	1,482,278	0	0	0
Special Fund	6,123	0	0	0
Interdepartmental Transfer	91,311	0	0	0
<hr/>				
TOTAL	1,579,712	0	0	0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tourism and Marketing

Description of Appropriations, Divisions, & Programs

Research: A benchmark study to measure the impact of travel and tourism on the Vermont economy during 2007 was completed during FY 2008 by Economic & Policy Resources, Inc., under contract to VDTM. The benchmarks, which are reconciled with independent economic measures, estimated that during 2007, \$1.615 billion in direct spending by visitors making 14.3 million person trips to Vermont generated \$206.9 million in revenue to the State of Vermont. The 2007 benchmark study shows a positive annual growth rate of 2.8 percent in person trips to Vermont. Vermont's tourism industry supports an estimated 37,490 jobs, approximately 12% of all jobs in Vermont. Component studies have focused on lodging establishments, Vermonters as visitors, second-home owners, and travel and tourism employees and proprietors. The Benchmark study is performed on odd calendar years.

Advertising: The Fiscal 2011 and 2012 media strategy includes combination of television, magazine, newspaper, radio, out of home (outdoor advertising) and online advertising. Advertisements are placed in publications, locations, and broadcast networks that attract potential visitors interested in outdoor recreation, cultural heritage, unique lodging, fine dining and the Vermont experience. The call to action on all advertising campaigns and printed materials directs consumers to VermontVacation.com and 1-800-VERMONT.

VDTM is developing multi demographic campaigns targeted at drawing different markets. Most recently the Department has made a considerable effort to target a younger audience. This effort is in collaboration with Vermont Life Magazine and the Department of Economic Development. The goal is to attract a younger audience to the state through recreational activities and then promote industry in Vermont and ultimate employment opportunities. There has been a tremendous need for employees in the technical and engineering fields in Vermont. Our hope is to entice potential employees through Vermont's recreational draw and then promote relocation to Vermont.

To stretch media dollars, the Department reviews last-minute opportunities with potential to deliver a strong message to key markets. This poises us to take advantage of better-priced remnants in print. Our partnership with Cabot Creamery and the Vermont Ski Area Association and pooling of marketing dollars allows the Department to purchase more television spots than our budget alone would allow. The FTMI and Chamber matching programs have also been integral in increasing Vermont media and promotion exposure.

Sales: Regular communication and sales missions with travel agents and tour operators ensure that Vermont retains a strong presence in travel trade product offerings throughout the world. Motor coaches continue to be an integral part of the Vermont tourism mix. Hundreds of motor coach companies come to Vermont with thousands of travelers during all four seasons. Interaction with consumers at special events and consumer shows highlight Vermont as a vacation destination in a way that other promotional mediums cannot.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tourism and Marketing

VDTM has in-country representation in France, Japan and Canada, as well as in the U.K. and Germany through Discover New England. These contractors focus on public relations opportunities, familiarization trips, and selling Vermont as a premier vacation destination. Other efforts to attract international travelers include trade shows, sales missions, and the Internet. The Department has pages on VermontVacation.com translated into German, French, U.K. English and Japanese which complement lure pieces in the same languages.

Web/Technology: With over 300 pages of content, VermontVacation.com continues to be a tremendous resource for prospective visitors and the Vermont tourism industry. VDTM is encouraging more return visits through its monthly e-newsletter (20,000+ addresses) plus a presence on various social media sites to highlight happenings in Vermont and directing readers to the web for more information. In 2010 VDTM launched a new version of VermontVacation.com. This was accomplished by utilizing a content management system which allows staff of the Department to manage content and design of our site internally without requiring the resources of a contracted web developer. This enhancement has saved VDTM from the expenses of paying external organizations for IT support.

The Vermont Vacation Planner, the state's most comprehensive listing of lodging, dining, attractions, and events, is the most used portion of VermontVacation.com. The site sees an average of 150,000 searches for information each month. Vermont event listings from the Travel Planner are also distributed and used by other web sites, magazines, newspapers, radio and television in Vermont and throughout the Northeast.

Social Marketing

In addition to its Web site VDTM communicated directly with Vermont visitors using eScapes, its e-mail marketing newsletter. The newsletter supports the overall web marketing effort with interest-specific seasonal promotions. Prospective travelers visiting VermontVacation.com "opt in" to receive quarterly e-newsletters highlighting the best of Vermont and targeting their chosen interests. In addition, VDTM uses social media channels such as Facebook, Twitter, YouTube and Flickr to provide a fully interactive experience, enabling Vermont's "fans" to comment on and recommend locations, attractions and/or events to others, help others in vacation planning. VDTM keys in on these conversations to develop Web and newsletter content of interest to potential travelers.

Public Relations: Media relations translate into millions of dollars in advertising value equivalency each year for Vermont, which is further enhanced by the value placed on editorial coverage by consumers. Creative stories describing the experience of a visit to Vermont in publications such as Conde Nast Traveler, the New York Times, the Boston Globe and many others have a far greater value than traditional marketing. Such stories continue the reinforcement of the Vermont brand and offer an insider's look at our state.

The Department continues to focus on expanding outreach efforts. The Department continues to populate VermontPressroom.com and Vermont.Gov with story ideas and market its resources to journalists. The Department is attending more press events and meetings with journalists in major media

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tourism and Marketing

markets.

Cultural Heritage: In 2005, Vermont launched its first-ever celebration of culture and heritage. In 2006 the program was expanded to include Independence Day activities. The goal is to showcase Vermont's rich cultural heritage through a broad range of events and experiences. During the summer of 2006, VDTM initiated a first-ever in-state promotion of Vermont Cultural Heritage Days with public service announcements and paid advertising to encourage Vermonters to explore their own state and participate in local events. The program received a tremendous amount of interest and continues into 2011.

Vermont Life: Vermont Life Magazine is a division of the Vermont Department of Tourism & Marketing. Under statute the Commissioner of the Department has general oversight over the magazines operation. Vermont Life has reached great accomplishments in both the publication quality and business activities including a stronger presence on the internet, additional collaborative promotion through Vermont's official travel web site VermontVacation.com. Vermont Life is focusing on increasing the sale of both in and out of state subscriptions and increasing the sales of products distributed through Vermont Life's catalogue.

Vermont Life is published quarterly in February, May, August and November as the State of Vermont's official magazine. The magazine explores the state's people, places and heritage. Vermont Life Magazine celebrated 60 years of publication in 2006. Vermont Life has one over 95 national and international magazine awards since 1990. In 2009 Vermont Life Magazine won the Most Improved Magazine award by the International Magazine Association along with two editorial honor awards.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tourism and Marketing**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Tourism & Marketing	9	9	8	3,435,628	3,285,810	2,994,458	3,151,010
Vermont Life	11	9	8	574,393	813,417	733,205	712,689
<hr/>							
TOTAL	20	18	16	4,010,021	4,099,227	3,727,663	3,863,699
FUND TYPE							
General Fund				3,119,791	3,279,810	2,988,458	3,101,010
Special Fund				2,990	6,000	6,000	0
Enterprise Fund				574,393	813,417	733,205	712,689
Interdepartmental Transfer				312,847	0	0	50,000
<hr/>							
TOTAL				4,010,021	4,099,227	3,727,663	3,863,699

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tourism & Marketing

Appropriation Key Budget Issues

Level funding helps us to continue to market Vermont for tourism. VDTM currently strives to use existing dollars to forge new partnerships in Tourism's core market; the metro areas of NY, Boston and Montreal. There is an excellent return on the dollars Vermont currently spends in these markets. The Department buy's media at a fraction of the going rate and receives far more than the dollars spent as compared to Vermont's competitive neighbors. Decreasing tourism marketing dollars can threaten our positioning in the tourism market place. Experiences in other states that have reduced tourism marketing have resulted in the loss of skier days and tourism revenues. Tourism is an important contributor to the Vermont economy, we cannot afford to lose market share.

The Vermont Department of Tourism and Marketing is able to leverage general fund dollars by matching contributions by the private sector. This cooperative promotion allows for both private Vermont based businesses and the State of Vermont to increase exposure in the marketplace significantly. The Department currently has more requests to collaboratively market the Vermont brand than funding available.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Tourism & Marketing**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	1,405,696	1,503,826	1,356,373	1,313,796
Operating Expenses	1,833,182	1,651,984	1,514,585	1,613,714
Grants	196,750	130,000	123,500	223,500
<hr/> TOTAL	<hr/> 3,435,628	<hr/> 3,285,810	<hr/> 2,994,458	<hr/> 3,151,010
FUND TYPE				
General Fund	3,119,791	3,279,810	2,988,458	3,101,010
Special Fund	2,990	6,000	6,000	0
Interdepartmental Transfer	312,847	0	0	50,000
<hr/> TOTAL	<hr/> 3,435,628	<hr/> 3,285,810	<hr/> 2,994,458	<hr/> 3,151,010

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Life**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	549,545	723,536	676,924	663,467
Operating Expenses	24,848	89,881	56,281	49,222
<hr/> TOTAL	<hr/> 574,393	<hr/> 813,417	<hr/> 733,205	<hr/> 712,689
FUND TYPE				
Enterprise Fund	574,393	813,417	733,205	712,689
<hr/> TOTAL	<hr/> 574,393	<hr/> 813,417	<hr/> 733,205	<hr/> 712,689

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Department Mission Statement

The mission of the Vermont Arts Council is to advance and preserve the arts at the center of Vermont communities. We accomplish this through partnerships, grants, workshops, advocacy and information services. Specific goals include increasing participation in the arts, and supporting art-based programs that provide clear and demonstrable returns on the public investment made in them.

The Vermont Council on the Arts, Inc. d/b/a the Vermont Arts Council was organized as a 501(c)(3) not-for-profit corporation in 1964 to promote and support quality art activities and opportunities for all Vermonters and visitors to the state. In 1965, Congress passed PL 89-209 creating the National Council on the Arts and Humanities with funding for the states in both of these disciplines. The Vermont legislature authorized the Arts Council (Act 170 of 1965), as the agency to represent Vermont in state and federal arts programs, for the purpose of "increasing the opportunities for Vermont's citizens and visitors to view, enjoy and participate" in the arts.

Description of Appropriations, Divisions, & Programs

The Council's funding sources are a combination of State appropriations and collaborative projects; a Federal grant from the National Endowment for the Arts; and a small amount of private (corporate, individual, and foundation) funding.

With these funds, the Arts Council serves as the state's largest resource to Vermont's creative sector; a sector that employs nearly 6800 people year round (source: Dun & Bradstreet), and many more thousands on a seasonal basis. The sector also serves as a significant reason why tourists visit the state, and why Vermont is frequently cited as one of the best states in which to locate a business and raise a family. It also plays an increasing role in the quality of educational services provided to our youngest citizens—a role that in many communities in Vermont has been transferred from schools who have cut arts education to local community arts organizations who provide arts instruction and exposure in significant after-school or out-of-school settings. The particular skills offered through arts education are directly related to what are referred to as critical "21st –Century Learning Skills"—including critical thinking, collaborative problem-solving, experimentation and reflection, and creativity.

As a granting agency, its three funding areas are designed to:

- Support artists and arts organizations and help them to provide their audiences with excellent artistic products and services;
- Promote high quality arts education and lifelong learning in and through the arts;
- Support the development of healthy communities through funding strategies that positively impact the quality of local community life.

The Council supports and provides leadership in state and local partnerships that value the role of the arts in local economic development, invest in physical improvements to our cultural infrastructure, and

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

promote the products and services of Vermont's creative sector. Examples of Council collaborative activities are:

- Developing and implementing a series of workshops called "Breaking into Business" in which 50 artists/sole proprietor arts administrators gather for two days under the tutelage of business/marketing professionals, develop seed ideas in collaboration with their fellow attendees, and then spend a month developing a business plan and application which we then provide seed funding for—up to \$500 per person;
- Collaborating with the Agency of Transportation, the Department of Tourism and Marketing, and the Agency of Commerce and Community Development to create and maintain an online interactive statewide Arts and Cultural Events calendar.;
- Coordinating the "Art in State Buildings" program to commission art works to enhance new and renovated public buildings in partnership with the Department of Buildings and General Services;
- Administering the "Cultural Facilities" grant program that enables local organizations to expand their cultural offerings in their communities in partnership with the Agency of Commerce and Community Development, Division of Historic Preservation, and the Vt. Historical Society;
- Overseeing a model transportation enhancement project based on creative improvements as part of the reconstruction of the Route 2 corridor through the village of Danville in partnership with the Vermont Agency of Transportation;
- Developing initiatives such as Head Start arts programs for underserved children and families and sustainable arts education programming in schools and communities throughout the state with local arts and municipal partners;
- Working with the Council on the Future of Vermont and the Vermont Council on Rural Development to develop and administer a project that commissioned more than 100 works of art that reflect on issues and opportunities facing Vermonters as they look towards the future, and touring the exhibit to 26 Vermont communities as well as Washington DC (spring of 2010).

The major goals the Council is pursuing to achieve its mission are:

- 1) To increase opportunities for everyone in Vermont to experience and/or participate in the arts
- 2) To demonstrate and promote the positive ("public value") benefits of investing tax dollars to support the arts through increased tourism, improved educational opportunities, and creating vibrant, livable communities
- 3) To expand and sustain our capacity to serve our constituencies by upgrading our communications and grant-making systems and focusing on new ways to market and promote Vermont's arts sector. Only if it thrives, will we thrive.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Council on the Arts**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Council on the Arts	0	0	0	577,607	507,607	507,607	507,607
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 577,607	<hr/> 507,607	<hr/> 507,607	<hr/> 507,607
FUND TYPE							
General Fund				507,607	507,607	507,607	507,607
Special Fund				70,000	0	0	0
<hr/> TOTAL				<hr/> 577,607	<hr/> 507,607	<hr/> 507,607	<hr/> 507,607

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Appropriation Key Budget Issues

Demands and pressures on the creative sector are over-stressing its inadequately-funded operating infrastructure. Organizations that were initially founded to present art are being asked to play leadership roles in significant community projects that speak to the economic vitality and quality of life of their community. The impact of this is that the organizational capacity of not-for-profit arts organizations is at the breaking point, and many lack the necessary resources to participate effectively in creative economy efforts that are a vital part of improving the overall economic condition of the State.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Council on the Arts**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	577,607	507,607	507,607	507,607
TOTAL	577,607	507,607	507,607	507,607
FUND TYPE				
General Fund	507,607	507,607	507,607	507,607
Special Fund	70,000	0	0	0
TOTAL	577,607	507,607	507,607	507,607

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

Department Mission Statement

The Vermont Symphony Orchestra Association, Inc., a state-supported non-profit institution founded in 1936, exists for the purpose of fostering and encouraging the appreciation of music in all its various forms, with emphasis on orchestral, choral and chamber music. It seeks to raise the common standard of music education and enjoyment, and to provide, at moderate cost, quality performances for a broad and diverse public throughout the State of Vermont.

Description of Appropriations, Divisions, & Programs

The Vermont Symphony Orchestra (VSO) traditionally receives a single appropriation from the General Fund that is applied to support musical and educational programs around the state, with primary emphasis on the *SymphonyKids* education program and performances in underserved, rural areas.

Activities

The VSO is Vermont's nationally-recognized professional musical resource, providing residents of and visitors to the state with high-quality services and programs, especially in the area of music education. Its unique mission as a state orchestra is made possible through the collaborative efforts of the many communities it serves each year and the grass roots efforts of hundreds of volunteers across Vermont. During the season just completed (September 1, 2009 - August 31, 2010), the VSO performed 37 major presentations in 22 Vermont towns. These offerings included two major statewide tours—the foliage season Made in Vermont Music Festival (nine concerts), and the eight-concert Summer Festival—along with the Masterworks series in Burlington (five concerts); the Sunday Matinee Series in Rutland (three concerts), two Holiday Pops concerts; four Holiday presentations with Brass Quintet and Robert De Cormier's vocal ensemble Counterpoint; two *SymphonyKids* Orchestral Youth Concerts in Burlington; the free David M. Wilson Memorial Farmers' Night Concert in Montpelier; the Waltz Night gala; and a VSO Brass Quintet Family Concert in Bradford.

The recently-concluded 2009/2010 season reflected better-than-average activity for presentations and students served through the VSO's *SymphonyKids* statewide educational programs: 220 events were produced, involving 24,089 Vermont schoolchildren from 162 schools in 133 towns (including some in New York and New Hampshire). The attendance represents nearly half of all Vermont K-6 schoolchildren. No other orchestra in the country can lay claim to such a pervasive education program. Still, this was a decline from record-setting results in 2007/2008, due primarily to tightening school budgets. The semi-annual Orchestral Youth Concert tour, planned for 2010/2011, will not take place because many schools have been forced to eliminate field trips and extra activities requiring busing. The VSO continues to rely on substantial support for *SymphonyKids* from the New Jersey-based Turrell Fund. As with most private foundations, however, funding from that source has been reduced over time

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

because of a decline in the stock market. The *SymphonyKids* program encompasses several offerings: the Musical Petting Zoo, Musicians-in-the-Schools (smaller ensembles), Orchestral Youth Concerts, and (our most recent addition) the Green Room Program for high school students. Special programs that feature visiting guest artists, composers, and other musical personalities supplement these mainstays.

The VSO presented a total of 301 concerts and programs during its 2009/2010 season, reaching 53,791 people statewide. 266 of the events were offered free of charge to audience members.

The VSO continues to improve fulfillment of its statewide mission. The three-concert Sunday Matinee Series inaugurated at Rutland's Paramount Theatre three seasons ago experienced audience growth again in 2009/2010. The new volunteer regional boards of trustees in the Upper Valley and Southeast Vermont have developed and are working to increase performances in their regions. A successful 2008 Made in Vermont Music Festival tour concert at the Bellows Falls Opera House led the presenting organization there to book two performances for 2009/2010 and 2010/2011. Likewise, Pentangle Arts Council in Woodstock engaged the VSO for Made in Vermont Music Festival tour concerts in 2009 and 2010, and the Upper Valley regional board produced successful Halloween Family Concerts in October 2009 and 2010, to benefit VSO *SymphonyKids* programs in that region.

Market

The Vermont Symphony Orchestra was organized more than 75 years ago to serve all of the communities of Vermont. As the name implies, it is a state orchestra that provides services and programs throughout Vermont. Out of hundreds of professional U.S. orchestras, only several hold this statewide distinction, but among those few, the VSO is unmatched in the size and proportion of rural communities it annually serves, making it a unique American institution.

The significance of Vermont's rural setting is essential to understanding the VSO's market, challenges, and successes. The average U.S. orchestra in the VSO's budget class serves one metropolitan area; whereas the VSO market of 625,000 is spread over an entire state of 9,609 square miles, and one with great economic and demographic diversity as well as geographic features that isolate areas of the state from each other. There is no statistical data available on the number of communities served each year by other orchestras of similar budget size to the VSO, presumably because they each serve one principal community. By contrast, the VSO serves many communities.

Since 1939, the Vermont legislature has recognized the VSO's unique mission by annually granting a direct appropriation, making it the oldest state-supported orchestra in the country. The most important component of the market that compels the Orchestra's existence is the 50,000-60,000 individuals who use VSO programs, approximately forty-five percent of whom are children. The in-school presentations and children's concerts add to each school district's ability to enrich the education of its students. A National Center for Education Statistics study supports the assertion that music and arts education have a significant positive impact on students' cognitive and reasoning skills. This study shows that students who take part in music programs routinely have higher achievement test scores than their classmates, and have higher grades in their classes. Children who experience music regularly from an early age have

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Vermont Symphony Orchestra

been shown to have an enhanced mathematical ability over their classmates. This and other studies only add to what we already know: children who learn to appreciate music and art early in life retain that appreciation and equate it with an appreciation for other important cultural components and, in turn, help to improve society. It is the VSO's goal to reach an ever-increasing audience each year, in as many communities as possible.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Symphony Orchestra	0	0	0	113,821	113,821	113,821	113,821
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 113,821	<hr/> 113,821	<hr/> 113,821	<hr/> 113,821
FUND TYPE							
General Fund				113,821	113,821	113,821	113,821
<hr/> TOTAL				<hr/> 113,821	<hr/> 113,821	<hr/> 113,821	<hr/> 113,821

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra**

Appropriation Key Budget Issues

Among the major indicators measuring the results and impact of VSO programs each fiscal year, the most important are:

1) Program usage statistics. These are arguably the most important indicators of success for a performing arts organization. Usage statistics include ticket revenues and attendance figures.

	Actual <u>FY08</u>	Actual <u>FY09</u>	Actual <u>FY10</u>	Estimated <u>FY11</u>	Estimated <u>FY12</u>
Ticket Sales	\$428,186	\$365,296	\$417,711	\$409,186	\$417,385
Attendance	61,358	49,079	53,791	55,000	56,000

Annual figures vary based on the number of presentations. FY09 Ticket sales and attendance figures dropped substantially due primarily to a terrible 2009 summer festival tour (weather and one cancelled concert) and because of fewer *SymphonyKids* and ensembles bookings. FY10 actuals reflect a return to more normal numbers, unaffected by unusual circumstances. Given programmatic changes and the economic downturn, the relative stability of sales and attendance suggests organizational strength among the VSO's patronage. Projections for the next two years show modest increases, based partly on a reduced performance schedule.

2) The number and variety of programs/services offered and the number of different Vermont communities participating in those programs. The chart below shows historical and projected numbers of major events planned for each fiscal year, followed by the number of Vermont communities served:

	Actual <u>FY08</u>	Actual <u>FY09</u>	Actual <u>FY10</u>	Estimated <u>FY11</u>	Estimated <u>FY12</u>
Number of Programs	38	48	37	38	40
Number of Communities	21	25	22	23	24

Orchestral Youth Concert tours take place every other season; thus the numbers of programs and communities are fewer during even years. Due to the recession and school budget cutbacks, an Orchestral Youth Concert tour is not planned for FY11.

3) Statistical evidence of broadening community and business support across the state. Included below are the results and projections from annual individual and business fundraising efforts.

	Actual <u>FY08</u>	Actual <u>FY09</u>	Actual <u>FY10</u>	Estimated <u>FY11</u>	Estimated <u>FY12</u>
Individual Gifts	\$296,362	\$306,498	\$319,798	\$332,825	\$339,482
Business Support	\$252,595	\$279,288	\$210,691	\$209,150	\$213,333

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

Even during the recent economic downturn, giving remained strong for the VSO. Higher business support in FYs 08-09 includes the final two years of a special award for a three-year composer residency project.

Beginning in 2007, the VSO undertook its first-ever endowment campaign. At this writing, over \$3,455,000 has been raised toward a \$3,500,000 goal. The campaign is scheduled to end in January, 2011. Even with this extraordinary drive—occurring during a financially difficult period—operating support has grown or, at least, remained fairly stable.

Broadening community support is also measured in terms of volunteer participation and non-cash giving. The number of active volunteers has grown to well over 400, while the value of in-kind contributions averages \$208,975 annually (with nearly \$229,000 donated in FY10).

National Endowment for the Arts and Vermont Arts Council funding has been inconsistent in recent years: FY08 support dropped by 36%; FY09 support nearly doubled the reduced FY08 level; FY10 support declined by 72%! Support from the national and state arts agencies is an ongoing concern for the VSO. Likewise, foundation support can be unreliable, given an uncertain stock market and shifting funding interests. The challenge is to find more stable sources of contributed revenues that will remain available during future economic downturns.

The anticipated successful completion of the \$3,500,000 endowment campaign will bring the VSO's permanently restricted fund to a level that is closer to the national standard for orchestras (at least three times the annual operating budget). Adding these new funds to the VSO's existing modest endowment will eventually result in a new annual funding stream of approximately \$160,000, based on a conservative 4% draw. This will help the VSO maintain its offerings, even during unpredictable economic times.

4) Evidence of artistic and administrative excellence and financial results and evidence of economic impact. The Vermont Symphony Orchestra has developed a consistent, superior level of artistic ability that is unparalleled locally, and is competitive at the regional and national level. This is indicated both through critical reviews of performances and from periodic review by outside agencies, some of which fund the VSO in a highly competitive environment. Annual reviewers include the Vermont Arts Council, the National Endowment for the Arts, and several private foundations. During the past six years, the VSO enjoyed seven national broadcasts of performances on National Public Radio, including the premiere broadcast of a new work commissioned and performed in all 50 states by more than 70 orchestras. This, too, attests to the quality level the Orchestra has attained.

Senior administrative staff continuity during the past eight years and increasingly active governing and regional boards have played a role in the financial turnaround of the organization. From FY01 to FY07, the VSO reduced its accumulated operating deficit by 80%, from <\$585,964> to <\$114,954> (audited year-end result). Unfortunately, FY08 and FY09 produced negative results. FY10 showed a \$58,478

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

positive result. These fluctuating results of operations, combined with endowment fund losses in the equity and bond markets, have left the VSO in a tenuous position, operationally: the FY10 audit reflects an accumulated operating deficit of <\$403,425> (23% of the operating budget). The FY11 budget is break-even before endowment transfers, leaving a necessary cushion, but it will still require several years of positive results to eliminate the accumulated deficit. The VSO's Governing Board of Directors and its six Regional Boards of Trustees are committed to conservative budgeting in order to eliminate the operating deficit within the next five years.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	113,821	113,821	113,821	113,821
TOTAL	<u>113,821</u>	<u>113,821</u>	<u>113,821</u>	<u>113,821</u>
FUND TYPE				
General Fund	113,821	113,821	113,821	113,821
TOTAL	<u>113,821</u>	<u>113,821</u>	<u>113,821</u>	<u>113,821</u>

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Historical Society

Department Mission Statement

The Vermont Historical Society engages both Vermonters and “Vermonters at heart” in the exploration of our state’s rich heritage. Our purpose is to reach a broad audience through our outstanding collections, statewide outreach and dynamic programming. We believe that an understanding of the past changes lives and builds better communities.

Department Vision Statement:

The Vermont Historical Society will set the standard for statewide work in Vermont history. We will reach more people through expanded outreach, leadership in Vermont history education, accessible collections, and participation in public policy discussion. Our audiences will be engaged citizens who are informed about the past and motivated to create a better future.

Chartered by the legislature in 1838 and thus the oldest cultural heritage organization in the state, VHS collects, preserves and interprets objects and documents related to Vermont’s past (22 V.S.A., sections 281-285). The Vermont Historical Society is the only institution in Vermont that collects artifacts and documents that reflect the entire history of the state, every geographical area, and every chronological period, including the present.

Description of Appropriations, Divisions, & Programs

Statewide Outreach

Vermont Historical Society impacts the lives of Vermonters in every community of the state through a range of programs and activities, including:

- **League of Local Historical Societies and Museums:** nearly 200 community heritage organizations benefit from their association with VHS through technical assistance, an annual conference and awards program, an e-newsletter, and other activities that promote the work of local societies. Earlier this year, VHS assumed responsibility for the Vermont Collections Care Program, previously administered through the now defunct Vermont Museum and Gallery Alliance. Through this program VHS will offer enhanced service to community heritage organizations through a mentoring program, workshops and delivery of informational resources.
- **Other Statewide Heritage Collections Initiatives:** Connecting to Collections is a statewide program coordinated by VHS that surveyed organizations responsible for heritage collections in Vermont, including town clerks, and will be addressing the most critical needs identified in that study. Alliance for Response is a VHS initiative that promotes emergency planning for historical collections and links heritage organizations with first responders at the community level.
- **Educational Outreach:** schools and home-based educational units have access to resources that aid in the teaching of Vermont history, including traveling trunks, teacher professional development, lesson plans, and reading materials. VHS has partnered with the Department of

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Historical Society

Education to create new content-rich resources for classrooms that will promote attainment of *Grade Expectations for Vermont's Framework of Standards and Learning Opportunities* for third and fourth grade students. The new *Vermont History Explorer* website (www.vermonthistory.org/explorer) will provide a portal to vast historical resources for teachers and students.

- **Vermont History Expo:** now a bi-annual event, Expo brings together over a hundred local historical societies and other organizations for a statewide celebration of Vermont's history. Called "Vermont's Family Reunion," Expo is still the only event of its kind in the nation.
- **Civil War Sesquicentennial:** VHS is leading an effort to coordinate a statewide commemoration of the 150th Anniversary of the Civil War.
- **Town 250th Anniversaries:** The VHS, in partnership with the Vermont League of Cities and Towns and the Vermont Department of Tourism and Marketing has developed a toolkit to promote community-wide commemorations of the 250th anniversaries of Vermont towns that will occur during the next four years.

Museum and Educational Programs

- **Freedom & Unity Exhibition:** nearly 10,000 people tour the exhibition at the History Museum in Montpelier, including almost 5,000 Vermont schoolchildren (who have free admission).
- **Museum collections:** VHS cares for a collection of over 25,000 objects that document the lives of Vermonters. The VHS also houses the state's collection of Civil War flags.
- **Public Programs:** offerings include Martin Luther King Day programs, Farmers Night at the Statehouse, historic games at events throughout the state, Annual Meeting and Conference and special events throughout the year.
- **Vermont Women's History Project:** in 2009 VHS became the new home of the VWHP, which provides research opportunities and public programs about the lives of Vermont women.
- **Vermont History Day:** provides an opportunity for middle and high school students to research historical topics and present their findings through a variety of project formats, including documentaries, exhibits, research papers and dramatic performances. Nearly 200 students participate in the statewide competition that is held as a preliminary for National History Day.

Research and Publications Programs

- **Library Collections:** VHS cares for a collection of over 50,000 books and serials; 30,000 photographs; and thousands of manuscripts, broadsides, maps, films, audio recordings, and microfilm.
- **Research Services:** over 1,200 people conduct research at the Leahy Library at the Vermont History Center in Barre each year, including students, scholars and genealogists. Several hundred more are served remotely through email, phone and written correspondence.
- **Online Resources:** VHS is increasingly making research materials accessible through the website (www.vermonthistory.org), including photographs, manuscripts, diaries and letters. Working in conjunction with the Center for Digital Initiatives and the Department of Special Collections at UVM, the VHS is creating online versions of Civil War letters and diaries.
- **Publications Programs:** VHS publishes a variety of titles on Vermont history and promotes

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Historical Society

access to publications through the annual *Book List*. The semi-annual journal, *Vermont History*, is enjoyed by nearly 3,000 subscribers, with back issues accessible through the VHS website.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Historical Society**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Historical Society	0	0	0	795,669	795,669	795,669	807,694
TOTAL	0	0	0	795,669	795,669	795,669	807,694
FUND TYPE							
General Fund				795,669	795,669	795,669	807,694
TOTAL				795,669	795,669	795,669	807,694

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Historical Society

Appropriation Key Budget Issues

The Vermont Historical Society has been operating with significant operating deficits since opening the Vermont History Center in 2002. Reserve funds and extraordinary draws on endowment funds have been used to balance budgets. This is no longer a sustainable course for the organization; the Board of Trustees and staff are committed to resolving this situation through a combination of immediate actions and long-term initiatives:

Immediate Responses

- **Expense Reductions:** During the past three years VHS reduced staffing levels by almost 25%, eliminating 4.5 FTE positions; remaining staff accepted voluntary pay reductions of 3%. VHS also is economizing on printing costs, postage and mail prep expenses for delivery of VHS publications. We also are realizing savings by seeking competitive bids on energy purchases and service contract. An energy audit, conducted in early 2010 identified multiple items that will result in substantial energy savings—many of which were implemented immediately.
- **Revenue Enhancements:** The Board of Trustees has accepted a challenge to enlarge annual giving substantially. VHS also is enhancing its marketing efforts to promote museum visitation and bookstore purchases.

Long-Term Initiatives

- **Capital Campaign:** VHS has launched a capital campaign that will renew the vitality of the Vermont History Center by creating new exhibition venues and performing needed maintenance on the exterior of the building.
- **Debt Elimination:** The VHS is committed to eliminating \$1.3 million in debt remaining from the initial development of the Vermont History Center. An appropriation of \$150,000 was provided in FY2010 through the state's capital budget as a challenge grant to the VHS toward the reduction of the debt. As of December 1, 2010, over half of the matching funds have been raised.
- **Partnerships with State Agencies:** VHS also is exploring ways to partner with state agencies and other organizations to share space at the Vermont History Center and at the Pavilion in Montpelier. In the spring of 2010, VHS entered into a partnership with *Vermont Life Magazine* to serve as the magazine's retail outlet in the Capital Complex. VHS also is developing plans with the Division for Historic Preservation to relocate the Vermont Archeology Heritage Center from an industrial building in South Burlington to the Vermont History Center. This move will advance the preservation of the state's archeological collections, while enhancing access to them.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Historical Society**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	795,669	795,669	795,669	807,694
<hr/> TOTAL	<hr/> 795,669	<hr/> 795,669	<hr/> 795,669	<hr/> 807,694
FUND TYPE				
General Fund	795,669	795,669	795,669	807,694
<hr/> TOTAL	<hr/> 795,669	<hr/> 795,669	<hr/> 795,669	<hr/> 807,694

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

Department Mission Statement

The Vermont Housing and Conservation Board (VHCB) is a public body established in 1987 by amendment to 10 V.S.A. to add Chapter 15, with the purpose of improving the quality of life for Vermonters by implementing the dual goals of creating "affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, important natural areas, recreational lands, and historic properties."

The Board's programs serve lower income Vermonters (families earning below median income, with an emphasis on very-low income households) and all Vermonters interested in or users of agricultural, natural, and recreational lands, historic properties and affordable housing. The Board makes grants and loans to municipalities, to non-profit organizations, including land trusts and conservation groups, to housing cooperatives, and to qualifying state agencies.

A major VHCB goal is to assist communities in implementing local plans and activities which further the Board's statutory mission. The Board's awards support community-based projects that preserve affordable housing units, create or rehabilitate additional affordable housing, correct infrastructure deficiencies in mobile home parks, conserve and protect agricultural lands, natural and recreational land and historic properties. The Board's work results in re-investment in downtowns and surrounding neighborhoods while preserving the rural working landscape.

VHCB's program contributes to Vermont's economy in many ways: 1) it leverages more than \$4 for every dollar appropriated; 2) affordable housing is critical to economic growth and attracting future employees, and housing construction is one of the most effective generators of jobs; 3) the working landscape is among Vermont's primary economic assets - investment in conservation supports travel, tourism and recreation; investment in agriculture promotes inter-generational transfers, expansion, efficiency and diversification.

Description of Appropriations, Divisions, & Programs

The vast majority of the Board's funds are used to provide grants and/or loans to eligible projects. In housing activities the Board generally provides funds for acquisition and rehabilitation and development of housing properties. For conservation activities the Board generally provides grants to assist in the purchase of an interest in real estate (an easement or purchase of land in fee). The programs are enhanced by matching federal funds administered by VHCB including the HOME Program, HUD Economic Development Initiative/Special Projects Grants, Lead Paint Hazard Reduction Program, Housing for Persons with HIV/AIDS, Farm Preservation Program, and an AmeriCorps program, all of which supplement the VHCB funds in projects. In FY2011, VHCB administered one time federal funding from the Neighborhood Stabilization Program (NSP) and the American Recovery and

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

Reinvestment Program's energy funding to improve energy efficiency of multi-family housing.

The VHCB works toward the goal of creating and preserving affordable housing by providing funds for projects with mechanisms which assure perpetual affordability, that serve the most economically distressed households, and by placing a priority on "at risk" housing where a lack of action may result in displacement of residents and where action is necessary to prevent the loss of federally subsidized housing projects. In recent years, because of a housing shortage, the Board has also prioritized developing new units. When reviewing a project the Board considers the availability of other amenities related to housing, including access to social services, transportation, recreation, and access to open space.

Objectives for the retention of agricultural land include the funding of projects which have a specific and current agricultural use, have the potential of being an economically viable farm unit, and/or where the loss of the farm would have significant negative impact on neighboring farms. The Board reviews potential farm applications with the help of an Agricultural Advisory Committee. State funds for purchasing conservation easements are matched on a one to one basis by funds from the federal Farms Preservation Program. VHCB has been able to match state funds with \$31 million from this program to date.

The Farm Viability Program is now operating in partnership with the Agency of Agriculture, Food and Markets (VAAFMM) and works closely with an advisory board, per 6 V.S.A. Section 4710. This program provides technical assistance and business planning to Vermont farmers.

The protection of natural areas and public recreation lands is supported through the funding of projects providing valuable public access to the state's water resources, and other important outdoor recreational lands, often in cooperation with the Agency of Natural Resources and local communities to provide opportunities for hunting, fishing, hiking, bird watching, and cross country skiing among other activities.

VHCB projects also focus on perpetually protecting areas essential to maintaining the ecological diversity or natural heritage of the state, including the perpetual protection of habitat containing one or more endangered species. Many of VHCB's conservation awards support the efforts of local communities to provide ongoing public access to locally important resources. Historic projects include buildings on, or eligible for, the national register of historic places that can be used or converted to affordable housing. VHCB also provides funds for historic buildings of outstanding statewide significance which will have intensive public use.

The Board's audited financials are presented in the state financial statements as a non-major component unit.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vt Housing and Conservation Board	0	0	0	17,566,209	23,789,348	23,789,348	22,187,916
<hr/>							
TOTAL	0	0	0	17,566,209	23,789,348	23,789,348	22,187,916
FUND TYPE							
Special Fund				8,525,961	6,606,662	6,606,662	9,347,500
Federal Revenue Fund				9,040,248	17,182,686	17,182,686	12,840,416
<hr/>							
TOTAL				17,566,209	23,789,348	23,789,348	22,187,916

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board**

Appropriation Key Budget Issues

The Governor has sought to maintain the state's commitment to affordable housing and land conservation during this challenging budget year.

The VHCB annual state appropriation comes mainly from Property Transfer Tax receipts. The budget recommendation is \$8,622,500 for funding for VHCB from the Property Transfer Tax in FY12. This portion of VHCB's appropriation is up \$2,520,838 from last year.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	17,566,209	23,789,348	23,789,348	22,187,916
TOTAL	<u>17,566,209</u>	<u>23,789,348</u>	<u>23,789,348</u>	<u>22,187,916</u>
FUND TYPE				
Special Fund	8,525,961	6,606,662	6,606,662	9,347,500
Federal Revenue Fund	9,040,248	17,182,686	17,182,686	12,840,416
TOTAL	<u>17,566,209</u>	<u>23,789,348</u>	<u>23,789,348</u>	<u>22,187,916</u>

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

Department Mission Statement

The Vermont Humanities Council (VHC) strives to make Vermont a state in which every individual reads, participates in public affairs, and continues to learn throughout life.

The VHC believes that engagement with the world of ideas, in interaction with others, contributes uniquely to richer lives, stronger communities, a more humane society, and a better world. Because the humanities and the world of ideas belong to everyone, the VHC has developed a broad range of programs that serve Vermonters of all ages and backgrounds. The humanities include history, literature, art history, and comparative religion. They are the tools of self-reflection; they help us better understand ourselves and others, and the past and present.

Description of Appropriations, Divisions, & Programs

The State of Vermont's allocation to VHC is essential to the pursuit of its mission by complementing federal funds and enabling it to leverage dramatically the state's allocation with private donations. These funds pay for the critical programs that contribute toward a literate and engaged citizenry and vital, healthy communities.

In 2009 (the most recent year for which complete numbers exist) VHC sponsored nearly 1,250 programs; they occurred in 145 Vermont towns, including communities in every county.

VHC promoted literacy for Vermonters of all ages in a variety of ways:

- Adult literacy students* were served through (a) 65 *Connections* sessions (22 multi-part programs), of which 41 were at prisons or probation sites; (b) through programs at the Vermont State Hospital and a community mental health center, and (c) through 300 women who are struggling to rise out of poverty who are either incarcerated or served by eleven social service and educational organizations in northwest Vermont reading Mary Childers's powerful childhood memoir *Welfare Brat*, meeting with the author, and then reflecting on their own experiences. Moreover, (d) VHC professional development programs equipped 21 State of Vermont adult educators who work at Adult Education and Literacy Centers to lead reading and discussion programs; they, in turn, led reading and discussion programs that reached 422 adult students.
- 145 *at-risk middle-school students* took part in nine theme-based, week-long humanities summer camps. For a significant number of these students, their Humanities Camp experience is identified by their parents, their teachers, or themselves as *the* factor that causes them, upon graduating from high school, to be the first member of their family to go on to college. (We ran ten Humanities Camps in the summer of 2010.)
- 510 different *child care providers* and 520 different *parents* (including incarcerated men and

STATE OF VERMONT
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Vermont Humanities Council

women) took part in 371 VHC early literacy training workshops, thereby helping the many thousands of young children in their care.

- 18 literacy *mini-grants* totaling \$5,000 were awarded to other organizations to support literacy projects where a little help could make a big difference.

These various humanities-based literacy programs -- conducted in partnership with the Department of Education, Department of Children and Families, Department of Corrections, Adult Literacy Centers, local parent-child centers, and other service providers -- serve low-income adults and families struggling with literacy.

In 2009 VHC also ran hundreds of events and other projects that engaged tens of thousands of the general public statewide.

- *Vermont Reads*, VHC's statewide one-book community program, engaged more than 10,000 students and adults (confident and fragile readers alike) from 74 towns in reading and discussing a book and participating in events related to it. Schools, libraries, and scores of other groups -- as well as adult literacy students at AEL centers and prisons -- read Julie Otsuka's novel *When the Emperor Was Divine*. (In 2010 92 towns -- the largest number ever -- read Katherine Paterson's, *The Day of the Pelican*.)
- *Health care professionals* in 9 of Vermont's 15 hospitals took part in "*Literature and Medicine: Humanities at the Heart of Health Care*," a national award-winning reading and discussion program that "renews the heart and soul of health care." *Lit and Med* discussions help health care professionals improve their communication and interpersonal skills while increasing their job satisfaction, cultural awareness, and empathy for patients.
- VHC hosted 211 *free public lectures* or living history performances in libraries, schools, museums, and other community centers in 94 Vermont different towns. All these events, like the 175 VHC *book discussions* that libraries hosted in 36 different towns, promoted life-long learning, reading, and vital libraries, fostered community building, and contributed to Vermont's "creative economy," cultural tourism, and our state's attractive quality of life.
- In addition, VHC provided 17 general humanities grants totaling over \$35,000 to schools, museums, historical and other community organizations to support their humanities programs. VHC's 2009 *annual autumn conference*, "Food for Thought," (like the 2010 conference on "Comedy and Satire: Ridiculing Vice and Folly," were very successful and drew large audiences. VHC produced for sale, in 2010, its first music CD, "Vermont History through Song," songs from the Vermont Historical Society's sheet music collection. VHC participated in and helped promote the annual *Poetry Out Loud* program for high school students, and continues to co-sponsor the *statewide middle school spelling bee*, the winner of which represents Vermont in the national championship.
- And VHC has been active in the *Champlain Quadricentennial Commission*, *Vermont's Lincoln Bicentennial Committee*, and the *Vermont Civil War Sesquicentennial Commission*. For the Civil War's 150th anniversary VHC is incorporating Civil War topics into existing programs and has started a new, inexpensive but high-impact project for schools and the general public: the *Civil War Book of Days*, a weekly e-mail bringing powerful and poignant words and news/history from that

**STATE OF VERMONT
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Vermont Humanities Council**

week 150 years ago.

VHC will continue its commitment to literacy, lifelong learning, and community engagement.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Vermont Humanities Council	0	0	0	172,670	172,670	172,670	172,670
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 172,670	<hr/> 172,670	<hr/> 172,670	<hr/> 172,670
FUND TYPE							
General Fund				172,670	172,670	172,670	172,670
<hr/> TOTAL				<hr/> 172,670	<hr/> 172,670	<hr/> 172,670	<hr/> 172,670

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

Description of Appropriations, Divisions, & Programs

The state allocation has and will continue to advance the work of leading Vermont toward full literacy. Vermont state participation is an essential component which complements federal funds and private donations. These appropriated funds not only pay for the material programs that we provide but demonstrate the State's commitment to a literate, well-read citizenry.

Examples of program successes:

1. Last year we were able to support over 2,500 humanities programs reaching Vermonters from every county.
2. In partnership with the Agency of Human Services, the Department of Health, local parent-child centers, and other service providers, we were able to furnish books through more than 100 Connections programs, the adult literacy student conference, and fifteen humanities camps which serve low-income families to develop a love of reading for all family members.
3. The Council's grants program, mini-grants, and Creating Communities of Readers grants provided over \$250,000 to historical societies, community groups for literacy, museums, adult basic education centers and other service organizations.
4. Lectures and performances through our Speakers Bureau in more than 100 Vermont towns and the autumn conference challenged participants to learn about history, literature, philosophy, and other humanities ideas that foster community building.
5. Our Never Too Early program furnished approximately 500 childcare providers with books and training to learn how to stimulate the love of reading in young children.
6. The Council sponsored over 275 book discussion programs for general audiences throughout the state.

We firmly believe it is critical to Vermont's future that every citizen be able to read, write and discuss ideas. The Vermont Council on the Humanities will continue our commitment to literacy for all Vermonters and to the enrichment by the humanities in the personal lives and public discourse of our State.

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

In 2009, the most recent year for which complete financial information is available, VHC was pleased that its budget of \$1,267,004 was balanced.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	172,670	172,670	172,670	172,670
TOTAL	<u>172,670</u>	<u>172,670</u>	<u>172,670</u>	<u>172,670</u>
FUND TYPE				
General Fund	172,670	172,670	172,670	172,670
TOTAL	<u>172,670</u>	<u>172,670</u>	<u>172,670</u>	<u>172,670</u>

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Transportation

Agency Mission Statement

The Vermont Agency of Transportation's vision is a safe, efficient and fully integrated transportation system that promotes Vermont's quality of life and economic wellbeing.

VTrans' mission is to provide for the movement of people and commerce in a safe, reliable, cost-effective, environmentally responsible manner.

The Agency of Transportation is committed to developing and maintaining a seamless, integrated transportation network that includes all modes of travel, for freight as well as passengers.

Achieving that objective requires a blend of connections between and among modes that is safe, reliable and produces a seamless transition with minimal disruptions or delays. Establishing such integration across the state requires an annual investment based on the optimal allocation of resources. From expert planning and precision engineering to careful construction and maintenance, the Agency's primary focus is to maintain and improve Vermont's transportation infrastructure in a way that is both safe and environmentally sound.

Investment in transportation infrastructure brings lasting and substantial economic benefits through the ability to grow the state's economy, create and retain jobs, and maintain a high quality of life. VTrans continues to be committed to providing a balanced and integrated intermodal transportation system that meets the diverse needs of the state's citizens while preserving the significant investment Vermont has made in its existing transportation infrastructure.

To meet these various objectives, VTrans has established a set of four goals that act as guiding principles in everything the Agency does. These goals are:

SAFETY: Make safety a critical component in the development, implementation and maintenance of the transportation system.

EXCELLENCE: Cultivate and continually pursue excellence in financial stewardship, performance accountability, and customer service.

PLANNING: Optimize the future movement of people and goods with corridor and natural resource management, balanced modal alternatives, and sustainable financing.

PRESERVATION: Protect the state's investment in its transportation system.

The Agency is organized in four divisions and one department: Operations; Policy & Planning; Finance and Administration; Program Development; and the Department of Motor Vehicles. VTrans also

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Transportation**

provides assistance to Vermont municipalities through several Town Highway programs.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Agency of Transportation

AGENCY SUMMARY BY DEPARTMENT

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
AOT Division Approps and Programs	1,042	1,010	1,007	375,333,221	497,449,171	510,978,413	469,711,849
AOT Department of Motor Vehicles	249	249	234	23,372,835	24,226,470	24,226,470	25,412,693
AOT Town Highway Programs	0	0	0	58,673,451	60,736,082	60,736,082	58,548,748
<hr/>							
TOTAL	1,291	1,259	1,241	457,379,507	582,411,723	595,940,965	553,673,290
FUND TYPE							
Transportation Fund				175,253,748	183,296,305	182,604,958	191,578,076
Special Fund				14,443,414	18,555,087	19,454,143	19,009,937
American Recovery & Reinvestment Act				69,105,201	80,756,516	80,756,516	40,582,716
Federal Revenue Fund				180,306,601	275,885,087	275,885,087	276,316,518
Internal Service Fund				12,353,019	17,477,863	17,477,863	17,286,915
Transportation: Local Match				2,615,738	2,450,885	2,450,885	3,465,052
Transportation Bond Fund				0	0	13,321,533	0
Interdepartmental Transfer				3,301,786	3,989,980	3,989,980	5,434,076
<hr/>							
TOTAL				457,379,507	582,411,723	595,940,965	553,673,290

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) continues to implement asset management and create performance measures that will evaluate the impact of asset management. Asset management is a systematic process of operating, maintaining and upgrading the Agency's physical assets in a cost-effective way. The process combines engineering and mathematical analyses with sound business practices and economic theory. Like the traditional planning process, asset management includes data collection, strategy evaluation, program development, and feedback. It is a strategic approach that takes both a global and long-term view of infrastructure performance and cost. Asset management is a tool which allows VTrans to consider options in a comprehensive, well informed, and proactive manner. Its value will be measured in its outcomes and benefits. Asset management is really a form of best business practices which the private sector has been using successfully for years.

There are three main goals to asset management:

- To build, preserve, and operate facilities and assets in a cost-efficient manner.
- To provide customers the best value for the public tax dollar.
- To enhance the credibility and accountability of the Agency of Transportation.

VTrans provides a number of services through four divisions: Operations, Program Development, Planning, Policy & Research and Finance and Administration, plus the Department of Motor Vehicles. These five organizational areas play an integral role in supporting VTrans' mission.

OPERATIONS DIVISION

The Operations Division, with over 560 employees, operates and maintains Vermont's highways, railways, airports, and public transit systems. Our Division includes the Maintenance Section, the Aviation Program, the Rail Program, the Public Transit Program, the Central Garage, and the Technical Services Section, with support from our own IT Section and Business Office. The Division's mission is to maintain a safe, efficient and reliable transportation system for the movement of people and goods through Vermont.

The nine maintenance districts are responsible for the maintenance of Vermont's infrastructure. Their primary mission is to keep Vermont state highways and airports open and safe for the transportation network users, while managing the system in a cost-effective and environmentally-sensitive manner. The Maintenance Section's Traffic Shop maintains the State's signs, traffic signals, and roadway center and edge lines from its headquarters in Berlin, as well as outpost garages in Colchester and Mendon.

The Central Garage maintains a safe and reliable fleet of vehicles and equipment which allow the Agency to fulfill its mission. From its location in Berlin, the Central Garage coordinates the purchase, preparation, service, repair, and replacement of over 650 vehicles and pieces of equipment, including more than 250 plow trucks.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

The Aviation Program provides a safe environment for users of the system, preserving the aviation infrastructure, promoting aviation-related activities and education programs, and expanding travel opportunities at the 17 public use airports located throughout Vermont.

The Rail Program assists in the development of rail transportation for shippers and passengers, and provides support to improve the freight and passenger infrastructure with recognition of the social, economic, and environmental importance of rail as a major component of the state's transportation system.

The Public Transit Program encourages and promotes statewide public transportation by coordinating transit services to support common sense solutions for the transit-dependant and general population to access employment, medical appointments and shopping centers, assist with congestion mitigation to preserve air quality, improve economic development and tourism, and provide connectivity to commuter and intercity services.

The Operations Division also oversees the State's Occupational Health and Safety Program, Hazardous Waste and Materials Program, Maintenance Programs, Intelligent Transportation Systems and Roadside Vegetation Management. In addition to routine maintenance activities, the Division provides technical assistance to communities for Town Highway Bridge Programs, Town Highway Class 2 Resurfacing and Rehabilitation programs, Federal-Aid on Town Highways, and emergency programs related to natural disasters.

PROGRAM DEVELOPMENT

The Program Development Division is responsible for the design, permitting, Right of Way, and construction of all capital projects undertaken by VTrans.

The Paving Program is responsible for maintaining the surfaces of approximately 3,200 miles of two-lane paved road. The program divides roads into three networks: Interstates, State Highways, and Class 1 Town Highways. Program functions include monitoring and analyzing network-wide pavement conditions, developing cost-effective preventative maintenance and rehabilitation strategies, preparing plans and specifications, and providing technical assistance during construction.

Bridges and culverts are an integral part of Vermont's highway infrastructure, and VTrans' Structures Program makes it a high priority to keep them in a safe and usable condition. The program is responsible for inspecting 2,690 long-span bridges (greater than 20 foot spans) on both the State and local highway systems. The program is also responsible for 1,292 short structures (between six and 20 foot spans) on the State system. Inspections are typically performed on a two-year cycle for long-span structures and on a five-year cycle for short structures, but inspections are performed more frequently when deemed necessary. The Structures Program is responsible for programming and design of bridge maintenance, rehabilitation and reconstruction projects from project inception through the project development process, and then on to construction for any state or local bridge that qualifies for funding. The Structures Section also provides both project management and engineering for structures selected by the Operations Division for replacement or rehabilitation including railroad structures. The Section is

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AOT Division Approps and Programs

also responsible for the inventory and inspection of state-owned railroad structures, pedestrian bridges, retaining walls, and overhead sign supports.

The Roadway Program addresses locations that have been identified as either structurally deficient or hazardous to the traveling public. Roadway projects generally fall into one of three categories: reconstruction, rehabilitation or restoration. New highways or capacity additions to existing highways are also considered within this program.

The Traffic and Safety Program implements highway operational and safety improvements. Projects include traffic signals, roundabouts, flashing beacons and non-signalized intersections installation; management and replacement of signs and pavement markings; the identification, evaluation and correction of hazardous locations on the public highway system; and upgrades to public rail-highway crossings.

The Local Transportation Facilities Section (LTF) consists of four major components: the Transportation Enhancement Program, the Bike and Pedestrian Facilities Program, the Park-and-Ride Program and the Local Projects Program. In addition, LTF is responsible for the development of Scenic Byway, Public Lands Highway, and "Local" projects, which have a high degree of local focus and, for the most part, development and construction is managed by local municipalities.

The Right-of-Way and Environmental Services Sections are responsible for providing expertise in several specialty areas to Agency programs, consultants, and the private sector. Section capabilities include the establishment of geodetic control and survey for design and construction of Agency projects, hydraulic analysis of bridge and culvert improvements, utility coordination and highway access permitting, environmental permitting, and right-of-way acquisition of real property needed for transportation projects.

The Materials and Research Section provides materials testing, subsurface investigation and geotechnical analysis, concrete and hot mix plant inspection, independent assurance testing, materials certification requirements, research and development of new products, laboratory testing of materials, chemical analysis of materials, and quality control oversight for transportation projects.

The Construction Section is responsible for the construction phase of the vast majority of contracts that are let by VTrans. Utilizing a staff of Resident Engineers, the Agency's Construction Program is administered through four Regional offices located in Burlington, St. Johnsbury, White River Junction and Rutland. Resident and Regional Construction Engineers work closely with the Project and Program Managers to insure that the projects are built as designed and in accordance with all resource permits and regulations. Field work includes: project layout, inspection and quality acceptance of all work incorporated into the project, quantity computation, contractor payments, monitoring of contractor compliance with resource regulations, and insuring the project is completed in conformance with the contract. The Construction Finals group in Montpelier performs a review to ensure all quantities are

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verified before final payments are made to the contractor.

POLICY & PLANNING

The Policy & Planning Division works with all of VTrans as well as other state and federal agencies, transportation research centers, Regional Planning Commissions and the Chittenden County Metropolitan Planning Organization to provide comprehensive, coordinated transportation plans for future improvements to the transportation system. The division is responsible for VTrans' strategic planning, asset and performance management, policy analysis and formulation, and integration of transportation plans. Policy & Planning is also responsible for coordinating with the Agency of Commerce and Community Development on the interactions between transportation and economic development.

The Policy Analysis Section assists the Secretary in analyzing federal transportation policy and reauthorization issues, manages the Legislative Liaison function of the Agency, updates the State's 20-year Long Range Transportation Plan at five-year intervals, and serves on various inter-agency task forces and committees related to smart growth initiatives, intelligent transportation systems, and environmental policy.

The Systems Planning Section manages the day-to-day operations of the Transportation Planning Initiative, which engages Vermont's citizens, towns, regional planning commissions, and the Chittenden County Metropolitan Planning Organization in dialogue about issues of transportation planning and needs identification. The section also provides systems analysis and planning, statewide transportation modeling, and both modal and inter-modal operational planning.

Data services are provided by three sections. The Traffic Research section reviews all Act 250 applications for impacts on the transportation system and consistency with Agency plans or policies as well as compiles the Agency response or recommendations to the district environmental commissions. The section is responsible for both traffic monitoring and data analysis.

The Highway Research Section monitors highway system conditions, collects highway video logs, reports highway sufficiency rating data, and manages the Crash (highway accident) data base. The Mapping Section provides town mapping, maintenance of the GIS database and the routelog system.

FINANCE AND ADMINISTRATION

The mission of the Division of Finance and Administration is to provide support for and to communicate methods to achieve VTrans goal of a safe, effective, and balanced transportation system for the State of Vermont. The Division's goal is to maximize financial and human resources, and improve the Agency's business practices to meet the needs of its internal and external customers. The division consists of the following sections: Audit, Contract Administration, Information Technology, Budget and Financial Operations and the Office of Civil Rights and Labor Compliance.

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Audit provides audit assistance to VTrans' management and audit assurance about VTrans' administration of public funds. Contract Administration is responsible for the performance of various contracting functions. Information Technology is responsible for assessing and supporting VTrans' information technology requirements. Budget and Financial Operations oversees the development and control of VTrans' budget and processes all financial and related transactions.

The Office of Civil Rights and Labor Compliance is responsible for ensuring compliance with all federal and state Equal Employment Opportunity and Affirmative Action regulations and labor requirements within not only the Agency but on all US Department of Transportation funded projects. VTrans' goal of creating workforce diversity and a workplace free from harassment, intimidation and discrimination is pursued through the development and administration of numerous programs and initiatives.

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DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Finance and Administration	129	121	117	11,475,011	12,842,977	12,842,977	12,006,786
Aviation	8	8	7	18,884,112	22,976,642	22,976,642	7,743,984
Transportation Buildings	0	0	0	1,393,564	2,467,500	2,966,556	2,111,000
Program Development	309	297	296	204,541,214	283,612,449	296,642,635	265,750,465
Rest Areas	0	0	0	877,865	4,820,000	4,820,000	7,445,000
Maintenance State System	499	497	502	65,523,656	67,381,887	67,381,887	67,266,792
Policy & Planning	41	32	32	9,153,543	9,400,266	9,400,266	10,039,294
Rail	10	10	12	10,907,734	51,729,883	51,729,883	54,654,361
Bridge Maintenance Program	0	0	0	20,126,952	0	0	0
Public Transit	7	7	4	20,096,551	24,739,704	24,739,704	25,407,252
Central Garage	39	38	37	12,353,019	17,477,863	17,477,863	17,286,915
TOTAL	1,042	1,010	1,007	375,333,221	497,449,171	510,978,413	469,711,849
FUND TYPE							
Transportation Fund				117,619,990	120,188,609	119,497,262	128,798,681
Special Fund				12,108,853	16,939,073	17,838,129	16,984,062
American Recovery & Reinvestment Act				65,131,276	76,766,446	76,766,446	40,582,716
Federal Revenue Fund				163,778,619	260,402,946	260,402,946	258,096,546
Internal Service Fund				12,353,019	17,477,863	17,477,863	17,286,915
Transportation: Local Match				1,166,907	1,684,254	1,684,254	2,528,853
Transportation Bond Fund				0	0	13,321,533	0
Interdepartmental Transfer				3,174,557	3,989,980	3,989,980	5,434,076
TOTAL				375,333,221	497,449,171	510,978,413	469,711,849

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Finance and Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	9,080,607	9,737,904	9,737,904	9,454,757
Operating Expenses	2,394,404	2,720,073	2,720,073	2,197,029
Grants	0	385,000	385,000	355,000
<hr/> TOTAL	<hr/> 11,475,011	<hr/> 12,842,977	<hr/> 12,842,977	<hr/> 12,006,786
FUND TYPE				
Transportation Fund	11,032,626	11,883,975	11,883,975	11,028,070
Federal Revenue Fund	442,385	959,002	959,002	978,716
<hr/> TOTAL	<hr/> 11,475,011	<hr/> 12,842,977	<hr/> 12,842,977	<hr/> 12,006,786

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Aviation

Appropriation Key Budget Issues

Vermont's aviation assets (essential infrastructure including runways) remain in relatively stable, good condition. The focus in FY12 needs to be on a continuing, modest level of investment to maintain the current infrastructure as well as upgrading assets when it makes sense for economic development, safety, and security purposes.

The proposed FY12 budget includes a modest investment, as well as continued support for Vermont's major commercial service airport – Burlington International Airport – which is municipally owned. The State match for Burlington International is currently at the highest level as allowed by statute. With FAA Reauthorization still undecided, federal funding participation is currently planned at 90 percent (10 percent match) in FY12. With major runway reconstruction projects on the horizon, there will be challenges in future years to identify funding for the Aviation Program to continue to maintain the condition level of its assets. The \$6.5 million ARRA runway project at the E.F. Knapp State Airport, the largest undertaking at State-owned airports in recent history, was completed on time and within budget. Burlington International completed two ARRA taxiway projects as well as a major runway reconstruction project. Public/private runway extension efforts are planned for Newport and Middlebury with continued planning efforts underway in FY12. A major runway safety area project at the Rutland Southern Vermont Regional Airport will meet new FAA safety criteria and compliance standards. A proposed Civil Air Patrol Wing HQ facility will help provide critical emergency response for statewide assistance. The project is in the budget as a placeholder but a federal funding source has not yet been identified. Routine FAA projects, such as equipment, maintenance, fencing, and lighting will now be combined into a single grant.

Land-side infrastructure is also starting to show its age, and the Aviation Program is seeing an increase in emergency repair work to heating systems, roofs and other mechanical systems associated with its terminal buildings and hangars. The Airport System Plan identified shortcomings in the overall system of airports which will need to be addressed and incorporated into future planning and budgets. Aviation will finalize airport business plan development for all state-owned airports to provide baseline financials, revenue enhancement strategies, and economic development opportunities.

Convenient air service is an integral component of moving people and goods, and has been determined to be among those criteria reviewed by businesses evaluating Vermont. Cape Air, which provides commercial passenger service from the Rutland Southern Regional Airport to Boston, is at the highest passenger levels in twenty years and continues to provide a critical service to the region. In addition to the two commercial service options (Burlington and Rutland), airports must be able to accommodate corporate and business travelers in all weather conditions with 24-hour access. Appropriate runway length, good instrument approach capability (navigational aids), and lighting facilities are key components for providing a safe environment for business, recreational, and emergency responders. There will be a focus on utilizing new technologies to enhance efficiencies and safety throughout the system, such as solar powered hazard beacons, energy efficient LED lighting applications, continued

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Aviation

improvements in GPS approaches and runway lighting systems to enhance safety and efficiency. Further development of security projects, such as the security fencing project at Knapp in FY12, will also be a priority in providing a safe and secure environment for our airport system.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Aviation

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	4,413,163	2,643,444	2,643,444	2,578,742
Operating Expenses	14,282,721	20,173,198	20,173,198	5,005,242
Grants	188,228	160,000	160,000	160,000
<hr/> TOTAL	<hr/> 18,884,112	<hr/> 22,976,642	<hr/> 22,976,642	<hr/> 7,743,984
FUND TYPE				
Transportation Fund	2,252,631	3,035,642	3,035,642	3,396,984
American Recovery & Reinvestment Act	2,591,434	3,500,000	3,500,000	0
Federal Revenue Fund	14,040,047	16,441,000	16,441,000	4,347,000
<hr/> TOTAL	<hr/> 18,884,112	<hr/> 22,976,642	<hr/> 22,976,642	<hr/> 7,743,984

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Transportation Buildings

Appropriation Key Budget Issues

Transportation Buildings work includes:

- A systematic replacement cycle for facility components such as roofs, heating plants, and fuel storage tanks.
- New salt and sand sheds (to address environmental and operational efficiency issues).
- Major renovations when required (heating, new bays for additional trucks, connections to municipal sewer systems, electrical service upgrades, energy efficiency upgrades such as lighting, insulation, and windows).
- New brine making facilities to support winter maintenance operations.
- New garages to replace those which due to their poor condition are beyond rehabilitation or repair.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Transportation Buildings

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	504,056	0	0	0
Operating Expenses	889,508	2,467,500	2,966,556	2,111,000
<hr/> TOTAL	<hr/> 1,393,564	<hr/> 2,467,500	<hr/> 2,966,556	<hr/> 2,111,000
FUND TYPE				
Transportation Fund	1,393,564	1,517,500	1,517,500	1,001,000
Special Fund	0	190,000	689,056	1,110,000
Federal Revenue Fund	0	760,000	760,000	0
<hr/> TOTAL	<hr/> 1,393,564	<hr/> 2,467,500	<hr/> 2,966,556	<hr/> 2,111,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Program Development

Appropriation Key Budget Issues

The core appropriations within Program Development are Interstate, State, and Town Highway Bridge; Paving; Roadway; Traffic Safety; and Local Transportation Facilities. The recent downturns in state revenues, volatility in fuel and material costs, lack of a federal reauthorization, and anticipated rollout of a massive federal stimulus package has made project estimating and scheduling a significant challenge during this budget year.

Even so, as in previous years the primary focus for Program Managers in developing the FY12 budget was to apply asset management principles in consort with continued use of the VTrans' Project Prioritization Systems that were initiated in FY07. Through this effort, the Agency has a clear and transparent method for choosing which projects move forward in the project-development process.

Within the core appropriations, the oversight of projects using federal funds requires that quality assurance measures be in-place. The laboratory facilities necessary to that function were found to be deficient during the last accreditation review. The support of our core appropriations with proper facilities is highlighted here for its potential budget significance.

General highlights for each of the core appropriations are as follows:

Bridge Program: Preservation and enhancement of existing bridges and large culverts remains the primary focus. The program inspects and develops projects for the Interstate, State, and Town Highway bridges. An ageing network of highway bridges highlights the significant challenge before us. The project selections and program emphasis areas are geared to optimize the rate of return on any state, federal, and local dollars applied to this need.

Paving: Paving (or roadway surface preservation) remains one of the primary areas of focus for Program Development as it is recognized as a key activity for ensuring a safe and mobile transportation system. This year's budget for paving has been reduced from the previous two years as the program has constructed the significant number of projects made available due to ARRA funding. This budget results in funding available to allow for an increase in the number of miles of highway addressed by the program as compared to historic funding levels. Preservation, preventive maintenance, and rehabilitation of our Interstate, State, and Class 1 Town Highways through innovative practices allows for an optimization of the dollars available.

Roadway: The Roadway Program aligns this year's budget with the priorities laid out in the Road to Affordability initiative. The program is directing resources toward system preservation strategies such as needed ledge and slope repairs as well as small culvert and drainage system repairs. In addition several

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Program Development

significant highway reconstruction projects will be under construction, such as the Bennington Bypass, US 7 in Brandon, US 2 in Danville and Cabot, and the first phase of Main Street reconstruction in Barre City.

Traffic & Safety: Highway safety activities for this program are identified through the Highway Safety Improvement Program and the Strategic Highway Safety Plan. This year the focus remains the same for this program, with increases in funding in the area's intersection projects and low cost safety improvements. It should be noted that federal aid funds for this program must be used on projects eligible only for this program and cannot be transferred to other federal aid activities

Local Transportation Facilities (LTF): The Agency remains committed to offering municipalities the opportunity to manage projects at the local level, and the Agency continues to leverage federal and state funds so that communities can deliver transportation infrastructure improvements on the local level. With this opportunity, however, comes the need to ensure compliance with federal aid requirements, and this activity is one of the LTF mandates. The FY12 Bicycle and Pedestrian Facilities and Enhancement Programs have decreased over last year's budget due in large part to American Recovery and Reinvestment Act projects being completed. There continues to be progress on the many earmark projects.

Park & Rides: The Park & Ride program is recognized as a critical area of investment considering the number of Vermonters that make significant daily commutes to work coupled with the trend towards gasoline price increases and global climate change. As a result, FY12 funding for this program remains fairly stable, and important projects in Enosburg, Hartland, Putney, Royalton, and a statewide signing project are slated for construction funding. It also contains funding for the rehabilitation of a historic rail building at the Vergennes Park & Ride facility for use as a welcome center and continues for the popular municipal Park & Ride program.

The Agency goals of Safety, Planning, Preservation, and Excellence are the guiding principles in the FY12 Program Development budget.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Program Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	36,052,863	36,339,478	36,339,478	36,255,937
Operating Expenses	155,662,805	220,453,550	233,483,736	199,450,849
Grants	12,825,546	26,819,421	26,819,421	30,043,679
<hr/>				
TOTAL	204,541,214	283,612,449	296,642,635	265,750,465
FUND TYPE				
Transportation Fund	20,908,064	18,937,922	18,246,575	29,331,520
Special Fund	11,888,863	14,856,273	15,256,273	13,516,260
American Recovery & Reinvestment Act	59,388,867	45,034,600	45,034,600	5,328,993
Federal Revenue Fund	108,382,961	199,707,420	199,707,420	210,051,644
Transportation: Local Match	1,156,130	1,434,254	1,434,254	2,528,853
Transportation Bond Fund	0	0	13,321,533	0
Interdepartmental Transfer	2,816,329	3,641,980	3,641,980	4,993,195
<hr/>				
TOTAL	204,541,214	283,612,449	296,642,635	265,750,465

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Rest Areas

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	192,957	270,000	270,000	270,000
Operating Expenses	684,908	4,550,000	4,550,000	7,175,000
<hr/> TOTAL	<hr/> 877,865	<hr/> 4,820,000	<hr/> 4,820,000	<hr/> 7,445,000
FUND TYPE				
Transportation Fund	91,520	405,144	405,144	259,460
Special Fund	0	283,800	283,800	926,134
Federal Revenue Fund	775,568	4,131,056	4,131,056	6,259,406
Transportation: Local Match	10,777	0	0	0
<hr/> TOTAL	<hr/> 877,865	<hr/> 4,820,000	<hr/> 4,820,000	<hr/> 7,445,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Maintenance State System

Appropriation Key Budget Issues

Our ability to address the maintenance needs of Vermont's aging infrastructure is still hampered by limited financial resources. Vermont continues to experience failures in its systems' components, as a number of bridges, culverts and pavements have exhausted their useful life. We recognize the critical importance of our transportation assets and continue to pursue funds to specifically address those needs.

Despite the ongoing fiscal constraints, the Maintenance Section was able to continue to focus on the areas of paving, bridge repair, culvert repair, and culvert replacement. We have continued to see a modest increase in infrastructure investment, and that has allowed us to expand our focus into other needed areas such as major structural repairs for bridges and roadway surfaces. Our increased emphasis on preventive maintenance for bridges will extend their useful life and lessen the need for more costly repairs and replacements in the future. Using current in-house talent, we have strengthened our bridge crews to include a certified bridge welding unit and bridge joint specialists, and have purchased our own concrete box forms to enable us to manufacture our own box culverts at a substantial cost savings. One of the top priorities of this bridge unit is to work towards eliminating all critical bridge reports. Maintenance has also created its own in-house paving/leveling section from existing talent. We are working in conjunction with Program Development to identify district projects which make the best use of our current funding levels so we can identify and meet infrastructure needs.

The traveling public continues to demand more from its transportation system. Commuting hours have expanded, travel patterns are changing, and there continues to be an increase in vehicle miles traveled. We are challenged to meet winter service needs with our limited resources. Fuel costs, operational costs, and the volatile cost of materials influence how we address these needs. Through experience and analysis, we are modifying the way we do business to work smarter to continue to meet the public's expectations. Exploration and experimentation with methodology and equipment to decrease salt and sand usage is underway. The use of salt brine has been adopted as a new tool to help winter maintenance, and is currently utilized in three of the nine maintenance districts. Salt brine can lower material, equipment and overtime costs while still meeting or exceeding current levels of service.

VTrans will continue its emphasis on developing and using asset management and performance measures. Inventory and condition rating of small culverts is underway and will allow for targeted investment. Better coordination with other parts of the Agency will result in shared efforts to improve systems and react to problems.

Vermont has made great strides in attaining real-time information for its transportation users. However, additional efforts are still necessary to better allow users of the network to make informed decisions when they travel. ITS systems such as 511 and Road Weather Information Systems (RWIS) continue to be enhanced to provide better information, and disseminate it to the traveling public. In addition to real time traveler information, ITS services provide our staff with timely and appropriate information about weather events for their use in performing snow and ice control activities. VTrans continues to pursue

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Maintenance State System**

the installation of fiber optic cable to provide better connectivity with State highway garages and the various ITS system components that will serve not only VTrans but the traveling public as well.

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Maintenance State System**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	32,749,748	34,530,658	34,530,658	35,559,722
Operating Expenses	32,576,967	32,821,229	32,821,229	31,657,070
Grants	196,941	30,000	30,000	50,000
<hr/> TOTAL	<hr/> 65,523,656	<hr/> 67,381,887	<hr/> 67,381,887	<hr/> 67,266,792
FUND TYPE				
Transportation Fund	62,838,843	65,552,943	65,552,943	65,611,298
Federal Revenue Fund	2,532,618	1,728,944	1,728,944	1,555,494
Interdepartmental Transfer	152,195	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 65,523,656	<hr/> 67,381,887	<hr/> 67,381,887	<hr/> 67,266,792

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Policy & Planning

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	3,340,231	3,080,461	3,080,461	3,181,304
Operating Expenses	946,530	1,350,317	1,350,317	1,197,710
Grants	4,866,782	4,969,488	4,969,488	5,660,280
<hr/> TOTAL	<hr/> 9,153,543	<hr/> 9,400,266	<hr/> 9,400,266	<hr/> 10,039,294
FUND TYPE				
Transportation Fund	1,770,698	1,986,265	1,986,265	1,958,857
Federal Revenue Fund	7,176,812	7,166,001	7,166,001	7,739,556
Interdepartmental Transfer	206,033	248,000	248,000	340,881
<hr/> TOTAL	<hr/> 9,153,543	<hr/> 9,400,266	<hr/> 9,400,266	<hr/> 10,039,294

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Rail

Appropriation Key Budget Issues

Vermont is unique in that about two thirds of the active rail lines are state-owned, whereas most rail lines in the US are privately owned. VTrans primary focus is on the preservation and improvement of Vermont's rail infrastructure, both publicly owned and private, and encouraging increased use of rail for moving freight efficiently.

Vermont's rail infrastructure, especially bridges, must eventually meet the national standard of handling 286,000 pound rail cars in order for Railroads in Vermont to compete and be compatible with the National network. Achieving this standard will be essential to the support of future economic growth and will also provide the means for decreased truck traffic on Vermont highways.

In addition to bringing the rail infrastructure to the 286,000 standard, Vermont must continue to work to improve rail clearances to accommodate both high and wide loads such as double stack containers and tri level autoracks. Preserving and improving our rail infrastructure also provides opportunities for passenger and/or intercity rail transport that is economically feasible and optimizes services. One of our major clearance projects, the Bellows Falls Tunnel, has been completed. Enlarging the tunnel eliminated restriction for modern autoracks and modified double stack container trains, and opened up opportunities for further development of freight traffic on Vermont railroads.

Major work needs to be done on a significant number of state owned rail bridges to bring them to the 286,000 standard. VTrans must now inspect these bridges annually in order to comply with new FRA regulations, and we are developing a process to meet the new FRA bridge management regulations. We have a number of bridges in the pipeline for rehabilitation/replacement, and in the coming years we will work toward bringing the Bellows Falls-Florence-Rutland-Hoosick Junction corridor to the 286,000 standard.

SAFTEA-LU also provided an earmark to VTrans for improvements on the Western Corridor rail system. The Environmental Impact Study for the Middlebury Rail Spur project has been completed and the Record of Decision has been issued. Focus is now shifting to project delivery. In addition to the SAFTEA-LU earmark, VTrans is utilizing FRA funds to upgrade portions of the Vermont Railway between Bennington and Burlington to provide an improved infrastructure for increased freight usage and future passenger usage.

ARRA funding brought with it the High Speed Intercity Passenger Rail (HSIPR) grant for improvements to the New England Central Rail (NECR) line to allow for improved service with the Vermonter. Vermont received a \$50,000,000 federal grant to be used as part of a \$70,000,000 project. Being one of the first in the nation to secure this funding has brought a lot of focus to Vermont and our relationship with the NECR being much better than other state's enjoy with their railroads! This project has begun and we anticipate completion by the end of FY '12.

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Rail

VTrans continues to make infrastructure improvements to the Washington County Railroad's Connecticut River line between White River Junction and Newport. These improvements allow freight trains to move more efficiently and safely, and allow for the introduction of passenger excursion trains along various portions of the line.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Rail

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,546,974	3,344,027	3,344,027	4,271,926
Operating Expenses	6,782,832	48,385,856	48,385,856	50,382,435
Grants	1,577,928	0	0	0
<hr/> TOTAL	<hr/> 10,907,734	<hr/> 51,729,883	<hr/> 51,729,883	<hr/> 54,654,361
FUND TYPE				
Transportation Fund	7,338,292	10,026,291	10,026,291	9,369,381
Special Fund	0	1,609,000	1,609,000	1,431,668
American Recovery & Reinvestment Act	0	26,231,846	26,231,846	33,773,723
Federal Revenue Fund	3,569,442	13,612,746	13,612,746	10,079,589
Transportation: Local Match	0	250,000	250,000	0
<hr/> TOTAL	<hr/> 10,907,734	<hr/> 51,729,883	<hr/> 51,729,883	<hr/> 54,654,361

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Bridge Maintenance Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	2,113,926	0	0	0
Operating Expenses	17,999,616	0	0	0
Grants	13,410	0	0	0
<hr/> TOTAL	<hr/> 20,126,952	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
Transportation Fund	4,360,993	0	0	0
Special Fund	219,990	0	0	0
American Recovery & Reinvestment Act	1,478,455	0	0	0
Federal Revenue Fund	14,067,514	0	0	0
<hr/> TOTAL	<hr/> 20,126,952	<hr/> 0	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Transit

Appropriation Key Budget Issues

The FY12 Public Transit budget closely resembles previous year budgets in terms of general programs, funding sources, and priorities. The overall public transit program is geared towards continuing efforts to create a statewide, integrated public transit system to meet general public and human-service transportation needs. The Federal Transit Administration, through which much of the transit program's funding is acquired, requires a high level of coordination among the various facets of the program. This coordination of the various public transit funding sources and services is intended to achieve maximum service and utility.

Sources of operating funds have remained the same in FY12 as in recent years and funding levels are relatively static. Those funding sources are described in detail below. Capital funding, specifically for the replacement of vehicles, will enjoy a boost this year through a successful application to the Federal Transit Administration's "State of Good Repair Bus and Bus Facility" discretionary grant program. This boost in vehicle replacement funding will serve toward Vermont's ongoing efforts to maintain a fleet of vehicles that are safe and in good working order.

Special projects of note for the coming year include an update of the statewide Vermont Public Transit Policy Plan, slated for completion early in 2012. This document established the general vision, goals, objectives, and associated policies that guide the ongoing development of the public transit program. It includes a significant public outreach component in order to ensure general public and stakeholder input. VTrans will also be working closely with Chittenden County Transportation Authority (CCTA) and all of the rural public transit providers, which collectively form the Vermont Public Transit Association (VPTA), to complete a scoping process for new statewide software for the intake, dispatch, billing, and tracking of operations. The eventual implementation of modern software will enable increased efficiency in all of these aspects of operations, including better coordination of demand-response transportation services among and between the public transit providers.

FTA funding for public transit service in Vermont is accessed by two direct recipients. These are Chittenden County Transit Authority (CCTA) and the Vermont Agency of Transportation. While CCTA is a direct recipient and service provider, VTrans sub-contracts transportation service as well. Actual transportation services are provided primarily through 10 regional, not-for-profit transportation organizations, including CCTA. Funding is provided under the terms and conditions of annual grant agreements. Funding sources include:

The Congestion Mitigation and Air Quality Program enables transportation agencies (for-profit and not-for-profit) to apply for funding in non-attainment and maintenance areas which reduce transportation-related emissions. Public transportation is one of the identified transportation control measures identified as eligible projects through the Clean Air Act. However, not all public transportation improvements are eligible under the CMAQ program. The general guideline for determining eligibility is whether an increase in public transportation ridership can reasonably be

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Public Transit

expected to result from the project. This expectation must be supported by a quantified estimate of the effects on emissions as a result of the project. The federal share for eligible projects is 80 percent. The local match (non federal or state funds) requirement is 20 percent (under federal programs as of this writing) during the 3-year demonstration period, and must be sustained after the demonstration period.

Non-Urbanized Transportation & Marketing Funds assist non-urbanized areas (population less than 50,000) with transportation that is open to the general public. The federal funding share for eligible project administration and preventive maintenance is 80 percent. The federal share for eligible operating assistance is 50 percent. The local match requirement is 20 percent and 50 percent respectively, which is derived from Vermont state public transportation funds. Marketing program funds awarded to each sub-recipient are for development of marketing and outreach materials within their respective region. Outreach material includes the creation and maintenance of a website, producing a schedule of routes and services, and the creation of brochures or other materials to promote municipal funding support. This funding is eligible for 80 percent federal recovery, with the remaining 20 percent derived from local funds (non federal or state funds).

Urban Assistance is for urbanized regions (at least 50,000 in population). Chittenden County is the only urbanized area in Vermont. The federal funding share is 80 percent. The local match is 20 percent, which is derived from Vermont state public transportation funds. CCTA applies directly to the Federal Transit Administration for this funding.

Vermont Rural Preventive Maintenance Program funds are for eligible preventive maintenance items for vehicle maintenance functions and non-vehicle maintenance functions (i.e. administration; repair of buildings, grounds and equipment, etc). The federal share is 80 percent. The local match (non federal or state funds) is 20 percent.

Rural Technical Assistance Program funds are restricted to Federal Transit Administration approved training and technical assistance expenses in non-urbanized areas through a scholarship of \$3,000 to each subrecipient provided by VTrans' Public Transit Section. In addition, the Public Transit Section administers a statewide training program developed in consultation with the Public Transit Advisory Committee. The federal share is 100 percent.

Elders and Persons with Disabilities Program funds are restricted to providing door-to-door human service transportation. Specifically, funds support transportation for elders (age 60+) and persons with disabilities as defined by the Americans with Disabilities Act (ADA). Service is provided for non-Medicaid transportation, transit to senior meal sites, adult day programs, essential shopping trips to the grocery store or pharmacy, and employment trips.

VTrans allocates E&D funds regionally via a formula which assesses three demographic indicators of need. These factors are; elder population (30 percent), disabled population (30 percent), and population density (40 percent).

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Public Transit

Regional allocations are then further distributed by a Regional Elderly and Disabled Advisory Committee (REDAC). There are currently 9 REDACs statewide. REDAC representatives include the involved public transit providers, area agencies on aging, adult day services, community mental health centers or designated agencies, community action councils, all Agency of Human Services Field Services Directors in each planning region, consumer representatives, chambers of commerce, statewide advocacy groups, local human service agencies, and other concerned parties. REDACs meet at least quarterly to review eligibility approval, current service levels, service quality concerns, budget balances, funding issues, and matters that will improve services to consumers. Reviews of current service levels include verifying that services are the most cost effective and appropriate to meeting consumer needs, and use only authorized and appropriate modes of transportation. The federal funding share is 80 percent. The local match requirement is 20 percent, which is derived from local human service organizations participating in the REDACs or through volunteer, in-kind donations.

Job Access Reverse Commute Program funding assists individuals to help them successfully transition from welfare to work by reaching needed employment support services such as childcare and job-training activities. JARC funding is allocated by population-based formula. Vermont currently receives approximately \$240,000 in federal JARC funds. The federal share is 50 percent. The local match requirement is 50 percent, which is derived from state funds. Each state is required to prepare local Human Service Transportation Plans in order to access this federal funding. VTrans completed this planning effort in FY08. The only JARC-identified route in Vermont is Williston to Burlington.

New Freedom Program is intended further enhance transportation to persons with disabilities beyond mandates associated with the American with Disabilities Act. Examples of eligible projects as identified by FTA include mobility management, door-to-door transportation outside of the $\frac{3}{4}$ mile Complementary ADA Paratransit mandate of a fixed route, installation of lifts beyond 600 pounds. The federal funding share for operating services is 50 percent with 50 percent local match. The federal share for capital projects is 80 percent with 20 percent local match. Project funded through this program must appear in the local Human Service Transportation Plan. A portion of this funding is eligible for urbanized areas only.

GoVermont Program's mission is to inform and encourage Vermonters to examine their travel options by providing services designed to assist Vermonters in making educated transportation choices, including the use of carpools and vanpools. The GoVermont Program's commitment to the economic well-being and quality of life for all Vermonters is demonstrated by the program's positive impacts such as the reduction of energy consumption, the reduction of traffic volume and improved air quality. Other services provided through the GoVermont program include ride match and emergency ride home services, as well as program development and marketing assistance to Vermont employers.

Beginning in FY09, VTrans' Public Transit Section has administered this program in-house. VTrans has worked with Maine and New Hampshire to pursue tri-state coordination. Also, VTrans entered into a contract with a vanpool management firm to increase our efforts in this area. During FY10, VTrans has launched an enhanced database system to assist the general public with ride match possibilities and

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Public Transit

is implementing an intensive statewide marketing plan promoting the program.

Capital Assistance funding is provided within two programs: elders and persons with disabilities, and the general public. Elders and persons with disabilities capital program is for 15 passenger (or fewer) lift-equipped vehicles, and must be Altoona-tested for eligibility. General public capital is for lift-equipped vehicles which are also Altoona-tested; maintenance and administrative equipment; shelters; schedule holders and bike/ski racks. The federal share for all capital assistance projects is 80 percent. The local match requirement is 10 percent, while the remaining 10 percent is derived from state funds.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	590,417	707,567	707,567	511,561
Operating Expenses	113,245	168,602	168,602	182,347
Grants	19,392,889	23,863,535	23,863,535	24,713,344
<hr/> TOTAL	<hr/> 20,096,551	<hr/> 24,739,704	<hr/> 24,739,704	<hr/> 25,407,252
FUND TYPE				
Transportation Fund	5,632,759	6,842,927	6,842,927	6,842,111
American Recovery & Reinvestment Act	1,672,520	2,000,000	2,000,000	1,480,000
Federal Revenue Fund	12,791,272	15,896,777	15,896,777	17,085,141
<hr/> TOTAL	<hr/> 20,096,551	<hr/> 24,739,704	<hr/> 24,739,704	<hr/> 25,407,252

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Central Garage

Appropriation Key Budget Issues

The VTrans Central Garage purchases, maintains, and administers the Agency's fleet of vehicles and equipment using an internal service fund. Vehicles and equipment are rented to the maintenance districts, DMV, and other VTrans' divisions. Rental income from those customers covers depreciation, fuel, service, and overhead.

After FY '09's deferral of plow truck chassis purchases, the critical plow truck fleet is returning to regularly scheduled replacements. The minimum equipment necessary to fulfill the Agency's mission, and the means to maintain it at minimal cost, are under scrutiny.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Central Garage

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Major Object				
Personal Services	3,240,426	3,347,147	3,347,147	3,464,636
Operating Expenses	9,105,593	14,130,716	14,130,716	13,822,279
Non Operating Exp Budget	7,000	0	0	0
<hr/>				
TOTAL	12,353,019	17,477,863	17,477,863	17,286,915
 FUND TYPE				
Internal Service Fund	12,353,019	17,477,863	17,477,863	17,286,915
<hr/>				
TOTAL	12,353,019	17,477,863	17,477,863	17,286,915

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

Department Mission Statement

The Department of Motor Vehicles' (DMV) mission is to administer motor vehicle and related laws, promote highway safety, and collect transportation revenues, while providing a high level of both customer service and satisfaction as well as to perform these tasks in a timely and cost-effective manner.

Description of Appropriations, Divisions, & Programs

The Department of Motor Vehicles (DMV) is responsible for issuing driver licenses, permits, motor vehicle registrations (including snowmobile and motorboat registrations), driver license suspensions and reinstatements, enforcement of motor-vehicle related laws, and collecting motor fuel revenue for the State of Vermont. The department also manages several safety programs. The Vermont DMV serves a resident population of over 620,000 as well as a significant number of nonresidents.

The Department's key performance indicators are:

- Wait time for counter services: 90% of customers served within 30 minutes.
- Telephone queue time: three minutes maximum.
- Mail processing backlogs: 3 days or less 90% of all workdays.
- Registration renewals processed by electronic means: 15% of all registration renewals mailed.
- Vermont Rider Education Program (VREP) student satisfaction rating: 4 (Above Average) or higher.
- Reduce the unsafe drivers and vehicles by identifying federal Motor Carrier Safety Assistance Program (MCSAP) Out of Service (OOS) violations through inspections.
- Assure compliance with the provisions of the federally mandated State Size and Weight Plan: % over Overweight violations detected.
- Classify all revenue by the end of the month in which it was collected: 100% of the time.
- Meet VTDrives key project milestone dates for system design, user acceptance testing, and user training, and go live with the new system by summer of 2010.

The Department is comprised of three divisions: Enforcement & Safety, Operations, and Support Services.

The Enforcement & Safety Division is comprised of a contingency of sworn law enforcement officers and non-sworn civilian staff. The Division has four sections – the Commercial Vehicle Enforcement Section, the Investigations Section, the Administrative Support Section and the New Motor Vehicle Arbitration Board.

Commercial Vehicle Enforcement Section:

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AOT Department of Motor Vehicles

Sworn law enforcement officers staff this section, whose primary mission is enforcement of laws and regulations pertaining to commercial-vehicle safety. Their duties include assuring that commercial drivers have proper credentials that vehicles meet state and federal equipment standards, and that vehicles fall within acceptable standards concerning length and weight restrictions.

The Commercial Vehicle Enforcement Program consists of the federally sponsored Motor Carrier Safety Assistance Program (MCSAP) as well as the Size and Weight program.

Investigations Section:

This section is comprised of a Criminal Investigative Unit, an Administrative Investigative Unit, and the Education & Safety Unit.

The primary focus of the Criminal and Administrative Investigative Unit is to regulate, monitor and investigate illegal or questionable activities relating to licensing, registration and title fraud; dealer and inspection regulations; and provide general law enforcement support services. The Education & Safety Unit is responsible for regulating, licensing and monitoring commercial driver training schools; third party testing programs; training and licensing school bus driver training instructors; Pupil Transportation Safety laws and issues; and the Vermont Motorcycle Awareness Program.

Administrative Support Section:

The Administrative Support Section provides support to all units within the Enforcement & Safety Division. The section is responsible for support functions relating to dealer licensing, inspection station licensing, mechanic certifications, junkyard licensing, abandoned vehicles, Vermont Rider Education Program information, and the Federal Motor Carrier Safety Administration, which consists of Driver/Vehicle Inspection Reports for motor carriers.

New Motor Vehicle Arbitration Board:

The Department administers the lemon law program for this Board, which hears lemon law claims for motor vehicles. A consumer may file a Demand for Arbitration after demonstrating a reasonable number of repair attempts, with at least one occurring within the manufacturer's express warranty. The Board determines whether the consumer is entitled to a pro-rated refund, comparable replacement vehicle, or the manufacturer demonstrates that the vehicle's repair history does not substantially impair the vehicle's use, market value or safety.

The Operations Division is DMV's largest division, encompassing 68 percent of total Department resources. It is responsible for all customer-service functions (Montpelier counter, branch offices, mobile van operations and telephone information services); mail processing; license suspension and reinstatement; crash reporting; the International Registration Plan; oversize permitting; commercial vehicle operations (including the collection and distribution of fuel taxes, maintenance of accurate and reliable records, tracking delinquent accounts, and suspension initiation on accounts that are in arrears); and all backroom operations (including mail processing, data entry, quality control, and imaging and retrieval of departmental records functions).

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AOT Department of Motor Vehicles

The Support Services Division is responsible for facility management for DMV office locations, budget planning and financial services, revenue collection, human resources, training, project management and implementation, stockroom and mailroom operations, and general support functions.

DMV Performance:

Providing quality customer service is a central component to the Department's mission. DMV has engaged in an annual strategic-planning initiative within the three Divisions. DMV's primary objective is to look at issues that can:

- a) Improve internal operational efficiency.
- b) Improve or enhance the level of service we provide to our customers.

Specific accomplishments in each of DMV's key performance indicators include:

Counter Services

FY 10 Results: The percentage of customers receiving service within 30 minutes or less at all offices rose to 96%. This is a remarkable improvement from 86.7% in FY 09 and is attributed to extending the issuance of Enhanced Driver Licenses (EDLs) at the Burlington and Rutland offices within the past year. The Rutland office began issued EDLs in December 2009, with Burlington following in January 2010. From the first EDL issuance in February 2009 until December 2009, Montpelier was the only office providing that service that, along with stringent security processes for EDLs, contributed to lengthy wait times for EDL customers.

When examining the percentage of customers waited on within 30 minutes at each office, it is clear that all offices, except the Montpelier office, exceeded the 90% benchmark over the past three years, though 9.26% more customers at the Montpelier were served within 30 minutes in FY 10 than in FY 09. The factors continuing to impact the Montpelier Office statistics include:

1. Montpelier is the only office that processed driver license reinstatements. These transactions require more time to verify that the individual has satisfied all license reinstatement requirements and are, in fact, eligible for a driver license reinstatement.
2. Three positions were taken from the Montpelier General Services counter in FY 09 to staff the new EDL counter operation.

Telephone Wait Time

FY 10 Results: The average telephone wait time to speak with a Customer Service Specialist increased by .87 seconds in FY 10. This increase is attributed to a number of factors:

1. A mandatory EDL message was added to the phone system, which increased the caller time wait time.
2. Staff began training on the VTDRIVES system during the last quarter of FY 10. The training impacted the number of Customer Service Specialist available to take call, thereby increasing

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AOT Department of Motor Vehicles

the wait time.

Mail Processing

FY 10 Results: The percentage of days that mail processing backlogs were backlogged 3 days or less was well above the performance benchmark of 90% for the fourth consecutive year. The primary reasons for success continue to be:

1. Increased use of the web for registration renewals
2. An overall decrease in mail transactions
3. Impact of the economic recession on DMV business.
4. Use of the Tiger Team, who are deployed to units most in need of assistance.

Registration Renewals Processed By Electronic Means

FY 10 results: In FY 10, 33.3% of all registration renewals processed were by web, kiosk, or interactive voice response (IVR). This is the fourth consecutive fiscal year in which we have surpassed the established performance benchmark of 15% for electronic processing of registration renewals. Most customers renewing registrations electronically chose the Web (28.8%) over kiosk and interactive voice options. Due to the continued success of exceeding the benchmark of 15%, we are revising the benchmark to be 20% for FY 11 and forward.

Vermont Rider Education Program (VREP) Student Satisfaction

FY 10 Results: The Vermont Rider Education Program has maintained an average student satisfaction rating of 4.8 (Above Average) for the seventh (7th) consecutive year. 2003 was the first year that student satisfaction was measured and is the only year that overall rating was below 4.8. The rating for that year was 4.7.

The popularity and success of the program peaked in FY 09 with 1,676 students attending one of 154 courses. In FY 10 the number of students attending decreased to 1,542 (-.08% or 134 students) though the same number of courses (154) was available.

The first possibility for the decrease is the program has added training sites, instructors, and available courses. As a result, the program may have caught up with public demand. Until the FY 10 training season the Vermont Rider Education Program was filling the entire season's schedule by mid-August. Individuals interested in signing up for a course after that time had to wait until the next training season. In FY 10 students were able to register for some end-of-season courses up to just a few days before the course was held.

The second possible reason is the state of the economy. When money is tight, fewer people spend money on non-essential expenses, such as motorcycles and other recreational vehicles.

However, what happened during this one year does not make a trend. The program will need to see what happens during the few training seasons before determining if the number of students training in FY 10 was a change in trends of the past or if it was influenced by other issues.

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AOT Department of Motor Vehicles

Driver and Vehicle Violations

FY 10 Results: The total number of commercial motor vehicle inspections conducted by DMV Commercial Vehicle Enforcement (CVE) Inspectors has decreased by 25% (2,269) during FY 2010. This decrease was due in part to the State reduction in force initiative, two retirements, and one Inspector out on an extended medical leave. Additionally DMV has focused on safety by cross training as a means of increasing the part-time New Entrant Auditor program. This program front loads safety efforts by conducting New Entrant safety audits on new Vermont based motor carriers that have received their U.S. DOT number within the past 18 months.

CVE Inspectors averaged a .27% OOS rate per vehicle inspection in FY 10. This is a decrease from the average of .34% in FY 09. The average OOS rate over the three-year period FY 08 – FY10 was .31%, just slightly lower than the .32 average of the FY 07 – FY 09 period.

Trucks selected for inspection in FY 10 were found to have an average of 2.42 violations per vehicle. This demonstrates that the more serious offenses that put a vehicle and/or driver out-of-service has decreased from FY 09. Therefore, the vehicle inspections are doing what they are intended to do – decreasing the number of unsafe drivers and vehicles on the road.

Commercial Motor Vehicle Size and Weight Program

FY 10 Results: The total number of commercial vehicles weighed decreased during FY 2010. Once again, this is due in part to the State reduction in force initiative, the term expiration for some limited service positions, two employee retirements, and one Inspector out on an extended medical leave, as well as the repair and maintenance of two State scale systems. Additionally a much sought after dispensation for increased truck weights of 80,000 pounds on the interstate system went into effect.

The Maine and Vermont excess weight pilot project received enabling legislation during the first week of the 2010 legislative session. This pilot has redirected traffic off State and local roads, placing them onto the interstate system with much support from cities and towns, VTrans, law enforcement, and the legislature.

While the number of commercial vehicles weighed decreased by 45.6% in FY 10, the percentage of overweight violations detected rose by 30.5%. This tells us that the concentrated effort was very effective at identifying overweight, unsafe commercial vehicles.

Revenue Classification

FY 10 Results: The Department achieved this measure as revenue was properly classified by the end of the month 100% of the time.

VTDrives Project

FY 10 Results: The VT Drives project has experienced delays relative to the development and testing of the system. User Acceptance Testing began in late January 2010 and is continuing with an estimated completion date of December 15, 2010. The delays were primarily associated with the time required to complete the requirements documentation and develop the related

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AOT Department of Motor Vehicles

functionality. DMV is also in the process of completing required testing of the interfaces with the federal government related to commercial drivers, out of state suspensions, and title records. This process is 50% complete and is expected to wrap up in late November 2010. Staff training and the conversion of data from the old system to the new are well under way. The Department now plans to roll out the new system in early 2011.

Note: The new system will fundamentally change how DMV conducts its business. From a batch processing environment we will move to a real time one. This will necessitate the movement of staff from back office functions such as Data Entry to more customer service focused ones at our service counter locations and mail processing units. Employees in these positions will now be doing all facets of a transactions processing where, currently, a transaction may go through multiple hands/units before the process is completed. As a result the change management activities associated with transitioning to this new system, not to mention the time to test , train and convert data is extensive, and will have a significant impact on DMV's operations in 2011.

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AOT Department of Motor Vehicles

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Department of Motor Vehicles	249	249	234	23,372,835	24,226,470	24,226,470	25,412,693
<hr/> TOTAL	<hr/> 249	<hr/> 249	<hr/> 234	<hr/> 23,372,835	<hr/> 24,226,470	<hr/> 24,226,470	<hr/> 25,412,693
FUND TYPE							
Transportation Fund				21,814,606	23,022,730	23,022,730	22,643,786
Federal Revenue Fund				1,431,000	1,203,740	1,203,740	2,768,907
Interdepartmental Transfer				127,229	0	0	0
<hr/> TOTAL				<hr/> 23,372,835	<hr/> 24,226,470	<hr/> 24,226,470	<hr/> 25,412,693

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Department of Motor Vehicles

Appropriation Key Budget Issues

The FY12 state dollar request is 1.6% less than the FY11 budget as passed. The key budget drivers in the FY12 budget are:

1. VTDRIVES on-going system support. With implementation of the VTDrives system in FY11, \$175,000 has been budgeted for on-going monitoring and support of the new system. The FY11 budget included \$830,000 dollars for continued VTDRIVES development.
2. Photo license system contract increases are expected to be about 26.04% in FY 12, as indicated by the Processing & Printing Films line item.
3. Continued use of online DMV transactions that are paid for by credit card, with those costs reflected in the Bank Service Charges line item.
4. The need for a partial reissue of registration plates as it has been 20 years since the Department has done a full plate re-issue and the expected life expectancy of the reflectorized plate material is 5-6 years. This portion of the plate re-issue will not be focused on the oldest plates, but rather on plates that were issued in 2003-2004. During that timeframe many series of plates were affected by problems in the Corrections Department's production process. Those plates are currently fading badly and in many cases are already unreadable. \$500,000 has been budgeted for the reissue in the Registration & Identification line item.

It is important to note that the largest items on the operating expense side of DMV's budget are customer driven. The FY12 budget is, for the most part, built based on reduced business levels experienced over the past 2 ½ years.

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FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	15,916,930	15,786,441	15,786,441	16,488,866
Operating Expenses	7,405,905	8,303,553	8,303,553	8,873,827
Grants	50,000	136,476	136,476	50,000
TOTAL	23,372,835	24,226,470	24,226,470	25,412,693
FUND TYPE				
Transportation Fund	21,814,606	23,022,730	23,022,730	22,643,786
Federal Revenue Fund	1,431,000	1,203,740	1,203,740	2,768,907
Interdepartmental Transfer	127,229	0	0	0
TOTAL	23,372,835	24,226,470	24,226,470	25,412,693

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
AOT Town Highway Programs**

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Town Highway Structures	0	0	0	3,385,181	5,833,500	5,833,500	5,833,500
Town Highway Emergency Fund	0	0	0	860,527	750,000	750,000	750,000
Town Highway VT Local Roads	0	0	0	330,668	390,000	390,000	375,000
Town Highway Class 2 Roadway	0	0	0	5,604,056	7,248,750	7,248,750	7,248,750
Town Highway Bridges	0	0	0	20,377,353	19,089,340	19,089,340	17,886,776
Town Highway Aid Program	0	0	0	24,982,744	24,982,744	24,982,744	24,982,744
Town Highway Class1 Suppl Grants	0	0	0	128,750	128,750	128,750	128,750
Town Highway Public Assistance Grants	0	0	0	1,625,792	200,000	200,000	200,000
Municipal Mitigation Grant Program	0	0	0	1,378,380	2,112,998	2,112,998	1,143,228
TOTAL	0	0	0	58,673,451	60,736,082	60,736,082	58,548,748
FUND TYPE							
Transportation Fund				35,819,152	40,084,966	40,084,966	40,135,609
Special Fund				2,334,561	1,616,014	1,616,014	2,025,875
American Recovery & Reinvestment Act				3,973,925	3,990,070	3,990,070	0
Federal Revenue Fund				15,096,982	14,278,401	14,278,401	15,451,065
Transportation: Local Match				1,448,831	766,631	766,631	936,199
TOTAL				58,673,451	60,736,082	60,736,082	58,548,748

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway Structures**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	3,385,181	5,833,500	5,833,500	5,833,500
<hr/> TOTAL	<hr/> 3,385,181	<hr/> 5,833,500	<hr/> 5,833,500	<hr/> 5,833,500
FUND TYPE				
Transportation Fund	3,385,181	5,833,500	5,833,500	5,833,500
<hr/> TOTAL	<hr/> 3,385,181	<hr/> 5,833,500	<hr/> 5,833,500	<hr/> 5,833,500

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	860,527	750,000	750,000	750,000
<hr/> TOTAL	<hr/> 860,527	<hr/> 750,000	<hr/> 750,000	<hr/> 750,000
FUND TYPE				
Transportation Fund	860,527	750,000	750,000	750,000
<hr/> TOTAL	<hr/> 860,527	<hr/> 750,000	<hr/> 750,000	<hr/> 750,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	330,668	390,000	390,000	375,000
<hr/> TOTAL	<hr/> 330,668	<hr/> 390,000	<hr/> 390,000	<hr/> 375,000
FUND TYPE				
Transportation Fund	190,668	235,000	235,000	235,000
Federal Revenue Fund	140,000	155,000	155,000	140,000
<hr/> TOTAL	<hr/> 330,668	<hr/> 390,000	<hr/> 390,000	<hr/> 375,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	5,604,056	7,248,750	7,248,750	7,248,750
<hr/> TOTAL	<hr/> 5,604,056	<hr/> 7,248,750	<hr/> 7,248,750	<hr/> 7,248,750
FUND TYPE				
Transportation Fund	5,604,056	7,248,750	7,248,750	7,248,750
<hr/> TOTAL	<hr/> 5,604,056	<hr/> 7,248,750	<hr/> 7,248,750	<hr/> 7,248,750

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway Bridges

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	4,161,337	3,600,000	3,600,000	3,600,000
Operating Expenses	16,046,271	15,489,340	15,489,340	14,286,776
Grants	169,745	0	0	0
<hr/> TOTAL	<hr/> 20,377,353	<hr/> 19,089,340	<hr/> 19,089,340	<hr/> 17,886,776
FUND TYPE				
Transportation Fund	578,057	658,224	658,224	708,867
Special Fund	1,828,615	1,616,014	1,616,014	2,025,875
American Recovery & Reinvestment Act	3,973,925	3,990,070	3,990,070	0
Federal Revenue Fund	12,547,925	12,058,401	12,058,401	14,215,835
Transportation: Local Match	1,448,831	766,631	766,631	936,199
<hr/> TOTAL	<hr/> 20,377,353	<hr/> 19,089,340	<hr/> 19,089,340	<hr/> 17,886,776

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway Aid Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	24,982,744	24,982,744	24,982,744	24,982,744
<hr/> TOTAL	<hr/> 24,982,744	<hr/> 24,982,744	<hr/> 24,982,744	<hr/> 24,982,744
FUND TYPE				
Transportation Fund	24,982,744	24,982,744	24,982,744	24,982,744
<hr/> TOTAL	<hr/> 24,982,744	<hr/> 24,982,744	<hr/> 24,982,744	<hr/> 24,982,744

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	128,750	128,750	128,750	128,750
<hr/> TOTAL	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750
FUND TYPE				
Transportation Fund	128,750	128,750	128,750	128,750
<hr/> TOTAL	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Town Highway Public Assistance Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	1,625,792	200,000	200,000	200,000
<hr/> TOTAL	<hr/> 1,625,792	<hr/> 200,000	<hr/> 200,000	<hr/> 200,000
FUND TYPE				
Special Fund	505,946	0	0	0
Federal Revenue Fund	1,119,846	200,000	200,000	200,000
<hr/> TOTAL	<hr/> 1,625,792	<hr/> 200,000	<hr/> 200,000	<hr/> 200,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Municipal Mitigation Grant Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Grants	1,378,380	2,112,998	2,112,998	1,143,228
<hr/> TOTAL	<hr/> 1,378,380	<hr/> 2,112,998	<hr/> 2,112,998	<hr/> 1,143,228
FUND TYPE				
Transportation Fund	89,169	247,998	247,998	247,998
Federal Revenue Fund	1,289,211	1,865,000	1,865,000	895,230
<hr/> TOTAL	<hr/> 1,378,380	<hr/> 2,112,998	<hr/> 2,112,998	<hr/> 1,143,228

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Transportation Board

Department Mission Statement

The Transportation Board performs regulatory and quasi-judicial functions relating to transportation. These responsibilities include response to appeals, petitions and specific activities pursuant to Highways (19 V.S.A.); Aeronautics and Surface Transportation (5 V.S.A.); Scenery Preservation Council construction criteria (10 V.S.A. § 425); Scenic Roads (25 V.S.A., §§ 2501-2502); Eminent Domain (29 V.S.A., §§ 792-4; 30 V.S.A., §§ 113, 114, 117), and, as of the 2009 adjourned legislative session, disputes between national auto manufacturers and Vermont new-car dealers. (9 V.S.A., §§ 4083-4100; 19 V.S.A. § 3).

Description of Appropriations, Divisions, & Programs

The Transportation Board performs regulatory and quasi-judicial functions related to transportation. Responsibilities include hearing:

1. Appeals from agency decisions regarding measurement, description or reclassification of town highways. (19 V.S.A. § 305).
2. Small (less than \$2,000) - claims appeals of agency decisions (19 V.S.A. § 20).
3. Appeals, when requested in writing, of highway decisions by the secretary of transportation when assuming powers and duties of a select board in unorganized towns and gores (19 V.S.A. § 16).
4. Appeals, when requested in writing, regarding legal disputes over agency contracts and certain highway access permits.
5. Provide appellate review, when requested in writing, regarding the fairness of rents and fees charged for the occupancy or use of state-owned properties administered by the agency.
6. Disputes involving the decision of a select board under subdivision 302(a)(3)(B) or subsection 310(a) of 19 V.S.A. not to plow and make negotiable a Class 2 or Class 3 town highway during the winter.
7. Appeals by one municipality of a neighboring municipality's intent to close a road that runs through both.
8. Conduct public hearings on matters of public interest, after which it shall transmit its findings and recommendations to the secretary and the chairs of the Senate and House committees on transportation in a report which shall be a public document.
9. Conduct compensation hearings and make damage awards where the Agency of Transportation and affected landowners are unable to agree on the amount of compensation.
10. Designate state scenic roads and corridors (19 V.S.A. § 2501(a)).

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Transportation Board

11. Approve new highway or public ways opening into or connecting with established limited-access highways.
12. Issues regarding rail-highway grade crossings, farm crossings and other railroad-related responsibilities outlined in Title 5.
13. Requests for airports and restricted landing areas pursuant to Title 5, § 207 (a-h).
14. Hear disputes involving new-car manufacturers and Vermont new-car dealers (9 V.S.A. §§ 4083-4100; 3 V.S.A. § 3).

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Transportation Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Transportation Board	1	1	1	85,371	86,544	86,544	87,000
<hr/> TOTAL	<hr/> 1	<hr/> 1	<hr/> 1	<hr/> 85,371	<hr/> 86,544	<hr/> 86,544	<hr/> 87,000
FUND TYPE							
Transportation Fund				85,371	86,544	86,544	87,000
<hr/> TOTAL				<hr/> 85,371	<hr/> 86,544	<hr/> 86,544	<hr/> 87,000

**STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Transportation Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Personal Services	75,673	75,633	75,633	75,977
Operating Expenses	9,698	10,911	10,911	11,023
<hr/> TOTAL	<hr/> 85,371	<hr/> 86,544	<hr/> 86,544	<hr/> 87,000
FUND TYPE				
Transportation Fund	85,371	86,544	86,544	87,000
<hr/> TOTAL	<hr/> 85,371	<hr/> 86,544	<hr/> 86,544	<hr/> 87,000

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Debt Service

Department Mission Statement

The State borrows money for capital purposes through the issuance of general obligation bonds, the payment of which is backed by the full faith and credit of the State. General Obligation bonds are used for numerous purposes including construction and renovation of state office buildings and state recreational, cultural, health, correctional and educational facilities; making grants to municipalities for the purposes of funding wastewater and drinking water facilities upgrades; transportation projects funding, and other capital projects

The State Treasurer may borrow temporary funds, through various methods, revenue anticipation notes, lines of credit and a tax-exempt commercial paper program, for the purpose of defraying the expenses and budget deficits of government incurred by the appropriations authorized in the General Appropriations Act. The proceeds of temporary borrowing, together with certain other available monies in the General Fund are used to make such payments, as set forth in the General Appropriations Act, in advance of receipt of taxes, revenues and other funds.

In addition to General Obligation debt, the State may also sell revenue-backed Transportation Infrastructure Bonds (TIBs). These bonds are secured only from motor fuel transportation infrastructure assessments of 2% of the sales price of gasoline and 3 cents per gallon of diesel fuel. TIBs are used to finance the rehabilitation, reconstruction or replacement of state and municipal bridges and culverts, and state roads, railroads, airports and necessary buildings which, after such work, have a remaining useful life of at least 30 years.

The amount necessary each year to pay the maturing principal and interest are included in and made part of the annual appropriations bill for the expense of State Government.

The Capital Debt Affordability Advisory Committee (CDAAC) completes an annual review of the size and affordability of the State tax-supported general obligation debt, including the projected debt service required to pay these obligations.

Economic trends, the bond market and legislative actions will determine the interest rates on borrowing. Estimates are based on the latest information available.

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Debt Service

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011		FY 2012
	Pos. #	Pos. #	Pos. #	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Department							
Debt Service - Principal	0	0	0	70,746,671	71,576,314	71,576,314	72,390,394
<hr/>							
TOTAL	0	0	0	70,746,671	71,576,314	71,576,314	72,390,394
FUND TYPE							
General Fund				64,691,179	65,804,622	65,804,622	64,575,793
Transportation Fund				3,555,777	3,477,902	3,477,902	3,371,825
Special Fund				2,499,715	1,626,225	1,626,225	625,950
American Recovery & Reinvestment Act				0	667,565	667,565	1,437,142
Debt Service Funds				0	0	0	2,379,684
<hr/>							
TOTAL				70,746,671	71,576,314	71,576,314	72,390,394

STATE OF VERMONT
FISCAL YEAR 2012 BUDGET RECOMMENDATIONS
Debt Service - Principal

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2010	FY 2011		FY 2012
	FY10 Actual	FY11 Budget As Passed	FY11 Estimated	FY12 Governor Proposed
Operating Expenses	70,746,671	71,576,314	71,576,314	72,390,394
TOTAL	70,746,671	71,576,314	71,576,314	72,390,394
FUND TYPE				
General Fund	64,691,179	65,804,622	65,804,622	64,575,793
Transportation Fund	3,555,777	3,477,902	3,477,902	3,371,825
Special Fund	2,499,715	1,626,225	1,626,225	625,950
American Recovery & Reinvestment Act	0	667,565	667,565	1,437,142
Debt Service Funds	0	0	0	2,379,684
TOTAL	70,746,671	71,576,314	71,576,314	72,390,394