

No. XXX. An act relating to making appropriations for the support of government

(H. XXX)

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2018 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2018. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2017. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2018 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serve as the primary source and reference for appropriations for fiscal year 2018.

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

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2018.

Sec. A.103 DEFINITIONS

(a) As used in this act:

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

(2) “Grants” means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the State for services or supplies and means cash or other direct assistance, including pension contributions.

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

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

<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>
<u>B.1100–B.1199 and E.1100–E.1199</u>	<u>One-time and other appropriation actions</u>

(b) The C sections contain any amendments to the current fiscal year and the D sections contain fund transfers and reserve allocations for the upcoming budget year.

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2018, \$3,409,900 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of \$1,605,400 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$1,045,400 is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for competitive grants for internships through the Vermont Strong Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Career Technical Education Programs. The amount of \$360,000 is appropriated to the Department of Labor in consultation with the State Workforce Investment Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to provide adult career technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of \$200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of \$30,000 as follows:

(A) Large animal veterinarians' loan forgiveness. The amount of \$30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan repayment program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of \$1,774,500 as follows:

(A) Non-degree VSAC grants. The amount of \$494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of \$650,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs and need-based stipend. The amount of \$600,000 is appropriated to the Agency of Education for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2) and \$30,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need based stipends pursuant to Sec. E.605.1 of this act.

EXPLANATION: Allocation of Next Generation funds. \$500K added to the National Guard Educational Assistance. STEM incentive was repealed in 2016 Act 172 Se. B.1100.2, associated funding has been redirected to the Workforce Education and Training Fund.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2019
NEXT GENERATION FUND DISTRIBUTION

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the State Workforce Investment Board, shall recommend to the Governor on or before December 1, 2017 how \$3,409,900 from the Next Generation Fund should be allocated or appropriated in fiscal year 2019 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

EXPLANATION: The same process as prior fiscal years.

Sec. B.1101 FISCAL YEAR 2018 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) The sum of \$750,000 is appropriated to the Secretary of Commerce and Community Development for developing and launching a marketing campaign.

(1) The funds in appropriated in the section shall be used to:

(A) build on Vermont’s successful branding and marketing efforts surrounding tourism, recreation, and the working lands;

(B) expand the Vermont brand to attract entrepreneurs and would-be entrepreneurs to Vermont;

(C) advance attributes of innovation, tech and digital economy, and energy leadership in Vermont; and

(D) connect entrepreneurs with the career aspirations of young Vermonters.

(2) The funds appropriated in this section may be matched with federal funds, special funds, grants, donations, and private funds.

(3) The Secretary shall establish performance measures that support the strategic priority of strengthening the state economy before disbursing these funds.

EXPLANATION: One-time appropriation to be used to attract more workers to the state through Economic Development Marketing.

(b) The sum of \$200,000 is appropriated to the Secretary of Commerce and Community Development for the Vermont Training Program. These funds shall be targeted to support training in the trades including, but not limited to, electricians, carpenters, plumbers, pipefitters, welders, heavy equipment operators, automotive service technicians, aviation technicians, fuel/electrical systems technicians, tool and die makers, industrial mechanics, precision metal

fabricators, and horticulturalists. These funds shall be administered by the Vermont Training Program.

EXPLANATION: Onetime appropriation to increase training for occupations in the trades.

(c) The sum of \$300,000 is appropriated to the Secretary of Administration for allocation across State government for security improvements as determined by the Secretary. The Secretary shall report to the Joint Fiscal Committee in September 2017 on the status of security plans and the use of this appropriation and potential need for adjustments to this appropriation in the fiscal year 2018 budget adjustment process. The Secretary may use these funds to match federal dollars where appropriate.

EXPLANATION: These funds will be used to improve security on state owned and occupied property.

(d) The sum of \$1,930,000 is appropriated to the Secretary of Administration for distribution to departments to fund changes in employee classification occurring in fiscal year 2017 that are approved in accordance with the collective bargaining agreements.

EXPLANATION: The cost of reclassification occurring in FY 2017 are projected to cost an additional \$1.93M of General Funds in FY 2018. This appropriation provides General Funds to the Administration to cover these anticipated costs.

(e) The sum of \$10,125,000 is appropriated to the following departments for the costs of implementing information technology projects:

(1) \$2,125,000 is appropriated to the Agency of Human Services;

(2) \$2,200,000 is appropriated to the Department of Finance and Management;

(3) \$5,800,000 is appropriated to the Judiciary.

EXPLANATION: IT projects were removed from the Capital bill, the above appropriations were planned for FY 2018. The above appropriations will support the integrated eligibility system at the Agency of Human Services, the statewide ERP system at Finance and Management, and the case management system at the judiciary.

B.1102 MANAGEMENT SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2018 appropriations and make transfers to the General Fund for a total of \$3,400,000 due to savings generated from, but not limited to:

(1) the eliminate of exempt positions;

(2) savings identified through LEAN business process analysis; and

(3) other administrative or contractual reductions.

(b) Of the savings identified in this section, at least \$1,000,000 will be identified at the Agency of Human Services.

(c) The Secretary shall include the appropriation reductions and transfers in a report to the Joint Fiscal Committee in November 2017.

EXPLANATION: Requires the Secretary of Administration to reduce appropriations in State government through exempt position savings and other administrative reductions. At least \$1M of savings shall come from AHS.

Sec. C.100 32 V.S.A. § 308b, as amended by the General Assembly in 2017 H.125 Sec. 62:
Federal Contingency and Human Services Caseload Reserve

(a) There is created within the General Fund a Federal Contingency and Human Services Caseload Management Reserve. Expenditures from the Reserve shall be subject to an appropriation by the General Assembly or approval by the Emergency Board. Expenditures from the Reserve shall be limited to near term expenditures resulting in actions taken by federal partners or Agency of Human Services caseload-related needs primarily in the Departments for Children and Families; of Health; of Mental Health; of Disabilities, Aging, and Independent Living; of Corrections and of Vermont Health Access.

(b) The Secretary of Administration may transfer to the Federal Contingency and Human Services Caseload Reserve any General Fund carry-forward directly attributable to Agency of Human Services caseload reductions or savings and the effective management of related federal receipts across State government.

EXPLANATION: Update to the Federal Contingency & Human Service Caseload Reserve language to include all programs and agencies in the State of Vermont and Agency of Human Services.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of \$518,000 is appropriated from the Current Use Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$518,000 from the property transfer tax that are deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of \$12,304,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Of this appropriation \$2,500,000 shall be used for the purpose of repayment of a housing bond, the processed of which shall be deposited in the Vermont Housing and Conservation Trust. Notwithstanding 10 V.S.A. § 312, amounts above \$12,304,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(3) The sum of \$3,760,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,760,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The \$3,760,599 shall be allocated as follows:

(A) \$2,924,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$457,482 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information.

EXPLANATION: The 1/19/2017 consensus FY 2018 revenue forecast of \$41.9m for the Property Transfer Tax (PTT) is being allocated as follows: The Department of Taxes will receive \$518K for property valuation and review administrative costs (including computerization of the current use program). The VHCB will receive \$12,304,840 in PTT revenue to increase funding over FY 2017 by \$1 million. \$2.5M of these funds are directed towards paying the housing bond. The appropriation from the Municipal & Regional Planning Fund is \$3,760,599, which maintains level funding for the appropriations to Regional Planning Commissions and Municipal Planning Commissions from FY 2017 funding levels. The appropriation to Geographic Information Systems is level funded from FY 2017.

Sec. D.100.1 32 V.S.A. § 9610 is added to read:

(d) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and 32 V.S.A. § 435(b)(10), \$2.5 million of the revenues received from the property transfer tax shall be used for the purpose of repayment of a housing bond the proceeds of which shall be deposited in the Vermont housing and conservation trust fund. Subsection (d) effective July 1, 2019 until July 1, 2038.

EXPLANATION : Requires that the first \$2.5M of PTT revenue be used to repay the housing bond for 20 years. **This is currently under review by the State Treasurer and Bond Council. Additional information may be forthcoming.**

Sec. D.100.2 REPEALS; PROPERTY TRANSFER TAX ALLOCATION TO THE DEPARTMENT OF TAX

(a) The following are repealed:

(1) 2011 Acts and Resolves No.45, Secs. 35 (repeal of allocation of property transfer tax revenue) and 37(10) (effective date of repeal of allocation of property transfer tax revenue).

(2) 2016 Acts and Resolves No. 172 Sec. D.100.1 (change to the effect date of repeal of the allocation of the property transfer tax).

EXPLANATION: Repeals the change in the allocation of the Property Transfer Tax to the Department of Taxes, Division of Property Evaluation and Review.

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

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

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$3,409,900.

EXPLANATION: Transfer funds to the Next Generation to continue prior year programs and increase the funding for the National Guard Scholarship program by \$500K.

(2) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. §4803: \$1,225,000.

EXPLANATION: Transfer from the Clean Water Fund to the Agricultural Water Quality Special Fund. Transfer includes \$850,000 for grants and \$375,000 for staff and operating costs

(3) From the General Fund to the Tobacco Trust fund established by 18 V.S.A. § 9502(a): \$245,246.

EXPLANATION: Funding to bring the projected balance in the Tobacco Trust fund to the level necessary to cover the Attorney's General's projected costs associated with litigation/arbitration of the Master Settlement Agreement.

(4) From the General Fund to the Environmental Contingency fund established by 10 V.S.A. § 1283: \$1,520,137.

EXPLANATION: Additional funding required to cover costs associated with projected PFOA mitigation expenditures in FY 2018.

(5) From the General Fund to the Emergency Relief and Assistance fund established by 20 V.A.S. § 45(c): \$1,455,788.

EXPLANATION: Additional funding required to cover state match for federally qualified disasters. Most this need is the result of municipalities completing work on projects approved for Tropical Storm Irene, both for the standard state share by ERAF rules and for the 3%-of-grand-list cap on municipal Irene expenditures.

(6) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: \$423,966.

EXPLANATION: Standard annual transfer to support the program at the Agency of Commerce and Community Development.

(7) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 1f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. Sec. § 951a for funding fiscal year 2019 transportation infrastructure bonds debt service: \$2,504,688.

EXPLANATION: This transfer funds the pre-payment of FY 2019's TIB debt service. The terms of the TIB do not allow the use of TIB revenues on a pay-go basis until the debt service is reserved; this pre-payment allows pay-go revenues to be expended on projects beginning July 1, 2018. Last year's big bill had a similar transfer to fund FY 2018 TIB debt service.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

<u>21550</u>	<u>Land & facilities Trust Fund</u>	<u>429,000.00</u>
<u>21638</u>	<u>AG -Fees & reimbursements -Court order</u>	<u>2,000,000.00</u>
<u>21909</u>	<u>Tax Computer System Modernization</u>	<u>798,808.00</u>
<u>21973</u>	<u>GMCB regulatory and Admin Fund</u>	<u>700,000.00</u>
<u>22005</u>	<u>AHS Central Office earned federal receipts</u>	<u>32,165,542.00</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>955,000.00</u>
	<u>Caledonia Fair</u>	<u>5,000.00</u>
	<u>North Country Hospital Loan</u>	<u>24,250.00</u>

EXPLANATION: FY 2018 estimated direct applications to the General Fund.

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall revert to the General Funds from the Accounts indicated:

<u>1210001000</u>	<u>Legislative Council</u>	<u>150,000.00</u>
<u>1210002000</u>	<u>Legislature</u>	<u>385,000.00</u>
<u>1230001000</u>	<u>Sergeant-at-Arms</u>	<u>19,000.00</u>

EXPLANATION: FY 2018 estimated reversion to the General Fund

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2018 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. Sec. 435a. shall remain for appropriation in fiscal year 2018.

EXPLANATION: Annual language.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2018 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2018 is not negative shall be transferred in fiscal year 2018 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

EXPLANATION: Annual language.

Sec. D.104 FEDERAL CONTINGENCY AND HUMAN SERVICES CASELOAD RESERVE

(a) The sum of \$22,000,000.00 shall be reserved from General Fund in the Federal Contingency and Human Services Caseload reserve established in 32 V.S.A. § 308b and amended by this Act.

EXPLANATION: Reserves General funds in the Federal Contingency and Human Services Caseload reserve

Sec D.105 FISCAL 2018 STABILIZATION RESERVE CALCULATION

(a) The amount of the Federal Contingency and Human Services Caseload appropriated in fiscal year 2017 shall not be used for the purposes of the calculation of the fiscal year 2018 reserve pursuant to 32 V.S.A. § 308 but shall be reflected in the fiscal year 2019 calculation.

EXPLANATION: FY 2018 reserve calculation shall not include any funds appropriated from the Federal Contingency and Human Services Caseload Reserve in FY 2017.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions are authorized in fiscal year 2018:

(1) In the Agency of Agriculture – (1) Paralegal, (1) Program Development & Policy Analyst, and (1) Microbiologist.

(2) In the Department of Tax – two (2) tax examiners.

(b)The positions established in this section shall be transferred and converted from existing vacant positions in the Executive Branch, and shall not increase the total number of authorized State positions defined in Sec. A.107 of this act.

EXPLANATION: Additional positions need for the Agency of Agriculture for operations. Department of Tax positions are needed to support the work associated with the transfer of the employer assessment from the Department of Labor. These positions will be allocated to departments from positions in the position pool; no new positions will be established.

Sec. E.100.1 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No.4, Sec. 74, as further amended by 2016 Acts and Resolves No.172, Sec. E.100, is further amended to read:

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(7) This Pilot shall sunset on July 1, ~~2017~~ 2018, unless extended or modified by the general assembly.

EXPLANATION: Extends the position Pilot until the end of FY 2018.

Sec. E.100.2 REPEAL

(a) 3 V.S.A. § 2222a is repealed :

EXPLANATION: Eliminates the director of health care reform from the Secretary of Administration's office. Roles and responsibilities added to AHS in Section E.300.4 of this act.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

EXPLANATION: This is an annual piece of language that covers admin costs for the current use program software. Historically this appropriation was \$30k but they don't use all of the spending authority so we cut it to \$15k for FY 2017 and are continuing with that level of appropriation in FY 2018.

Sec. E.111.1 32 V.S.A. chapter 245 is added to read:

CHAPTER 245 HEALTH CARE FUND CONTRIBUTION ASSESSMENT § 10501.

PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this State, an employers' health care fund contribution is established to provide a fair and reasonable method for sharing health care costs with employers who do not offer their employees health care coverage and employers who offer insurance but whose employees enroll in Medicaid.

§ 10502. DEFINITIONS

As used in this chapter:

(1) "Employee" means an individual who is:

(A) 18 years of age or older for all of a calendar quarter,

(B) employed full-time or part-time, and

(C) reported by an employer for purposes of complying with Vermont unemployment compensation law pursuant to Chapter 17 of Title 21

(2) "Employer" means a person who is required to furnish unemployment insurance coverage pursuant to Chapter 17 of Title 21.

(3)(A) "Full-time equivalent" or "FTE" means the number of employees expressed as the number of employee hours worked during a calendar quarter divided by 520. The FTE calculation shall be based on a 40 hour work week. No more than one FTE may be assessed against an individual employee, regardless of the actual number of hours worked by that employee during the calendar quarter.

(B) The hours worked during a calendar quarter means hours worked during all pay periods in that quarter for which gross wages were reported and paid. Unworked hours, such as vacation or sick time, may be excluded from the FTE calculation.

(C) "Full-time equivalent" shall not include any employee hours attributable to a seasonal employee or part-time employee of an employer who offers health care coverage to all of its regular full-time employees, provided that the seasonal employee or part-time employee has health care coverage under either a private plan or any public plan except Medicaid.

(4) "Health care coverage" shall mean any private or public plan that includes both hospital and physician services.

(5) "Part-time employee" shall mean an employee who works for an employer for fewer than 30 hours a week and fewer than 390 hours in a calendar quarter.

(6) "Seasonal employee" means an employee who:

(A) works for an employer for 20 weeks or fewer in a calendar year; and

(B) works in a job scheduled to last 20 weeks or fewer.

(7) "Uncovered employee" means:

(A) an employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees;

(B) an employee who is not eligible for health care coverage offered by an employer to any other employees; or

(C) an employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and:

(i) is enrolled in Medicaid;

(ii) has no other health care coverage under either a private or public plan except Medicaid; or

(iii) has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.

§ 10503. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

(a) The Commissioner of Taxes shall assess and an employer shall pay a quarterly Health Care Fund contribution for each full-time equivalent uncovered employee employed during that quarter in excess of four full-time equivalent employees.

(b) The amount of the contribution shall be \$151.12 for each full-time equivalent employee in excess of four. Starting in calendar year 2017, the amount of the contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.

(c) Health Care Fund contribution assessments under this chapter shall be determined on a calendar quarter basis, due and payable on or before the 25th day of the calendar month succeeding the close of each quarter. All administrative provisions of chapter 151 of this title

shall apply to this chapter, except penalty and interest shall apply according to chapter 103 of this title.

(d) Revenues from the Health Care Fund contributions collected shall be deposited into the State Health Care Resources Fund established under 33 V.S.A. § 1901d.

§ 10504. HOURS WORKED BY UNCOVERED EMPLOYEES; CALCULATION AND REPORTING

(a) Employers shall report to the Department of Taxes the number of hours worked by each uncovered employee on a return provided by the Department. The return shall be filed at the same time payment is required under subsection 10503(c) of this chapter, shall be filed electronically, and shall include any information required by the Commissioner.

(b) Quarterly health care contributions shall be calculated in the following manner:

(1) An employer shall divide the total hours worked by all uncovered employees during a quarter by 520, to represent one full-time equivalent employee. The employer shall then round the resulting number down to the nearest whole number and subtract four. The employer shall then multiply the resulting number by the amount established under subsection 10503(b) of this chapter to determine the amount of assessment due for the quarter.

(A) For full-time salaried employees, employers shall use 520 hours a quarter for the total hours worked.

(B) For all employees who worked more than 520 hours in a quarter, employers shall use 520 hours a quarter for the total hours worked.

(2) The Commissioner shall provide an electronic declaration of health care coverage form for employers to collect the health coverage statuses of their employees for purposes of this assessment. The form shall preserve the confidentiality of the type of coverage possessed by the employee and the employer shall only use the form for purposes of this assessment.

(A) An employer shall annually obtain a declaration of health care coverage from every employee who is not enrolled in a plan offered by the employer.

(B) An employer shall maintain declarations of health care coverage for a minimum of three years in a manner reasonably available for review and audit.

(C) Employees for whom no declaration of coverage is obtained shall be treated as uncovered.

(c) In the case of an employee leasing agreement, leased employees shall be considered employees of a client company and not employees of an employee leasing company.

§ 10505. HEALTH BENEFIT COSTS

(a) Employers shall provide their employees with an annual statement indicating:

(1) the total monthly premium cost paid for any employer-sponsored health benefit plan;

(2) the employer's share and the employee's share of the total monthly premium; and

(3) any amount the employer contributes toward the employee's cost-sharing requirement or other out-of-pocket expenses.

(b) Notwithstanding the provisions of subsection (a) of this section, an employer who reports the cost of coverage under an employer-sponsored health benefit plan as required by 26 U.S.C. § 6051(a)(14) shall be deemed to be in full compliance with the requirements of this section.

EXPLANATION: Statutory changes needed to transfer the Employer Assessment to the Department of Taxes from the Department of Labor.

Sec. B.111.2 REPEAL

(a) 32 V.S.A. § 5930z (business solar energy credit) is repealed.

EXPLANATION: This credit has been unavailable for use for several years, but businesses could carryforward credits. The ability to carryforward credit has ended, and the credit is no longer available.

Sec. E.113 Buildings and general services – engineering

(a) The \$3,182,525 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2017 legislative session.

EXPLANATION: Interdepartmental transfer funds appropriated to BGS engineering are appropriated in the Governor’s proposed 2017 capital bill.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2018, investment fees shall be paid from the corpus of the Fund.

EXPLANATION: Annual language most recently in 2016 Act 172 Sec. B.133. This language allows investment fees to be paid from the fund, instead of from the FY 2018 state contribution charged to the departments of State government.

Sec. E.142 Payments in lieu of taxes

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

EXPLANATION: Annual language, clarifies that these payments are in addition to and separate from those appropriated elsewhere in the bill for the city of Montpelier and correctional facilities.

Sec. E.143 Payments in lieu of taxes – Montpelier

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

EXPLANATION: Clarifies that the Montpelier PILOT payment is to come from the PILOT special fund. Standard language.

Sec. E.144 Payments in lieu of taxes – correctional facilities

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

EXPLANATION: Clarifies that the correctional facilities payment is to come from the PILOT special fund. Standard language.

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

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

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$1,115,500 is appropriated in Sec. B.200 of this act.

EXPLANATION: Same provisions as in FY 2017.

Sec. B.204 JUDICIAL BRANCH POSITION AUTHORIZATIONS

(a) In the Judiciary, there is established the following new permanent classified positions:

(1) Two (2) docket clerk B.

(b) In the Judiciary there is established the following new permanent exempt position:

(1) One (1) Judicial Master pursuant to 4 V.S.A. § 38.

EXPLANATION: Act 167 of 2016 authorized the Judicial Master position and established the criteria for appointment and jurisdictional authority, but did not create any positions. The Judiciary intends to use this team to address the opiate-related Family Division caseload crisis. The proposed part-time Master position, along with two part-time support staff, would “float” among counties depending where Family Division caseload pressures were greatest. Each position is budgeted as 50% FTE (all General Funds), with a total fiscal impact estimate of \$137,952.

Sec. E.208 Public safety – administration

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

(b) Of the funds appropriated to the Department under 19 V.S.A § 11a(a) in fiscal year 2018, the amount of \$2,100,000 is allocated exclusively for purchase, outfitting, assignment, and disposal of State Police vehicles.

EXPLANATION: Part(a) is annual language. Part(b) indicates that DPS intends to spend \$2.1M as required by law on State Police Vehicles.

Sec. E.209 Public safety – state police

(a) Of this appropriation, \$35,000 in special funds shall be available for snowmobile law enforcement activities and \$35,000 in general funds shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of this appropriation, \$405,000 is allocated for grants in support of the Drug Task Force and the Gang Task Force. Of this amount, \$190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force and to support the efforts of the Mobile Enforcement Team (Gang Task Force), or carried forward.

EXPLANATION: Same provisions as in FY 2017.

Sec. E.212 Public safety – fire safety

(a) Of this General Fund appropriation, \$55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

EXPLANATION: Same provisions as in FY 2017.

Sec. E.215 Military – administration

(a) The amount of \$750,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856. Of this amount, \$100,000 shall be general funds from this appropriation, and \$650,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

EXPLANATION: Same provision as in FY2017, adds \$500K to the next generation appropriation.

Sec. E.219 Military – veterans’ affairs

(a) Of this appropriation, \$1,000 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor’s Veterans’ Advisory Council; \$7,500 shall be used for the Veterans’ Day parade; \$5,000 shall be used for the Military, Family, and Community Network; and \$10,000 shall be granted to the American Legion for the Boys’ State and Girls’ State programs.

(b) Of this General Fund appropriation, \$39,484 shall be deposited into the Armed Services Scholarship Fund established in 16 V.S.A. § 2541.

EXPLANATION: Language and amount same as in FY 2017 except that the Vietnam Veterans’ of America to fund the Service Officers Program has been removed as the group now receives funds through the Vermont Veterans Fund.

Sec. E.220 Center for crime victims services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer \$39,895 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

EXPLANATION: Same provisions as in FY 2017, amount updated to reflect the total cost of the position.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of \$805,352 in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for administrative expenses, and investments in food and forest systems and services providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

EXPLANATION: The appropriation for the Working Lands program is maintained with grant-making focused on the service provider investment area, which provides technical assistance and educational services to agricultural and forestry and forest products enterprises.

* * * HUMAN SERVICES * * *

Sec. E.300 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2018 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

EXPLANATION: Same language as FY 2017 (2016 Act 172 Sec. E.300), FY 2016 (2015 Act 58, Sec. E. 300) and FY 2015 (2014 Act 179 Sec. E.300). 2013 Act 50 Sec.D.104 requires the tobacco settlement funds withheld to be deposited in the Tobacco Trust Fund. This section allows the previously withheld Tobacco Settlement funds received in 2017 to be spent rather than deposited into the Trust Fund.

Sec.E.300.1 2013 Acts and Resolves No. 73, Sec. 60(10) is amended to read:

(10) Secs. 48-51 (health claims tax) shall take effect on July 1, 2013 and 52 and 53 (health claims sunset) shall take effect on July 1, ~~2017~~ 2018.

EXPLANATION: Extends the health care claims tax Sunset until the end of FY 2018.

Sec. E.300.2 HIT FUND; FUTURE RECOMMENDATION

(a) The Secretary of Administration and the Secretary of Human Services shall review the use of the HIT fund and make recommendations for its use after June 30, 2018. The review shall include but not be limited to a review of the current revenue stream and the current allocation of funds. A plan for proposed changes will be submitted to the General Assembly on or before January 31, 2018.

EXPLANATION: Requires the Secretary of Administration and the Secretary of Human Services to review and make recommendations on the future of the HIT fund.

Sec. E.300.3 POSITION TRANSFER

(a) The Director of Health Care Reform established in 2011 Acts and Resolves No. 48 Sec. 3b(e) is transferred from the Agency of Administration to the Agency of Human Services.

EXPLANATION: Move Director of Health Care Reform position to AHS CO

Sec. E.300.4 3 V.S.A. §3027 is added to read:

§ 3027 Health care system reform; improving quality and affordability

(a) The Director of Health Care Reform in the Agency Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

(b) The Director shall ensure that those Executive Branch agencies, departments, and offices responsible for the development, improvement, and implementation of Vermont's health care system reform do so in a manner that is coordinated, timely, equitable, patient-centered, and evidence-based, and that seeks to inform and improve the quality and affordability of patient care and public health, contain costs, and attract and retain well-paying jobs in this State.

(c) Vermont's health care system reform efforts include:

- (1) The State's chronic care infrastructure, disease prevention, and management program contained in the Blueprint for Health established by 18 V.S.A. chapter 13, the goal of which is to achieve a unified, comprehensive, statewide system of care that improves the lives of all Vermonters with or at risk for a chronic condition or disease.
- (2) The Vermont health information technology project pursuant to 18 V.S.A. chapter 219.
- (3) The multi-payer data collection project pursuant to 18 V.S.A. § 9410.
- (4) The common claims administration project pursuant to 18 V.S.A. § 9408.
- (5) The consumer price and quality information system pursuant to 18 V.S.A. § 9410.
- (6) The information technology work done by the quality assurance system pursuant to 18 V.S.A. § 9416.
- (7) The public health promotion programs of the Agency of Human Services, including primary prevention for chronic disease, community assessments, school wellness programs, public health information technology, data and surveillance systems, healthy retailers, healthy community design, and alcohol and substance abuse treatment and prevention programs.
- (8) The creation of a universal health care system to provide affordable, high-quality health care coverage to all Vermonters and to include federal funds to the maximum extent allowable under federal law and waivers from federal law.
- (9) A reformation of the payment system for health services to encourage quality and efficiency in the delivery of health care as set forth in 18 V.S.A. chapter 220.
- (10) A strategic approach to workforce needs set forth in 18 V.S.A. chapter 222, including retraining programs for workers displaced through increased efficiency and reduced administration in the health care system and ensuring an adequate health care workforce to provide access to health care for all Vermonters.
- (11) A plan for public financing of health care coverage for all Vermonters.
- (d) The Director of Health Care Reform or designee shall provide information and testimony on the activities included in this section to the Health Care Oversight Committee and to any legislative committee upon request.

EXPLANATION: Updates statute to reflect the transfer of the Director of Health Care Reform to AHS.

Sec. E.300.5 18 V.S.A. § 9491(a) is amended to read:

(a) The director of health care reform in the ~~agency of administration~~ agency of human services shall oversee the development of a current health care workforce development strategic plan that continues efforts to ensure that Vermont has the health care workforce necessary to provide care to all Vermont residents.

EXPLANATION: Updates statute to reflect the transfer of the Director of health Care reform to AHS.

E.300.6 18 V.S.A. § 9602 is amended to read:

(a) The Agency of ~~Administration~~ Human Services shall ~~establish~~ maintain the Office of the Health Care Advocate by contract with any nonprofit organization.

EXPLANATION: Moves the Health Care Advocate contract to AHSCO.

E.300.6 18 V.S.A. § 9607(b)(3) is amended to read:

(3) The Green Mountain Care Board shall administer the bill back authority created in this subsection on behalf of the Agency of ~~Administration~~ Human Services in support of the Agency's contract with the Office of the Health Care Advocate pursuant to section 9602 of this title to carry out the duties set forth in this chapter.

EXPLANATION: Language update in conjunction with the movement of the Health Care Advocate contract to AHS.

Sec. E. 300.7 FUNDING FOR THE OFFICE OF THE HEALTH CARE ADVOCATE

(a) Of the funds appropriated in Sec. B.300 of this act, \$1,407,406 shall be used for the contract with the Office of the Health Care Advocate.

EXPLANATION: Pursuant to 2015 Act 54 Sec 53(c)

Sec. E.301 Secretary's office – Global Commitment:

(a) The Agency of Human Services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the Agency of Human Services and the managed care entity, the Department of Vermont Health Access, as provided for in the Global Commitment for Health Waiver (Global Commitment) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the State funds appropriated in this section, a total estimated sum of \$25,758,791 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$23,371,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$27,128,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$50,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) \$2,387,391 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

EXPLANATION: Amounts updated to reflect FY 2018 estimates. School-based health services no longer eligible to be claimed as Investment per CMS. EPSDT and VCHIP no longer fall under the GC Waiver; now claimed as Medicaid Admin and are not included in this section.

Sec. E.306 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2018, but only in the event that new federal guidance or regulations require Vermont to amend or adopt its rules in a timeframe that cannot be accomplished under the traditional rulemaking process. An emergency rule adopted under

these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

EXPLANATION: Recurring language. This language was last included in 2016 Act 172 Sec. E.306.3. DVHA is requesting emergency rulemaking authority in FY 2018 for rules that govern the operation of Vermont Health Connect. This emergency rulemaking authority will ensure that DVHA can comply, in a timely matter, with new federal guidance and regulations of the Patient Protection and Affordable Care Act (ACA). By not following federally mandated rules or dictates in a timely manner, DVHA may be adversely affecting Medicaid beneficiaries' rights and state-federal match possibilities, and creating issues that will compound themselves until such time that DVHA can promulgate a rule. The emergency rulemaking authority that DVHA is requesting is pursuant to process outlined in state law (3 V.S.A. § 844). Emergency rules are in effect for 120 days and go before the Legislative Committee on Administrative Rules (LCAR). When emergency rules expire it is the expectation that DVHA would go through the permanent rulemaking process that includes a robust public comment period.

Sec. E.306.1 33 V.S.A. §1998 (f)(3) is amended to read:

(3) To the extent feasible, the Board shall review all drug classes included in the preferred drug list at least every ~~12~~24 months and may recommend that the Commissioner make additions to or deletions from the preferred drug list.

EXPLANATION: Extends the number of months the Drug Utilization Review Board has to review medications currently on the Preferred Drug List. The board does not have enough resources to review all drugs on the list on an annual basis. This change would not impact the timeliness of review of drugs that are new to the market, have a change to their safety profile or any other clinical reason. It does not impact DVHA's ability to negotiate supplemental rebates on drugs.

Sec. E.307 2013 Acts and Resolves No. 79, Sec. 53(d), as amended by 2014 Acts and Resolves No. 179, Sec. E.307, as amended by 2015 Acts and Resolves No. 58, Sec. E.307, as amended by 2016 Acts and Resolves No. 172, Sec. E.307.3 is further amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the Agency of Human Services may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and VPharm programs is not operational by that date, but no later than December 31, ~~2017~~ 2018.

EXPLANATION: Eligibility Determination for the VPharm members occurs within the legacy eligibility system – ACCESS. DVHA plans to move forward with this legislative requirement; however, it is contingent upon the Integrated Eligibility solution design and implementation. Thus, the Department is requesting an extension to the effective date.

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2018 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group

(CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

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

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2018, the Department of Health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including syringe exchange programs, improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2018, the Department of Health shall provide grants in the amount of \$150,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2018. Grant reporting shall include outcomes and results.

EXPLANATION: Annual language that provides guidance to Health and Agency of Human Services about the allocation and administration of funds for HIV/AIDS prevention and services.

Sec. E.321 COMMUNITY BASED ALTERNATIVES TO GENERAL ASSISTANCE TEMPORARY HOUSING

(a) For State fiscal year 2018, the Agency of Human Services may continue to fund grants to support the establishment of community based alternatives for temporary housing as part of the effort to reduce the number of individuals temporarily housed by the General Assistance program. The purpose of these community based alternatives is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing,

and the services they need to become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. Where such grants are provided and community based programs are established the General Assistance Rules will not apply. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The community based programs may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish goals and procedures for evaluating the program overall, including performance measures that demonstrate program results, and for each district in which the Agency operates the program, it shall establish procedures for evaluating the district program and its effects.

(c) The Agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of community based alternatives to General Assistance temporary housing.

Explanation: Same provision as last year. This language allows DCF to continue to fund programs and issue grants to serve clients with housing needs. This language has been revised from the previous year to reflect the fact that the grant-funded programs are community-based programs and that, therefore, the General Assistance rules do not apply to these programs.

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2018 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The cold weather exception policy issued by the Department for Children and Families' Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

EXPLANATION: Same language as 2016 Act 172 Sec. E.321.1. This language authorizes the General Assistance program to continue the cold weather exception policy. This language also ensures that when the cold weather exception policy does not apply, the adopted administrative rules still apply and have the force and effect of law.

Sec. E.324.1 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it, if the benefit cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

EXPLANATION: This is annual language and allows for expedited basis for eligible recipients so they do not run out of fuel. Counts towards one crisis fuel grant per household.

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the General Fund appropriation in Sec. B.325 of this act, \$1,092,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal Emergency Solutions Grants funds. Grant decisions shall be made with assistance from the Vermont Coalition to End Homelessness.

EXPLANATION: Annual language, included in 2016 Act 172 Sec. E.325.

Sec. E.326 Department for children and families – OEO – weatherization assistance
(a) Of the Special Fund appropriation in Sec. B.326 of this act, \$750,000 is for the replacement and repair of home heating equipment.

EXPLANATION: Annual language, included in 2016 Act 172 Sec. E.325.

Sec. E.335 ELECTRONIC MONITORING

(a) The Commissioner of Corrections may expend funds to contract for electronic monitoring in fiscal year 2018 in any region of the State where an electronic monitoring program is operational and would result in concurrent savings to the Department that at a minimum are sufficient to offset the costs of the contracts to the Department.

EXPLANATION: This language gives DOC the authority to contract for electronic monitoring throughout the state, both with private vendors and County Sheriff's Offices (through the SAS Office).

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of \$146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

EXPLANATION: This language provides DOC with specific funding from the PILOT fund for payments to municipalities. This is recurring language, last in 2016 Act 172 E.338.

Sec. E.342 Vermont veterans' home – care and support services

(a) The Vermont Veterans' Home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

EXPLANATION: Annual language that makes clear that Global Commitment funds will be used for appropriate Global Commitment purposes.

Sec. E.345 Green mountain care board

(a) The Green Mountain Care Board shall use the Global Commitment Funds appropriated in this section to encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

EXPLANATION: Annual language that makes clear that Global Commitment funds will be used for appropriate Global Commitment purposes.

*** LABOR***

Sec. E.400 REPEAL

(a) 21 V.S.A. Chapter 25 (Employer Assessment) is repealed.

EXPLANATION: Removes the Employer Assessment from the Department of Labor, transfer to the Tax Department in Sec. E.111.1 of this act.

* * * K-12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section will be used for physician claims for determining medical necessity of Individualized Education Program (IEPs). It is the goal of

these services to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

EXPLANATION: Language that makes clear that Global Commitment funds will be used for appropriate Global Commitment purposes. This language has been updated from prior years to reflect the uses under the new 1115 Global Commitment Waiver.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,566,029 shall be used by the Agency of Education in fiscal year 2018 as funding for 16 V.S.A. § 2967(b)(2) – (6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$192,805 may be used by the Agency of Education for its participation in the higher education partnership plan.

EXPLANATION: The language establishes how much of the special education funding formula shall be used for 16 V.S.A. Sec 2967(b)(2)-(6). It also allows use of these funds to go to entities other than school districts such as UVM and the Vermont Association for the Blind and Visually Impaired. Standard language.

Sec. E.503 Education – state-placed students

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

EXPLANATION: Allows payments for pregnant and parenting teens to be made to the Independence Place program of the Lund Family Center. Same as in FY 2017.

Sec. E.504.1 Education – flexible pathways

(a) Of this appropriation, \$4,120,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$600,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of \$30,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act; and
(2) \$100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

(3) \$200,000 is available for secondary school reform grants; and

(4) \$450,000 is available for the Vermont Academy of Science Technology and \$1,700,000 for Early College pursuant to 16 V.S.A. § 4011(e).

EXPLANATION: Language ensures that education funds are paid directly to school districts to fund the high school completion program, to help fund the dual enrollment program created in 16 V.S.A. Sec 944, and to support distance learning in Vermont schools. The dual-enrollment funding in this section is a partial appropriation and adds to the amount provided through the Next Generation Fund.

Sec. E.513 16 V.S.A. § 4025(a)(2) is amended to read:

(2) For each fiscal year, the The amount of the general funds appropriated and transferred to the Education Fund shall be \$305,900,000.00, to be increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National

~~Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent set annually by the general assembly.~~

EXPLANATION: Changes the General Fund Transfer to the Education Fund. Eliminates the formula growth and allows the transfer to be set by the General Assembly annually.

Sec. E.513.1 Appropriation and transfer to education

(a) Pursuant to 16 V.S.A. § 4025(a)(2) as amended by Sec. E.513 of this act, there is appropriated in fiscal year 2018 from the General Fund for transfer to the Education Fund the amount of \$400,720,162.

EXPLANATION: Transfer from the General Fund to the Education Fund

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$88,409,437 of which \$84,709,437 shall be the State's contribution and \$3,700,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$8,346,261 is the "normal contribution," and \$80,063,176 is the "accrued liability contribution."

(c) Notwithstanding 16 V.S.A. § 4025(b), the normal contribution shall be an appropriation from the Education Fund.

EXPLANATION: Same language as prior years. Allows the normal contribution to be funded with Education funds.

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$26,660,966 will be contributed to the Retired Teachers' Health and Medical Benefits plan. Notwithstanding 16 V.S.A. § 4025(b), this appropriation shall be from the Education Fund.

EXPLANATION: Same language as prior year. Allows the retired teachers health and medical benefits to be funded with Education funds.

Sec. E.516 Early Education

(a) Of this appropriation, \$9,600,000 from the Education Fund shall be to support early childhood education and early learning. Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$7,500,000 shall be used for Child Care Financial Assistance Program in the Agency of Human Services.

(2) \$1,000,000 is appropriated to the Secretary of Education to establish grants to promote full day pre-k programs for high poverty kids that provide integrated services and transportation. The grants may target partnerships between Head Start and schools and/or providers.

(A)The Secretary shall establish criteria for these competitive grants, which shall prioritize funding to proposals that:

(i) optimize resources to expand services and hours;

(ii) encourage Head Start;

(iii) employ innovative approaches; and
(iv) collaborate with partner organizations.

(B) These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(3) \$600,000 is appropriated to the Secretary of Education to establish grants to develop shared services systems for child care providers. These systems increase operational efficiencies using centralized shared services, including but not limited to: payroll, bulk purchasing, and staff recruitment. The Secretary shall establish criteria for these competitive grants. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(4) \$500,000 is appropriated to the Secretary of Education to establish a municipal child care innovation matching grant program for municipal governments to develop innovative child care solutions, including, but not limited to:

(A) scholarship models designed to make high-quality child care accessible and family participation more consistent;

(B) capacity grants to high-quality child care centers designed to expand the number of slots available; and

(C) evidence-based home visiting initiatives.

(D) The Secretary shall establish criteria for these competitive grants. These grants shall be match one-to-one by federal funds, municipal funds, and/or private donations.

EXPLANATION: Allocation of early education funds.

Sec. E.517 Innovation Grants

(a) Of this appropriation, \$1,600,000 from the Education Fund shall be to support education innovation grants. Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$500,000 is appropriated to the Secretary of Education to establish annual classroom innovation grants for educators teaching students from pre-kindergarten through high school. The Secretary shall establish criteria for these competitive grants to award and promote innovative thinking in the classroom. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(2) \$500,000 is appropriated to the Secretary of Education to establish annual management and modernization grants to assist school boards and school management with training opportunities, technology upgrades, and expertise in school efficiency and consolidation, plus assistance with instituting best practices in special education. The Secretary shall establish criteria for these grants to assist districts with expert consulting services, like those currently provided by District Management Council, which have already identified successful strategies for doing better with less. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(3) \$250,000 is appropriated to the Secretary of Education to establish school technology and connectivity grants funding to help schools advance a vision for technology-supported education. Resources can support either the cost of upgrading to higher speed internet access or funding plans to use technology to support better operations or transformational practices.

(A)The Secretary shall establish criteria for these competitive grants, which shall include, but not limited to:

(i) school participation in the FCC's E-Rate program; and

(ii) school internet speeds less than 25 mbps,

(B) These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(d) \$200,000 is appropriated to the Secretary of Education to establish code camp grants for elementary and middle school students to encourage science, technology, engineering, and mathematics (STEM) education at an early age. The Secretary shall establish criteria for these grants. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(e) \$150,000 shall be used to fund Agency of Education efforts to boost Career and Technical Education.

EXPLANATION: Allocation of innovation grant funds.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

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

(b) Funding for the University of Vermont shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

(1) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(2) Of this appropriation \$1,000,000 shall be used to provide financial assistance to low-middle income Vermont Students.

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

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

EXPLANATION: Mostly standard language for the University of Vermont. Part (b) – new – allows UVM to receive funding from the education fund and part (b)(1) – new – adds an additional \$1M for financial assistance to Vermont Students.

Sec. E.602 Vermont state colleges

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Funding for the Vermont State Colleges shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

(1) Of this appropriation, \$427,898 shall be transferred to the Vermont Manufacturing Extension Center for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(2) Of this appropriation, \$4,000,000 shall be used to make access to college more affordable for Vermonter and to continue building Vermont's workforce.

EXPLANATION: Mostly standard language for the Vermont State Colleges. Part (b) – new – allows VSC to receive funding from the education fund and part (b)(1) – new – adds an additional \$4M VSC.

Sec. E.602.0.1 ANNUAL APPROPRIATION INCREASE FOR THE VERMONT STATE COLLEGES; REPORT

(a) Beginning in fiscal year 2019, the General Assembly shall annually increase the appropriation for the Vermont State Colleges by the mean of the prior six years of nominal average wage growth in Vermont.

(b) In order to receive this annual increase the Vermont State Colleges shall:

(1) hold student tuition increase at or below the mean of the prior six years of nominal average wage growth in Vermont in fiscal years, 2019, 2020 and 2021;

(2) establish the following performance indicators throughout the Vermont State College System:

(A) increase the number of Vermonters earning credentials of value;

(B) improve on-time degree completion; and

(C) increase the number of first generation Vermont college graduates.

(D) The Vermont State Colleges shall distribute these funds to each state college using a formula based on the performance indicators lists above.

(3) continue to drive efficiency efforts to reduce operating expenses and grow its student population.

(c) The Chancellor of the Vermont State Colleges shall provide report to the General Assembly on or before January 15th of each year. The report shall include:

(1) the current financial performance and outlook for the Colleges;

(2) details on how degree and nondegree programs that align with high-wage, high-growth jobs in Vermont for the decade ahead.

EXPLANATION: This language outlines the annual increase for the Vermont State Colleges and the reporting requirements to continue receiving the appropriation.

Sec. E.602.0.2 VERMONT STATE COLLEGE SUBSTANCE ABUSE TREATMENT PROFESSIONALS SUMMIT

(a) By April 1, 2017 the Vermont State Colleges will convene a summit between substance abuse treatment professionals and Vermont Higher Education institutions to determine ways to increase the number of treatment counselors with coursework starting in fall 2017 semester.

EXPLANATION: Language requiring the Vermont State colleges to hold a summit to determine how to align higher education with the current demand for substance abuse counselors in Vermont.

Sec. E.602.1 Vermont state colleges – Supplemental Aid

(b) Funding for the Vermont State Colleges – Supplemental Aid shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

EXPLANATION: Allows the Vermont State Colleges to receive education funds for the supplemental aid program.

Sec. E.603 Vermont state colleges – allied health

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

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 315 health care providers annually. These graduates deliver direct, high quality health care services to Medicaid beneficiaries or uninsured or underinsured persons, or both.

(c) In addition to Global Commitment funds, funding for the Vermont State Colleges – allied health shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

EXPLANATION: Annual language that makes clear that Global Commitment funds will be used for appropriate Global Commitment purposes. Allows the Vermont state colleges to receive education funds to support the allied health program.

Sec. E.605 Vermont student assistance corporation

(a) Funding for the Vermont student assistance corporation shall be provided from the Education fund notwithstanding 16 V.S.A. § 4025(b).

(b) Of this appropriation, \$25,000 is appropriated from the Education Fund to the Vermont Student Assistance Corporation to be deposited into the Trust Fund established in 16 V.S.A. § 2845.

(c) Of this appropriation, \$1,000,000 shall be used to fund the Vermont Student Assistance Corporation non-degree program.

(d) Of the appropriated amount remaining after accounting for subsections (b), (c) and (f) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(e) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

(f) Of this appropriation, not more than \$200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

(g) The Vermont Student Assistance Corporation shall conduct a review of the Non-Degree Grant program utilizing the Results Based Accountability approach. This review shall be submitted to the House and Senate Committees on Appropriations as part of the Vermont Student Assistance Corporation fiscal year 2019 budget submission.

EXPLANATION: Standard language for VSAC. (a) allows VSAC to use education funds; (b) of this section is an appropriation to a trust fund that provides annual grant support to students attending VSC, UVM or a VT independent college that do not have parental support. (c) directs additional \$1M appropriation to the non-degree grant program.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of \$60,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) \$30,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need based stipend purposes).

(2) \$30,000 from Sec. E.504(a)(1) (adult education and literacy funds appropriated for dual enrollment and need based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House and Senate Committees on Education and on Appropriations on or before January 15, 2018.

EXPLANATION: Language transfers money to be used to “need based” dual-enrollment stipends to VSAC and they manage those stipends in conjunction with the Agency of Education.

* * * NATURAL RESOURCES * * *

Sec. 700 32 V.S.A. § 5(a)(3)(A) is amended to read:

(3)(A) This section shall not apply to the following items, if the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities:

(i) the acceptance of grants, gifts, donations, loans, or other things of value with a value of \$5,000.00 or less;

(ii) the acceptance by the Department of Forests, Parks and Recreation and the Department of Fish and Wildlife of grants, gifts, donations, loans, or other things of value with a value of \$15,000.00 or less; or

(iii) the acceptance by the Vermont Veterans' Home of grants, gifts, donations, loans, or other things of value with a value of \$10,000.00 or less.

EXPLANATION: Allows the Department of Fish and Wildlife to accept grants up to \$15K without needed to go through the AA-1 process. The Department of Forests, Parks and Recreation already has this authority and this would align the processes at the two departments in the Agency of Natural Resources.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.804 Community development block grants

(a) Community Development Block Grants shall carry forward until expended.

EXPLANATION: This language allows grant funds received in FY 2018 to be carried forward until grants are fully expended. Same as 2016 Act 172 Sec. E.804.

* * * TRANSPORTATION * * *

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,904,353 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

EXPLANATION: Standard language; 19 V.S.A Sec 13(c) requires the amount to be distinctly appropriated annually. Previously in 2016 act 172 Sec. 909

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

EXPLANATION: Annual language last included in 2016 Act 172 Sec. E.915.

*** EFFECTIVE DATES ***

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (Federal Contingency and Human Services Caseload reserve), E.100.2, E.300.3, E.300.4, E.300.5 (transfer Director of Health Care Reform and duties to the Agency of Human Services), and E.300.1 (HIT fund sunset), shall take effect on passage.

(b) Sec. E.111.1 (Employer assessment transfer to the Department of Taxes) and Sec. 400 (repeal of employer assessment requirement from the Department of Labor) shall take effect on January 1, 2018 with the return of the fourth quarter of 2017 being due January 25, 2018.

(c) Sec.E.602.0.2 (summit on substance abuse workforce) shall take effect retroactively on March 31, 2017.

(d) All remaining sections shall take effect on July 1, 2017.

EXPLANATION: Transfer of director of health care reform, change to caseload reserve, effective on passage. Employer assessment move from DOL to Tax effective for the first quarter of receipts in calendar year 2018. Substance abuse summit requirement effective prior to the summit. Remaining sections effective on July 1, 2017.