A Common Purpose

Fiscal Year 2006
Executive Budget Recommendations

James H. Douglas
Governor of Vermont
January 19, 2005

STATE OF VERMONT
FISCAL YEAR 2006

BUDGET RECOMMENDATIONS

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Agency Mission Statement

The Agency of Administration exists to insure the fiscal integrity of the state, to provide centralized support services for state government and 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.

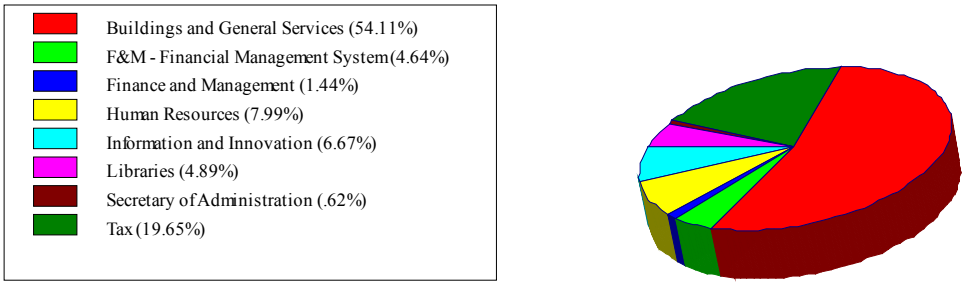
Libraries - fosters and co-ordinates resource sharing and access to information for the citizens of Vermont.

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 2006 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Secretary of Administration	3	3	3	2,953,786	444,402	10,602,801	445,923
Information and Innovation	54	54	54	4,486,156	4,558,981	4,153,054	4,802,395
Finance and Management	11	11	11	898,622	971,988	971,988	1,037,084
F&M - Financial Management System	24	29	29	2,726,918	3,168,694	3,168,694	3,342,062
Human Resources	33	64	65	5,230,441	5,177,225	5,454,597	5,753,953
Libraries	37	37	36	3,325,206	3,432,153	3,632,687	3,524,535
Tax	195	191	191	12,898,180	13,617,714	14,285,894	14,161,475
Buildings and General Services	409	421	439	36,179,417	37,087,843	37,979,804	38,983,183
TOTAL	766	810	828	68,698,726	68,459,000	80,249,519	72,050,610
FUND TYPE							
General Fund				20,552,477	21,859,666	23,156,588	22,682,589
Transportation Fund				6,014,860	5,542,679	5,639,981	6,279,250
Special Fund				3,892,058	1,170,116	11,443,914	1,374,080
Federal Revenue Fund				697,379	752,672	833,760	812,529
Enterprise Fund				137,456	130,779	134,379	134,048
Internal Service Fund				35,270,782	36,709,697	36,716,628	38,438,004
Interdepartmental Transfer				2,133,714	2,293,391	2,324,269	2,330,110
TOTAL				68,698,726	68,459,000	80,249,519	72,050,610



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Secretary of Administration

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Secretary's Office	3	3	3	2,953,786	444,402	10,602,801	445,923
TOTAL	3	3	3	2,953,786	444,402	10,602,801	445,923
FUND TYPE							
General Fund				382,473	381,798	529,776	395,821
Transportation Fund				57,151	49,704	51,358	50,102
Special Fund				2,497,577	0	10,000,000	0
Interdepartmental Transfer				16,585	12,900	21,667	0
TOTAL				2,953,786	444,402	10,602,801	445,923

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Secretary's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	396,282	385,524	411,078	394,340
Operating Expenses	2,557,504	58,878	10,051,723	51,583
Grants	0	0	140,000	0
TOTAL	2,953,786	444,402	10,602,801	445,923
FUND TYPE				
General Fund	382,473	381,798	529,776	395,821
Transportation Fund	57,151	49,704	51,358	50,102
Special Fund	2,497,577	0	10,000,000	0
Interdepartmental Transfer	16,585	12,900	21,667	0
TOTAL	2,953,786	444,402	10,602,801	445,923

Department Mission Statement

The mission of the Department of Information and Innovation is to work with departments/agencies to provide integrated communication and information technology services to the people of Vermont through a cost effective environment in which information is shared for the benefit of government and the public.

Description of Appropriations, Divisions, & Programs

The department has 53 employees who perform various tasks as outlined in the overview below, and supports over 2, 800 employees statewide and the K-12 Network:

Operations Call Center:
Primary point of contact for issue management, resolution, web development/management, training, documentation

Data Center Operations:
OS/390 Mainframe computer operations, print operations and supporting all departments and agencies

Infrastructure Security:
Firewall, Remote Access Server (RAS), Virtual Private Network (VPN), Wide Area Network/Local Area Network/Metropolitan Area Network (WAN/LAN/MAN), mainframe security policy implementation, monitoring and management, documentation

Applications Programming:
OS/390 operating system, VM, LINUX, CICS communication protocol management, application programming development and support, documentation

Network Engineering:
Wide Area Network/Local Area Network/Metropolitan Area Network (WAN/LAN/MAN) connectivity, K-12 Network, internal wireless and radio frequency (RF) technology deployment/support, documentation

Project Management Office:
Work closely with departments to effectively perform business analysis, create and maintain standardized project plans, develop tracking and reporting tools, RFI/RFP generation, 3rd party IT

vendor management over project lifecycle, and generate project documentation

Desktop/Server Engineering:
Acquisition of desktop/server hardware and associated operating system and business software, E-Mail deployment, issue remediation, anti-virus management, Storage Area Network (SAN) deployment and support, documentation

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Information and Innovation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
GOVnet	6	6	6	613,931	668,241	668,241	756,399
Comm & Info Technology	48	48	48	3,872,225	3,890,740	3,484,813	4,045,996
TOTAL	54	54	54	4,486,156	4,558,981	4,153,054	4,802,395
FUND TYPE							
Internal Service Fund				4,486,156	4,558,981	4,153,054	4,802,395
TOTAL				4,486,156	4,558,981	4,153,054	4,802,395

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	470,535	491,852	491,852	567,046
Operating Expenses	143,396	176,389	176,389	189,353
TOTAL	613,931	668,241	668,241	756,399
FUND TYPE				
Internal Service Fund	613,931	668,241	668,241	756,399
TOTAL	613,931	668,241	668,241	756,399

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Comm & Info Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	3,166,177	3,255,214	3,046,213	3,482,819
Operating Expenses	706,048	635,526	438,600	563,177
TOTAL	3,872,225	3,890,740	3,484,813	4,045,996
FUND TYPE				
Internal Service Fund	3,872,225	3,890,740	3,484,813	4,045,996
TOTAL	3,872,225	3,890,740	3,484,813	4,045,996

Department Mission Statement

To oversee the revenues, expenses, assets, liabilities and equity of the State of Vermont; to enhance and report upon the financial condition and fiscal integrity of Vermont state government; to make related management recommendations to the Secretary of Administration and the Governor; and to develop and advocate for fiscally responsible budgets as well as to administer and maintain those budgets once approved by the General Assembly.

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, provides related controls and services for managers and employees 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 to 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 the recommendations of the Debt Affordability Committee. Another important role of the Division is to assure compliance with 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, Governor's Commission on Native American Affairs) and various Legislative study committees.

Financial Operations

With the implementation of VISION (Vermont Integrated Solution for Information and Organizational Needs), Financial Operations has evolved from a reactionary, process oriented division to one that is more proactive, providing much greater oversight role than it has in years past. With the implementation

of VISION, state government eliminated several other accounting systems that were previously required for special accounting purposes. 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 Technical Services 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 Technical Services 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 system enhancements that will continue to improve the functionality and best practices of the VISION system.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Budget and Management	11	11	11	898,622	971,988	971,988	1,037,084
TOTAL	11	11	11	898,622	971,988	971,988	1,037,084
FUND TYPE							
General Fund				688,411	772,314	772,314	816,881
Transportation Fund				118,592	110,428	110,428	111,313
Interdepartmental Transfer				91,619	89,246	89,246	108,890
TOTAL				898,622	971,988	971,988	1,037,084

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	783,510	870,222	870,222	908,332
Operating Expenses	115,112	101,766	101,766	128,752
TOTAL	898,622	971,988	971,988	1,037,084
FUND TYPE				
General Fund	688,411	772,314	772,314	816,881
Transportation Fund	118,592	110,428	110,428	111,313
Interdepartmental Transfer	91,619	89,246	89,246	108,890
TOTAL	898,622	971,988	971,988	1,037,084

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Financial Operations	24	29	29	2,726,918	3,168,694	3,168,694	3,342,062
TOTAL	24	29	29	2,726,918	3,168,694	3,168,694	3,342,062
FUND TYPE							
Internal Service Fund				2,726,918	3,168,694	3,168,694	3,342,062
TOTAL				2,726,918	3,168,694	3,168,694	3,342,062

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,768,928	2,027,673	2,027,673	2,139,003
Operating Expenses	957,990	1,141,021	1,141,021	1,203,059
TOTAL	2,726,918	3,168,694	3,168,694	3,342,062
FUND TYPE				
Internal Service Fund	2,726,918	3,168,694	3,168,694	3,342,062
TOTAL	2,726,918	3,168,694	3,168,694	3,342,062

Department Mission Statement

The Department of Human Resources provides leadership to and works in partnership with other departments within state government to promote managerial and workforce excellence while fostering an understanding and observance of regulatory requirements.

Description of Appropriations, Divisions, & Programs

The Department of Human Resources' goal is to support state government as it attracts, retains and rewards a talented and diverse workforce with the skills necessary for Agencies and Departments to meet their organization's objectives in an efficient and cost effective manner. The department adds value to state government by providing a variety of human resource management tools; executing strategy; building management infrastructure; promoting employee development; and, managing transition and change. It consults and works in partnership with management, its primary customers, to solve people-related business issues. Further, the department develop programs and policies to build the capabilities of Vermont State employees enabling them to perform their current jobs and prepare for the future challenges that may face state government. To accomplish these goals, there are three roles in which the Department must assume a leadership position:

- Strategic Partner: Align HR strategies and practices with business strategies and the delivery of services to the citizens of Vermont.

- Organization Consultant: Support state government as it builds capacity for change. Identify new skills and behaviors that will support the accomplishment of each organization's mission and goals, and develop a workforce prepared to effectively meet future challenges.

- Administrative Expert: Design and deliver HR processes and key information to support the management of state government.

During FY 2005 the Department successfully upgraded the Human Capital Management system, transitioning from a client server platform to a web based platform and implemented a new integrated e-Recruit module. In addition, it continued the transition from providing operational support to positioning itself to assume the role of strategic partner and organizational consultant. The department has shifted its focus to provide leadership in the following areas which should will have the greatest organizational effectiveness:

- Formalizing the relationship between the Department of Human Resources and personnel

officers throughout State government

- Identifying, modeling, implementing best practices
- Promoting a talented and diverse workforce through workforce planning and development and a sustained commitment to Equal Employment Opportunity and Affirmative Action
- Providing human resource management information enabling departments and agencies to make sound business decisions
- Setting policies that guide agencies and departments in carrying out the work of Vermont State government and support the accomplishment of their mission
- Administering bargained agreements between the State of Vermont and the VSEA while ensuring compliance with HR policies and procedures and all federal and state employment rules and regulations

To accomplish this work, State government must be viewed as one organization. The department has identified a common mission, defined unique agency/department goals in support of that mission, and created specific strategies to ensure successful accomplishment of the mission. The Department of Human Resources must understand areas of common interest, respectfully address conflict, and assume accountability for results. Departmental leadership has brought groups together to find ways to support one another and improve the efficient delivery of services through collaboration, mutual problem solving and avoiding duplication of effort. To this end, the Department of Human Resources has reorganized its functions into four groups, each having the following accountabilities:

HR Policy & Resource Management Group includes Legislative Relations, Legal Services, Policy Development & Resource Management, Labor Relations/Collective Bargaining, Workforce Equity & Diversity and Communications & Management Support.

HR Systems & Information Management Group includes Payroll & Records Management, Fiscal and Information Management, and Information Technology.

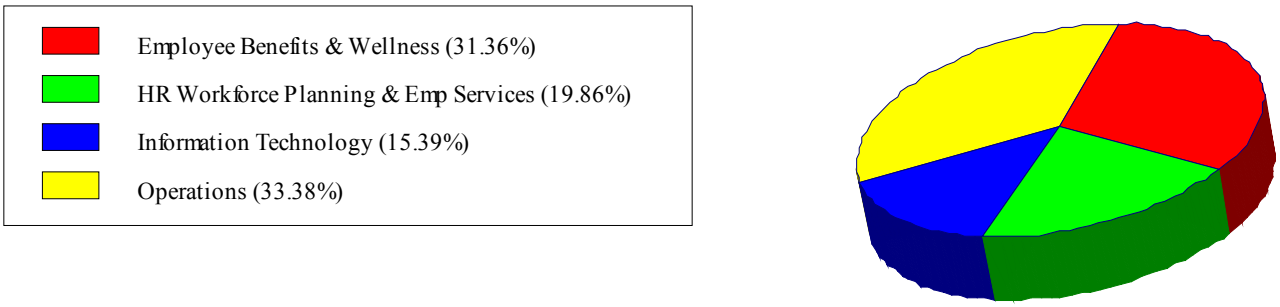
HR Compensation & Benefits Group includes Compensation Management, Classification Management and Employee Benefits & Wellness Management.

HR Workforce Planning & Employment Services Group includes Workforce Development, Organizational Development, Workforce Planning & Project Management and Employment Services.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Human Resources

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Operations	27	30	30	1,995,163	1,785,250	2,185,965	1,920,924
HR Workforce Planning & Emp	14	14	14	1,036,101	1,057,211	1,070,359	1,142,792
Services	16	14	15	1,532,873	1,567,601	1,431,110	1,804,448
Employee Benefits & Wellness	5	6	6	666,304	767,163	767,163	885,789
Information Technology							
TOTAL	62	64	65	5,230,441	5,177,225	5,454,597	5,753,953
FUND TYPE							
General Fund				1,747,514	1,747,729	2,022,802	1,989,210
Transportation Fund				734,880	543,132	638,780	547,486
Special Fund				239,113	223,000	214,860	235,000
Internal Service Fund				2,199,177	2,334,764	2,198,273	2,690,237
Interdepartmental Transfer				309,757	328,600	379,882	292,020
TOTAL				5,230,441	5,177,225	5,454,597	5,753,953



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,731,100	1,489,050	1,915,441	1,606,082
Operating Expenses	264,063	296,200	270,524	314,842
TOTAL	1,995,163	1,785,250	2,185,965	1,920,924
FUND TYPE				
General Fund	1,189,506	1,113,729	1,372,623	1,281,126
Transportation Fund	495,900	342,921	433,460	347,778
Interdepartmental Transfer	309,757	328,600	379,882	292,020
TOTAL	1,995,163	1,785,250	2,185,965	1,920,924

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
HR Workforce Planning & Emp Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	759,122	754,361	761,656	841,435
Operating Expenses	276,979	302,850	308,703	301,357
TOTAL	1,036,101	1,057,211	1,070,359	1,142,792
FUND TYPE				
General Fund	558,008	634,000	650,179	708,084
Transportation Fund	238,980	200,211	205,320	199,708
Special Fund	239,113	223,000	214,860	235,000
TOTAL	1,036,101	1,057,211	1,070,359	1,142,792

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,284,756	1,329,731	1,152,185	1,448,884
Operating Expenses	248,117	237,870	278,925	355,564
TOTAL	1,532,873	1,567,601	1,431,110	1,804,448
FUND TYPE				
Internal Service Fund	1,532,873	1,567,601	1,431,110	1,804,448
TOTAL	1,532,873	1,567,601	1,431,110	1,804,448

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	429,192	486,683	468,849	515,184
Operating Expenses	237,112	280,480	298,314	370,605
TOTAL	666,304	767,163	767,163	885,789
FUND TYPE				
Internal Service Fund	666,304	767,163	767,163	885,789
TOTAL	666,304	767,163	767,163	885,789

Department Mission Statement

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.

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. The library espouses 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-secular service-oriented institutions for all age groups. They are a safe place fostering intellectual freedom and inventiveness.

Description of Appropriations, Divisions, & Programs

State Librarian/State Librarian's Office - the state librarian serves as administrative head of the department and secretary to 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.

Statewide Library Development - including Regional Libraries/Library Consultants and Children's Services Consultant - provides advice and consultation to all libraries in the state, including library staff, trustees, administrators and other local officials, in order to assist them in professional library practices and in realizing their potential; maintains a general library collection of sufficient size and scope to reinforce and supplement the resources of local libraries. The department provides service to other libraries in the state, schools and individuals. Statewide Library Development compiles and publishes annual statistics covering all libraries in the state; participates in seminars, workshops and other programs to increase the professional competence of librarians in the state; targets library and information services to underserved rural communities, including children (from birth through age 17).

Reference & Law Information Services - including the Law & Documents Library, Reference and

Interlibrary Loan Services, University of Vermont Access Office, Technical Services and Continuing Education - 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; provides reference and information services to state government, citizens and local libraries; provides centralized cataloging and other related technical services to libraries; encourages the formation of and maintains central records of library holdings; assists libraries in accessing information in all formats; encourages libraries in different areas, and of different types to share resources through interlibrary loan and other means; acts as a liaison to the libraries of the University of Vermont and maintains an office at the University to provide statewide access to the resources of its library collections; organizes and conducts an annual program of seminars, workshops and other training opportunities to increase the professional competence of librarians in the state.

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.

Vermont Automated Libraries System (VALS) - serves as one of the primary access points for state information, and provides advice on state information technology policy; provides and maintains computers, computer systems, networks, and related databases necessary to the operation of the department and of the department's services to state government, local libraries and citizens; conducts seminars, workshops and other programs to increase the professional competence of librarians in the state in the area of technology; 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.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Libraries	37	37	36	3,325,206	3,432,153	3,632,687	3,524,535
TOTAL	37	37	36	3,325,206	3,432,153	3,632,687	3,524,535
FUND TYPE							
General Fund				2,375,539	2,331,998	2,451,444	2,328,186
Special Fund				159,077	195,483	195,483	227,820
Federal Revenue Fund				697,379	752,672	833,760	812,529
Interdepartmental Transfer				93,211	152,000	152,000	156,000
TOTAL				3,325,206	3,432,153	3,632,687	3,524,535

Appropriation Key Budget Issues

Law Library - The Department of Libraries operates the only law library for the practicing bar. The library primarily serves the three branches of government as well as private attorneys, citizens, and, in a limited way, Vermont prisoners. Between 1998 and 2003 (the latest year for which figures are available), the cost of legal materials has risen at many times the costs of other materials, in many cases doubling. For example, an item costing $905.50 in 1998, cost $1,802.29 in 2003.

In FY2006 the law library's operating budget will be leveled funded at FY2005 levels. To deal with revenue pressures, DOL eliminated a substantial number of legal subscriptions during FY2005. It has added some online resources to partially replace cancelled services.

Use of Federal/Special Funds - Sixteen positions are partially or completely federally funded and for the first time (in FY03), special funds were used to partially fund two positions. In FY06, Libraries has held the increase in federal funds in personal services to 2.5% and actually reduced the amount of special funds used for personal services.

Federal: Increases in federal funds in operating are to maintain the supplemental book collections for local libraries in accordance with 22 V.S.A. § 605(4), to increase the amount of federally funded grants to local libraries from $25,000 to $50,000 and to support a pilot teen reading award program ($7,500).

On average, DOL uses about 95% of its federal funding within the DOL budget to support statewide services. Because the reauthorization of Library Services and Technology Act (LSTA) in Federal FY04 provided for an increase in the base grant to states from $340,000 to $680,000 (subject to funds being appropriated), DOL has increased the amount of funds available for subgrants to local libraries. These subgrants to local libraries are of added importance as Vermont continues to be one of five or fewer states that provide no direct state aid to local public libraries. As mentioned above, if sufficient federal funding should not be available, the grant program will be reduced accordingly.

Special: The Department is the beneficiary of a private bequest from the Trust of Elva S. Smith to "aid in the development and maintenance of library service to the children of Vermont." The income – generally has been between $20,000 to $30,000 annually and has been used to purchase children's books for regional libraries, for the statewide summer reading program and for grants for childrens' services to local libraries. In FY2004 and FY2005, these funds were also used to cover personal services costs related to children's services, but as mentioned above, in FY2006 we have made an effort to reduce reliance on special funds for personal services.

DOL has also been the recipient of grants from the Bill & Melinda Gates Foundation for public access computing in local libraries, as well as training and technical support for local librarians in offering public access computing to their communtiies. The FY2006 budget includes $67,100 for these

purposes.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Libraries

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,739,743	1,908,066	1,947,012	1,881,114
Operating Expenses	1,458,603	1,479,087	1,569,187	1,573,421
Grants	126,860	45,000	116,488	70,000
TOTAL	3,325,206	3,432,153	3,632,687	3,524,535
FUND TYPE				
General Fund	2,375,539	2,331,998	2,451,444	2,328,186
Special Fund	159,077	195,483	195,483	227,820
Federal Revenue Fund	697,379	752,672	833,760	812,529
Interdepartmental Transfer	93,211	152,000	152,000	156,000
TOTAL	3,325,206	3,432,153	3,632,687	3,524,535

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 Act 68 programs through the most efficient means possible; to serve local governments by striving to improve local property tax assessment practices; and to assist and service taxpayers, legislators and all others by all means possible.

Description of Appropriations, Divisions, & Programs

Administration

This Division includes all the people responsible for overall Department leadership, policy-making, and budget/personnel management. It includes the Commissioner, Deputy Commissioner, General Counsel, Policy Analysts, Taxpayer Advocate, Business Manager and their immediate staffs. This section has overall management control of the entire Department. The Administrative Division responds to all tax policy inquiries from the Governor and Legislature, issues rulings and technical bulletins to implement tax legislation, conducts tax appeal hearings and represents the Department in any civil or criminal litigation. The Division also provides budget preparation and fiscal management services, personnel administration and payroll processing, procurement of all goods and services (including contract administration) and inventory control for all office supplies, furniture, equipment and tax forms.

Administration 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. It also includes coordinating all aspects of the "substitute forms program", which has significantly increased now that a majority of the department's tax returns and tax remittance processing is 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, our goal for the next two years is to implement technology-based compliance initiatives to enhance revenue collections and encourage voluntary compliance with tax statutes.

FY2004 ended with an accounts receivable balance of $77.6 million dollars. During that fiscal year, approximately $40 million dollars in delinquent taxes were collected. To supplement in-house collection activities, the department also places delinquent accounts with private collection agencies, as

authorized by 16 VSA §3109.

In addition to tax collection, Compliance administers the tax refund offset program for 17 State and Federal agencies, such as Child Support, Defender General, VSAC and the Internal Revenue Service. We send more than $2.3 million each year to participating agencies as a result of the offset program.

The current priority is placing qualifying debts into the U. S. Treasury Offset Program so that federal income tax refunds can be offset to pay State of Vermont debts. In October 2004 over 8,500 certified letters were sent to taxpayers notifying them that their federal refunds would be placed in this program. This will be an annual mailing done every Fall.

Information Systems

Information Systems manages automated information processing for the Department of Taxes. It supports all employees, over 500,000 taxpayers and all Vermont municipalities. Information Systems' goal is to provide automated solutions that enable employees to quickly, effectively and correctly meet the needs of all Vermont taxpayers and municipalities.

During 2004, Information Systems successfully prepared the integrated tax system (VIRCS) to handle the legislatively mandated income tax changes for the 2005 income tax filing season. These changes included the addition of a new tax form - the Vermont Resident Declaration of Homestead. In addition, the division prepared to automate participation in the U.S. Treasury Offset Program, which allows the department to capture federal income tax refunds to pay State of Vermont debts. This automated participation will begin in January, 2005.

A web-based application to allow for on-line credit card payment of certain tax liabilities was developed with the State's web-site vendor and was made available in 2004. Another web-based application was implemented in the Fall, 2004, to allow business trust tax returns and payments (Meals, Sales and Withholding) to be filed on-line.

Property Valuation and Review

The Property Valuation and Review (PVR) division 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. 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.

Specific programs and functions include the following programs: 1) Education Grand List Equalization Study (EEGL); 2) Use Value Appraisal Program (Current Use); 3) Computer Assisted Property Tax Administration Program (CAPTAP II); 4) Vermont Mapping Program (VMP); 5) State-level Real Estate-based Taxes (Real Estate Withholding, Property Transfer and Lands Gains); 6) Property

Valuation Appeals from local assessments; 7) State-funded payment in lieu of taxes programs to municipal governments (PILOT); 8) Educational Programs for Municipal Listers and Appraisers; and 9) technical assistance to local assessment officials in the valuation of property and the administration of the property tax. In addition, the Division frequently performs other functions, such as providing staff support for Executive and Legislative studies and commissions and appraisal of State-owned property.

Revenue Accounting & Returns Processing (RAARP)

The RAARP is responsible for all revenue accounting and returns processing needs of the Department. Those duties include: receipt, opening, extraction and routing of all incoming mail; tax return validation and control for data entry or document preparation for scanning/imaging; data capture of all documents via traditional keyboard entry or scanning/imaging technology; daily bank deposits and related cash management functions including electronic funds transfers and credit card payments; bank account/general ledger reconciliations and finally; and preparing GAAP/GASB 34 reports, as needed.

Taxpayer Services

The Taxpayer Services Division administers 26 taxes, 7 licensing programs and 2 property tax benefit programs. The division is now in the third year of fully implementing the Vermont Integrated Revenue Collection System (VIRCS) for individual income and business trust taxes and continues to revise our procedures and processing methods to realize efficiencies from the new system. With VIRCS as its basic tool, the Division provides on-going taxpayer assistance, distributes educational materials encouraging voluntary compliance with Vermont tax laws, and examines tax returns and documents for accuracy and completeness. The Division also distributes applications for the Lifeline and V-Script programs and processes these applications to verify income.

The Division conducts, or participates, in many workshops and seminars for taxpayers, tax preparers, and volunteer groups. These workshops and seminars are often presented jointly with the Internal Revenue Service, the University of Vermont, Champlain College and the University of New Hampshire. For example, in conjunction with Champlain College, the staff trains volunteers who help citizens complete income tax returns. This program is called the Vermont Income Tax Assistance and Tax Counseling for the Elderly (VITA/TCE).

The Division staff responds to taxpayer questions, assists in completing tax forms and helps resolve taxpayer problems, with special emphasis this year on the Declaration of Vermont Homestead (HS-131). Taxpayers receive assistance by telephone, letter, fax, e-mail and walk-in visits. The division annually responds to approximately 155,000 calls to its telephone "call center" or to its automated telephone system where taxpayers can automatically check their refund status and/or determine the amount of their school property tax assistance payment on a 24/7 basis. Taxpayers can also use the 24/7 services to access their estimated income tax payment amount and the status of their Declaration of Vermont Homestead. In October 2003, it expanded its telephone call center to serve all business taxpayers. In addition to the expanded call center, the division also provides on-site tax registration and assistance for

businesses via tax seminars, outreach programs and special events such as county fairs and craft shows.

The Division is continuing to expand its on-line presence for individual and business taxpayers. For example, it offers an electronic funds transfer program (EFT), free-of-charge, to all employers to pay their withholding taxes. The division also offer individual income taxpayers the "Fed/State" efile program through hundreds of registered tax preparers. Approximately 88,000 individual income taxpayers filed via Fed/State in 2004. It currently offers an on-line tax payment program to all taxpayers using most major credit cards and in the Fall, 2004, and launched an Efile program for all business "trust" taxpayers.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration / Collection	195	191	191	12,898,180	13,617,714	14,285,894	14,161,475
TOTAL	195	191	191	12,898,180	13,617,714	14,285,894	14,161,475
FUND TYPE							
General Fund				11,824,002	12,651,812	13,364,992	13,167,874
Transportation Fund				263,785	211,902	211,902	213,601
Special Fund				637,696	574,000	529,000	600,000
Interdepartmental Transfer				172,697	180,000	180,000	180,000
TOTAL				12,898,180	13,617,714	14,285,894	14,161,475

Appropriation Key Budget Issues

The Administration/Collection appropriation for FY2006 supports all six (6) of the department's operating divisions: Administration, Compliance, Information Systems, Property Valuation & Review, Revenue Accounting & Returns Processing and Taxpayer Services.

This budget supports 180 full-time classified and 11 full-time exempt employees; plus 52 tax season temporaries, who administer 33 general fund and special fund taxes, licenses and fees as well as local option taxes for three municipalities. The work program for FY2006 includes: taxpayer education and assistance; tax examination and problem resolution; conducting office and field audits; accounts receivable collection; criminal investigations; and finally, processing and depositing all tax returns, bills and payments to the correct taxpayer and tax receipt accounts. It also includes administering the on-going provisions of Act 68, including the split grand list and related income sensitivity property tax adjustment and homeowner/renter rebate programs. In addition, it includes staff support for the State's administrative and legislative leadership in all areas of tax policy analysis and development. Finally, it provides staff support to administer the state-wide education property tax (EEGL); conduct the annual aggregate fair market value study (AFMV), administers the use value appraisal and payment-in-lieu-of taxes programs (Current Use & PILOT); provides on-going assistance to municipal governments with property tax administration and property tax mapping (CAPTAP & VMP), assists with the Telephone Lifeline and Pharmaceutical Assistance programs and processes refund offsets for 18 State and Federal agencies.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	10,375,246	11,058,247	11,696,682	11,477,404
Operating Expenses	2,522,934	2,559,467	2,589,212	2,684,071
TOTAL	12,898,180	13,617,714	14,285,894	14,161,475
FUND TYPE				
General Fund	11,824,002	12,651,812	13,364,992	13,167,874
Transportation Fund	263,785	211,902	211,902	213,601
Special Fund	637,696	574,000	529,000	600,000
Interdepartmental Transfer	172,697	180,000	180,000	180,000
TOTAL	12,898,180	13,617,714	14,285,894	14,161,475

Department Mission Statement

"The employees of the Buildings & General Services Department deliver quality operational services and facilities management, enabling government agencies to fulfill their missions."

This mission statement is intended to reflect the department's desire to provide quality goods and services to its customers. The best way to efficiently assist departments and our customers is through the centralization of services. It is the intent of the Department of Buildings & General Services to locate space where the best service to the occupant and its 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, record storage, 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 along the State and Federal highway systems.

BGS is fully committed to providing quality services while seeking customer satisfaction. To this end the Department uses benchmarks, surveys, and data collection to constantly monitor its progress.

Description of Appropriations, Divisions, & Programs

ADMINISTRATIVE SERVICES

The mission of the Administrative Services Division is to deliver timely, accurate, and useful information and services to all of BGS in the areas of accounting, budgeting, auditing, management, and personnel services allowing each program to achieve its objectives and fulfill its goals.

The goals of the Administrative Services Division are: (a) to produce timely and accurate financial statements for all programs as established by the legislature; (b) to deal with all personnel issues in a timely and accurate manner as established by the State and the Vermont State Employees Association Contract; and (c) to provide all BGS programs the support that they need to better serve their customers.

FEE FOR SPACE
(Maintenance and Custodial Services)

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

PROPERTY MANAGEMENT - LEASE/PURCHASES

Property Management's mission is to provide State agencies with safe, comfortable, and efficient office space with 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 population.

ENGINEERING AND CONSTRUCTION

The mission of the Engineering 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 as appropriated in the annual capital construction bill.

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.

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. The task includes providing the Montpelier and Waterbury complexes with mail and parcel screening and delivery tracking to promote a safe work environment. Goals are to further automate mail processing through the investment in technology, provide rate savings, reduce labor costs, increase speed and accuracy of sorts & delivers, and to avoid potential staff exposure to explosives or other dangerous items typically routed through mail and delivery systems.

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 of 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; to demonstrate the State's commitment to our environment by reducing the environmental impact of state employee travel.

Goals of the new 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.

COPY CENTER

The mission of the Copy Center 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 vision 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 Transportation and the Agency of Natural Resources as well as facilities that are managed by BGS. These facilities are used by the residents, visitors, and employees of the State of Vermont. 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.

PUBLIC RECORDS

The Public Records program provides the state and local government entities with economical and efficient records management services (preservation, storage, access, and disposition). The extensive use of technology allows the program to further automate processing and substantially expand accessibility and speed of retrieval of information.

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.

RISK MANAGEMENT - INSURANCE SERVICES

The mission of the Risk Management Division 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), Loss Prevention, and Environmental Management System. The Environmental Management Program was developed in response to Executive Order 04-99 that requires environmental audits of state owned facilities.

The Division plans to accomplish 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.

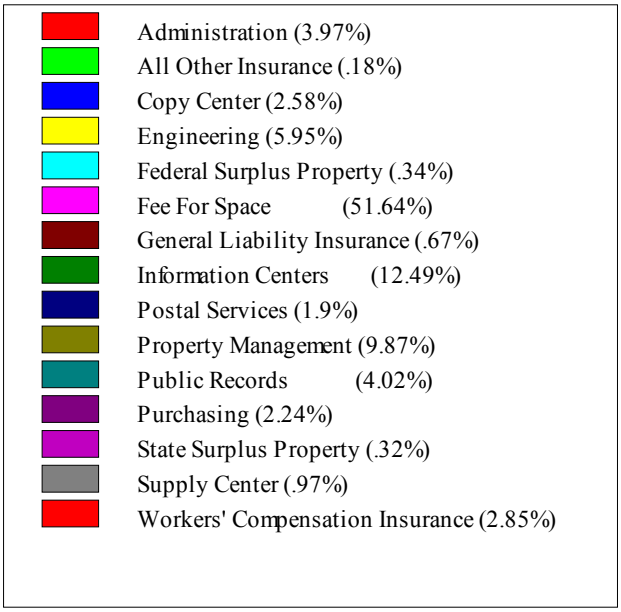
The first focus of these programs is to protect our human resources, our employees. Loss Prevention works to prevent accidents through training, loss investigation, and on-site occupational safety and health surveys. Workers Compensation works to secure the best possible care for injured workers. The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

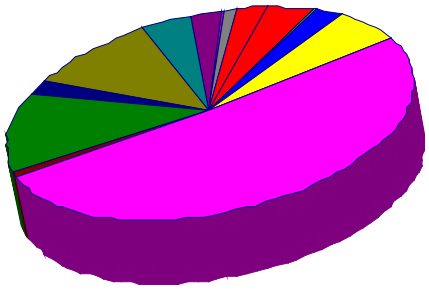
INFORMATION CENTERS

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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration	21	20	20	1,361,723	1,455,645	1,480,497	1,548,200
Engineering	24	24	24	2,114,857	2,240,429	2,186,406	2,320,662
Information Centers	57	54	61	4,240,040	4,296,478	4,469,908	4,867,206
Purchasing	14	13	11	1,051,727	1,024,155	1,065,400	874,265
Public Records	19	18	19	1,348,204	1,227,564	1,381,072	1,565,492
Postal Services	12	13	14	557,117	721,586	641,078	742,452
Copy Center	16	16	16	870,464	1,209,023	900,800	1,004,331
Supply Center	5	4	4	490,888	440,590	402,289	378,977
Federal Surplus Property	1	1	1	137,456	130,779	134,379	134,048
State Surplus Property	1	1	1	111,993	121,571	141,877	124,610
Property Management	18	23	23	4,981,068	4,232,099	3,861,729	3,847,384
All Other Insurance	0	0	0	63,330	69,645	35,532	71,387
General Liability Insurance	0	0	0	237,333	736,731	192,637	261,946
Workers' Compensation Insurance	14	18	19	1,496,951	1,083,514	1,042,114	1,110,602
Fee For Space	207	216	226	17,116,266	18,098,034	20,044,086	20,131,621
TOTAL	409	421	439	36,179,417	37,087,843	37,979,804	38,983,183
FUND TYPE							
General Fund				3,534,538	3,974,015	4,015,260	3,984,617
Transportation Fund				4,840,452	4,627,513	4,627,513	5,356,748
Special Fund				358,595	177,633	504,571	311,260
Enterprise Fund				137,456	130,779	134,379	134,048
Internal Service Fund				25,858,531	26,647,258	27,196,607	27,603,310
Interdepartmental Transfer				1,449,845	1,530,645	1,501,474	1,593,200
TOTAL				36,179,417	37,087,843	37,979,804	38,983,183


Administration (3.97%)
All Other Insurance (.18%)
Copy Center (2.58%)
Engineering (5.95%)
Federal Surplus Property (.34%)
Fee For Space (51.64%)
General Liability Insurance (.67%)
Information Centers (12.49%)
Postal Services (1.9%)
Property Management (9.87%)
Public Records (4.02%)
Purchasing (2.24%)
State Surplus Property (.32%)
Supply Center (.97%)
Workers' Compensation Insurance (2.85%)



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,163,315	1,327,980	1,371,794	1,438,892
Operating Expenses	198,408	127,665	108,703	109,308
TOTAL	1,361,723	1,455,645	1,480,497	1,548,200
FUND TYPE				
Interdepartmental Transfer	1,361,723	1,455,645	1,480,497	1,548,200
TOTAL	1,361,723	1,455,645	1,480,497	1,548,200

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Engineering

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,725,577	1,836,763	1,799,080	1,876,190
Operating Expenses	389,280	403,666	387,326	444,472
TOTAL	2,114,857	2,240,429	2,186,406	2,320,662
FUND TYPE				
General Fund	1,753,059	2,013,413	2,013,413	2,173,473
Transportation Fund	273,676	152,016	152,016	102,189
Interdepartmental Transfer	88,122	75,000	20,977	45,000
TOTAL	2,114,857	2,240,429	2,186,406	2,320,662

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,832,473	2,805,473	3,044,648	3,294,693
Operating Expenses	1,060,697	1,141,005	1,068,190	1,202,513
Grants	346,870	350,000	357,070	370,000
TOTAL	4,240,040	4,296,478	4,469,908	4,867,206
FUND TYPE				
General Fund	0	197,186	197,186	42,914
Transportation Fund	4,178,863	4,099,292	4,099,292	4,824,292
Special Fund	61,177	0	173,430	0
TOTAL	4,240,040	4,296,478	4,469,908	4,867,206

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	748,452	764,564	774,033	704,895
Operating Expenses	303,275	259,591	291,367	169,370
TOTAL	1,051,727	1,024,155	1,065,400	874,265
FUND TYPE				
General Fund	780,763	762,555	803,800	656,618
Transportation Fund	270,964	261,600	261,600	217,647
TOTAL	1,051,727	1,024,155	1,065,400	874,265

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	723,770	766,755	782,888	863,949
Operating Expenses	624,434	460,809	598,184	701,543
TOTAL	1,348,204	1,227,564	1,381,072	1,565,492
FUND TYPE				
General Fund	960,783	961,726	961,726	1,071,612
Transportation Fund	90,003	88,205	88,205	182,620
Special Fund	297,418	177,633	331,141	311,260
TOTAL	1,348,204	1,227,564	1,381,072	1,565,492

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	389,706	579,783	491,825	599,500
Operating Expenses	167,411	141,803	149,253	142,952
TOTAL	557,117	721,586	641,078	742,452
FUND TYPE				
General Fund	39,933	39,135	39,135	40,000
Transportation Fund	26,946	26,400	26,400	30,000
Internal Service Fund	490,238	656,051	575,543	672,452
TOTAL	557,117	721,586	641,078	742,452

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Copy Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	649,038	751,421	712,710	788,629
Operating Expenses	221,426	457,602	188,090	215,702
TOTAL	870,464	1,209,023	900,800	1,004,331
FUND TYPE				
Internal Service Fund	870,464	1,209,023	900,800	1,004,331
TOTAL	870,464	1,209,023	900,800	1,004,331

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Supply Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	234,799	243,949	215,082	246,376
Operating Expenses	256,089	196,641	187,207	132,601
TOTAL	490,888	440,590	402,289	378,977
FUND TYPE				
Internal Service Fund	490,888	440,590	402,289	378,977
TOTAL	490,888	440,590	402,289	378,977

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Federal Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	58,152	60,254	61,303	63,749
Operating Expenses	79,304	70,525	73,076	70,299
TOTAL	137,456	130,779	134,379	134,048
FUND TYPE				
Enterprise Fund	137,456	130,779	134,379	134,048
TOTAL	137,456	130,779	134,379	134,048

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	51,375	54,229	61,075	58,930
Operating Expenses	60,618	67,342	80,802	65,680
TOTAL	111,993	121,571	141,877	124,610
FUND TYPE				
Internal Service Fund	111,993	121,571	141,877	124,610
TOTAL	111,993	121,571	141,877	124,610

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	905,454	928,056	1,270,743	1,240,936
Operating Expenses	4,075,614	3,304,043	2,590,986	2,606,448
TOTAL	4,981,068	4,232,099	3,861,729	3,847,384
FUND TYPE				
Internal Service Fund	4,981,068	4,232,099	3,861,729	3,847,384
TOTAL	4,981,068	4,232,099	3,861,729	3,847,384

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
All Other Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	45,767	58,529	17,955	59,648
Operating Expenses	17,563	11,116	17,577	11,739
TOTAL	63,330	69,645	35,532	71,387
FUND TYPE				
Internal Service Fund	63,330	69,645	35,532	71,387
TOTAL	63,330	69,645	35,532	71,387

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
General Liability Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	181,118	704,745	159,029	223,314
Operating Expenses	56,215	31,986	33,608	38,632
TOTAL	237,333	736,731	192,637	261,946
FUND TYPE				
Internal Service Fund	237,333	736,731	192,637	261,946
TOTAL	237,333	736,731	192,637	261,946

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,239,443	950,903	905,643	958,583
Operating Expenses	257,508	132,611	136,471	152,019
TOTAL	1,496,951	1,083,514	1,042,114	1,110,602
FUND TYPE				
Internal Service Fund	1,496,951	1,083,514	1,042,114	1,110,602
TOTAL	1,496,951	1,083,514	1,042,114	1,110,602

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Fee For Space

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	8,703,437	9,079,294	9,851,447	10,171,022
Operating Expenses	8,412,829	9,018,740	10,192,639	9,960,599
TOTAL	17,116,266	18,098,034	20,044,086	20,131,621
FUND TYPE				
Internal Service Fund	17,116,266	18,098,034	20,044,086	20,131,621
TOTAL	17,116,266	18,098,034	20,044,086	20,131,621

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 2006 BUDGET RECOMMENDATIONS
Geographic Information System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Geographic Information System	0	0	0	376,992	376,992	376,992	376,992
TOTAL	0	0	0	376,992	376,992	376,992	376,992
FUND TYPE							
Special Fund				376,992	376,992	376,992	376,992
TOTAL				376,992	376,992	376,992	376,992

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Geographic Information System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	376,992	376,992	376,992	376,992
TOTAL	376,992	376,992	376,992	376,992
FUND TYPE				
Special Fund	376,992	376,992	376,992	376,992
TOTAL	376,992	376,992	376,992	376,992

Department Mission Statement

The State Auditor's Office (SAO) conducts independent financial, performance and information technology audits of state government. The purpose of these audits is to: ensure that public funds are properly received, are legally, effectively, and efficiently spent, and are accounted for and reported accurately; identify fraud, waste and abuse in government programs; promote improved efficiency and effectiveness in government and to identify opportunities to reduce government cost; and enhance the accountability of State government by providing the Governor, the Legislature and Vermont's citizens with objective information on the operations of their State.

Description of Appropriations, Divisions, & Programs

The State Auditor is a constitutional officer, elected biennially by the citizens of Vermont.

The Auditor's principal duties are defined by 32 V.S.A. §§ 163, 167 and 168, which include:
(1) the annual audit of the State's financial statements;
(2) discretionary government audits and examinations of every department, institution and agency of the State and certain county officers;
(3) special audits as requested by the Governor;
(4) audits and reviews initiated by the Auditor;
(5) audits or reviews as statutorily required by the Legislature;
(6) establishment of uniform systems of accounting and reporting for cities and towns;
(7) approval and coordination of contractual auditing and accounting requests by state departments, agencies and state-created authorities;
(8) performance of and/or contracting to perform the Federal Single Audit; and,
(9) biennial audit of the economic tax incentives program.

Financial Audits

The Office of the State Auditor conducts independent government audits for the State of Vermont. Two major governmental financial audits are issued annually: (1) the audit of the Basic Financial Statements (BFS) of the State of Vermont; and (2) the federally-mandated Single Audit of all programs receiving federal funds. These audits adhere to Generally Accepted Government Auditing Standards (GAGAS) as determined by the Comptroller General of the United States and to Generally Accepted Auditing Standards (GAAS) as issued by the American Institute of Certified Public Accountants.

Basic Financial Statement Audit

The major activity of the State Auditor's Office is the audit of the State of Vermont's Basic Financial Statements (BFS). These financial statements are the responsibility of the State of Vermont's Department of Finance and Management. The State Auditor's responsibility is to express an opinion on and provide reasonable assurance that the financial information presented in these statements is free of material misstatement. In this audit, the Auditor also tests the State's compliance with certain provision of laws and regulations as well as the internal control structure put in place by state management.

Federal Single Audit

The other major financial audit is the Single Audit of all programs receiving federal funds, which is performed both by the State Auditor's Office and by contracted independent public accounting firms. The Single Audit, mandated by Federal law, is designed to ensure that Federal funds received by Vermont are spent in compliance with all applicable laws and regulations. The SAO also monitors internal controls over federal monies, including program effectiveness and efficiency.

Management Letters

The State Auditor provides a yearly Management Letter to the State's financial managers. This Management Letter is a result of the annual BFS Audit and the Federal Single Audit. Its purpose is to indicate to state managers specific ways to improve financial operations and reporting, and help foster efficient management of the State of Vermont's resources. The Management Letter also provides follow-up on the prior year's audit findings to document that identified deficiencies in internal controls and compliance with relevant laws have been corrected.

Performance Audits or Reviews

The Office also performs Performance Audits. Performance Audits, as defined under GAGAS, entail an objective and systematic examination of evidence to provide an independent assessment of the performance and management of a program against objective criteria as well as assessments that provide a prospective focus or that synthesize information on best practices or cross-cutting issues. These audits may be requested by the Legislature or Governor, or initiated by the State Auditor.

Changes in Government Auditing

The United States Government Accountability Office (GAO) revised its Government Auditing Standards (“Yellow Book”) in 2003 to incorporate new standards regarding auditor independence and by providing consistency in the field work and reporting requirements among all types of audits defined under the standards. Greater emphasis is placed upon audits of internal controls and compliance. The standards also place more importance on Performance Audits.

The American Institute of Certified Public Accountants has recently issued revised standards on internal controls. The adequate design and operation of such controls are essential to the effective functioning of state government and the protection of public assets, including cash, that have been entrusted to the government.

Generally Accepted Accounting Principles (GAAP) are also changing each year. Monitoring the State's compliance with these principles, as well as rendering professional advice to implement compliance, is one of the major goals of this office.

Audience

The State Auditor's reports are intended to inform all citizens and organizations interested in the State's financial status and operations. Audit reports are addressed to the Legislature, the Administration and appropriate governmental managers. All reports are also made available to the general public and other interested organizations, such as the State's credit rating agencies.

Goals & Outcomes

The State Auditor's Office goals and outcomes are determined by legislation and Government Auditing Standards. These goals include: a) completion of all mandated and other audits in compliance with government auditing standards; b) issuance of all audit reports on a timely basis; and c) improvement of the state's financial management practices by identifying weaknesses in the State's systems of accounting and reporting, internal controls, and compliance with applicable laws and regulations.

The Office encourages and assists accurate and timely financial reporting. Whenever possible, the State Auditor's Office recommends the adoption of Generally Accepted Accounting Principles for state government. The Auditor recommends that the State implement systems to manage the public's resources safely and in compliance with applicable laws and regulations. The Office also provides independent reviews of programs to ensure efficiency and economy and to protect the integrity of program goals.

The State Auditor's Office is staffed by four exempt employees and 10 classified employees. The Office also contracts with independent accounting firms and other professionals as needed to assist the Office in conducting the Federal Single Audit and other audits.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Auditor of Accounts	13	13	14	1,737,883	1,954,103	1,971,109	1,969,534
TOTAL	13	13	14	1,737,883	1,954,103	1,971,109	1,969,534
FUND TYPE							
General Fund				447,765	453,732	470,738	468,742
Transportation Fund				73,252	58,845	58,845	59,317
Special Fund				52,167	52,746	52,746	54,455
Internal Service Fund				1,164,699	1,388,780	1,388,780	1,387,020
TOTAL				1,737,883	1,954,103	1,971,109	1,969,534

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,627,715	1,844,953	1,844,953	1,866,196
Operating Expenses	110,168	109,150	126,156	103,338
TOTAL	1,737,883	1,954,103	1,971,109	1,969,534
FUND TYPE				
General Fund	447,765	453,732	470,738	468,742
Transportation Fund	73,252	58,845	58,845	59,317
Special Fund	52,167	52,746	52,746	54,455
Internal Service Fund	1,164,699	1,388,780	1,388,780	1,387,020
TOTAL	1,737,883	1,954,103	1,971,109	1,969,534

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 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; short-term borrowing when necessary, selling and servicing bonds authorized by the General Assembly; and administration of the Unclaimed Property Act. 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 will allow us to continue our current range of services in face of increased workloads and costs. The Treasurer provides administrative support and staffing for all retirement programs.

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.

The system currently consists of approximately 8,079 active members, 819 vested terminated members and approximately 3,833 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 market value of the fund was $1,040 million as of June 30, 2004, compared with $917.7 million as of June 30, 2003. The system paid $46 million in retirement benefits during fiscal year 2004.

The Retirement 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, designated representative of the Governor, three members elected by the Vermont State

Employees' Association and one member elected by the Retired Chapter of the Vermont State Employees' Association. Staff is provided by the Retirement Division of the State Treasurer's Office, which also administers the Teachers' Retirement and Municipal Retirement Systems.

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.

The system currently has 426 participating employers, of which 408 are contributing employers; 5,633 active members; 210 vested terminated members; and 1,099 retirees and beneficiaries.

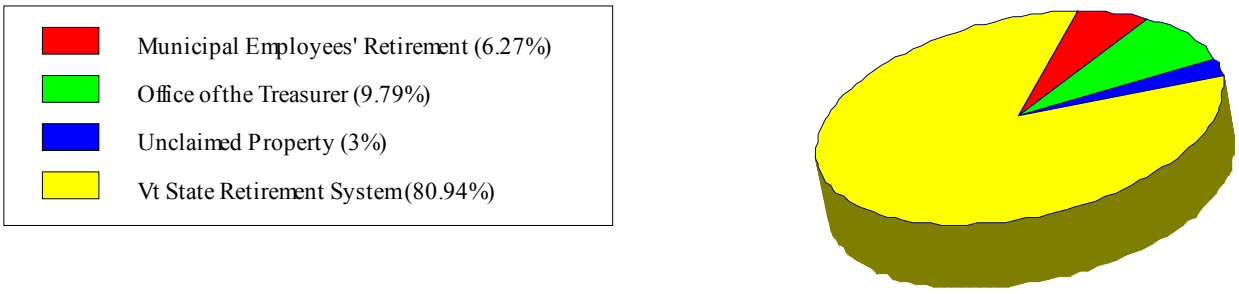
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The market value of the fund was $220.7 million as of June 30, 2004, compared with $197.4 million as of June 30, 2003. The system paid $5.69 million in retirement benefits during FY 2004.

A Retirement Board of Trustees is responsible for the administration of the system. This board consists of one representative designated by the Governor, the State Treasurer, and two municipal employees and one municipal official elected by the membership of the system. Staff is provided by the Retirement Division of the State Treasurer's Office who also administer the State Employees' and Teachers' Retirement Systems.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Office of the Treasurer	30	34	33	2,599,029	2,778,176	2,778,176	2,562,262
Unclaimed Property	3	3	4	1,359,850	457,722	457,722	783,722
Vt State Retirement System	0	0	0	13,026,871	18,767,995	18,767,995	21,177,483
Municipal Employees' Retirement	0	0	0	998,014	1,632,775	1,632,775	1,641,250
TOTAL	33	37	37	17,983,764	23,636,668	23,636,668	26,164,717
FUND TYPE							
General Fund				733,309	833,409	833,409	887,580
Transportation Fund				141,902	103,208	103,208	104,035
Special Fund				1,152,272	1,378,559	1,378,559	1,475,133
Pension Trust Fund				14,545,225	20,801,270	20,801,270	22,818,733
Private Purpose Trust Fund				1,411,056	520,222	520,222	879,236
TOTAL				17,983,764	23,636,668	23,636,668	26,164,717



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	2,239,816	2,380,971	2,380,971	2,158,253
Operating Expenses	359,213	322,205	322,205	329,009
Grants	0	75,000	75,000	75,000
TOTAL	2,599,029	2,778,176	2,778,176	2,562,262
FUND TYPE				
General Fund	733,309	833,409	833,409	887,580
Transportation Fund	141,902	103,208	103,208	104,035
Special Fund	1,152,272	1,378,559	1,378,559	1,475,133
Pension Trust Fund	520,340	400,500	400,500	0
Private Purpose Trust Fund	51,206	62,500	62,500	95,514
TOTAL	2,599,029	2,778,176	2,778,176	2,562,262

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Unclaimed Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,199,643	262,922	262,922	541,534
Operating Expenses	160,207	194,800	194,800	242,188
TOTAL	1,359,850	457,722	457,722	783,722
FUND TYPE				
Private Purpose Trust Fund	1,359,850	457,722	457,722	783,722
TOTAL	1,359,850	457,722	457,722	783,722

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vt State Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	12,443,456	18,068,186	18,068,186	20,448,159
Operating Expenses	583,415	699,809	699,809	729,324
TOTAL	13,026,871	18,767,995	18,767,995	21,177,483
FUND TYPE				
Pension Trust Fund	13,026,871	18,767,995	18,767,995	21,177,483
TOTAL	13,026,871	18,767,995	18,767,995	21,177,483

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	886,768	1,426,248	1,426,248	1,427,518
Operating Expenses	111,246	206,527	206,527	213,732
TOTAL	998,014	1,632,775	1,632,775	1,641,250
FUND TYPE				
Pension Trust Fund	998,014	1,632,775	1,632,775	1,641,250
TOTAL	998,014	1,632,775	1,632,775	1,641,250

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 determinations 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 five citizen members paid on a per diem basis. At present, the Board has two employees - Executive Director and Clerk.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State Labor Relations Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
State Labor Relations Board	3	2	2	183,719	182,127	185,398	197,567
TOTAL	3	2	2	183,719	182,127	185,398	197,567
FUND TYPE							
General Fund				166,747	171,697	174,968	187,100
Transportation Fund				5,676	4,560	4,560	4,597
Special Fund				11,296	5,870	5,870	5,870
TOTAL				183,719	182,127	185,398	197,567

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State Labor Relations Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	142,999	147,387	150,658	157,439
Operating Expenses	40,720	34,740	34,740	40,128
TOTAL	183,719	182,127	185,398	197,567
FUND TYPE				
General Fund	166,747	171,697	174,968	187,100
Transportation Fund	5,676	4,560	4,560	4,597
Special Fund	11,296	5,870	5,870	5,870
TOTAL	183,719	182,127	185,398	197,567

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. The office functions include: communications development of Governor's administrative and legislative agenda/priorities; representing the state at the state, national and international levels; management of appointments to Boards and Commissions, track policy changes in the legislature and inter-agency coordination; provide communication and referrals with the public, and other activities as appropriate.

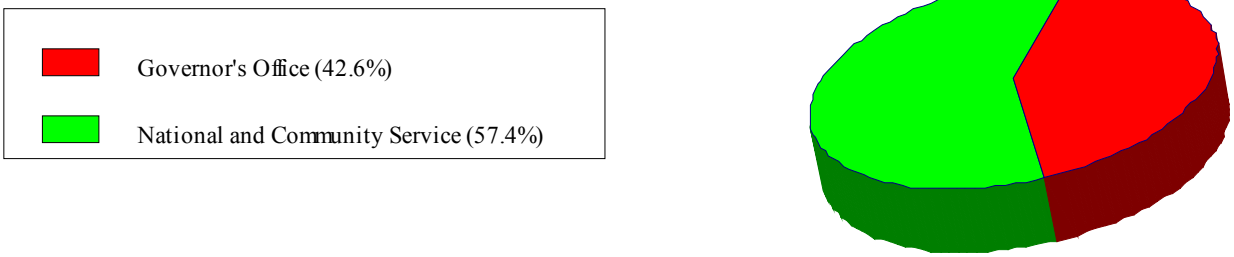
The Vermont Commission on National and Community Service (VTCNCS), which is housed in the Executive Office, creates, promotes and supports volunteer, community and national service efforts that engage Vermonters of all ages and backgrounds in strengthening their communities. The Commission is the state grantee for federal national service funds for the State AmeriCorps Programs. The Commission's motto is "Improving Vermonters' Lives Through Voluntary Service."

With the combined efforts of traditional volunteerism and AmeriCorps, the VTCNCS helps provide support to Vermonters in the areas of education, public safety, housing, substance abuse, the environment, and other human needs.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Governor's Office	15	15	15	1,414,706	1,462,281	1,496,275	1,527,868
National and Community Service	3	3	4	1,015,515	1,737,188	1,737,188	2,058,920
TOTAL	18	18	19	2,430,221	3,199,469	3,233,463	3,586,788
FUND TYPE							
General Fund				1,173,360	1,198,394	1,226,960	1,262,728
Transportation Fund				194,610	156,230	162,023	157,483
Special Fund				0	3,185	5,846	3,185
Federal Revenue Fund				943,261	1,680,660	1,677,634	2,002,392
Interdepartmental Transfer				118,990	161,000	161,000	161,000
TOTAL				2,430,221	3,199,469	3,233,463	3,586,788



Description of Appropriations, Divisions, & Programs

The office is staffed by 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 2006 BUDGET RECOMMENDATIONS
Governor's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,092,511	1,123,181	1,156,223	1,158,112
Operating Expenses	322,195	339,100	340,052	369,756
TOTAL	1,414,706	1,462,281	1,496,275	1,527,868
FUND TYPE				
General Fund	1,101,106	1,141,866	1,167,406	1,206,200
Transportation Fund	194,610	156,230	162,023	157,483
Special Fund	0	3,185	5,846	3,185
Interdepartmental Transfer	118,990	161,000	161,000	161,000
TOTAL	1,414,706	1,462,281	1,496,275	1,527,868

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 and 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 2006 BUDGET RECOMMENDATIONS
National and Community Service

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	146,957	175,347	175,347	191,634
Operating Expenses	96,488	118,501	118,501	121,871
Grants	772,070	1,443,340	1,443,340	1,745,415
TOTAL	1,015,515	1,737,188	1,737,188	2,058,920
FUND TYPE				
General Fund	72,254	56,528	59,554	56,528
Federal Revenue Fund	943,261	1,680,660	1,677,634	2,002,392
TOTAL	1,015,515	1,737,188	1,737,188	2,058,920

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. Caseload is directly dependent upon the activities of the Department of Labor and Industry, 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 Labor and Industry, 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. It is comprised of three members, who serve staggered six-year terms appointed biennially by the Governor with the advice and consent of the Senate. The Board employs one part-time Clerk who acts as the sole administrative/clerical support to the Board. Using hearing officers to conduct hearings and prepare written findings and decisions, the Board has ultimate review and determines all decisions.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
VOSHA Review Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
VOSHA Review Board	1	1	1	37,996	40,194	45,201	40,194
TOTAL	1	1	1	37,996	40,194	45,201	40,194
FUND TYPE							
General Fund				19,025	20,097	25,104	20,097
Federal Revenue Fund				18,971	20,097	20,097	20,097
TOTAL				37,996	40,194	45,201	40,194

Appropriation Key Budget Issues

Because the workload for the VOSHA Review Board is generated through employer contest of Labor and Industry workplace violation citations, it is impossible to accurately forecast the number of cases which might need to be heard during the year.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
VOSHA Review Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	29,471	31,350	35,357	31,652
Operating Expenses	8,525	8,844	9,844	8,542
TOTAL	37,996	40,194	45,201	40,194
FUND TYPE				
General Fund	19,025	20,097	25,104	20,097
Federal Revenue Fund	18,971	20,097	20,097	20,097
TOTAL	37,996	40,194	45,201	40,194

Department Mission Statement

Created by Act 60, The Equal Educational Opportunity Act of 1997, this successor to the Property Tax Rebate Program relieves the property tax burden of Vermont residents by insuring that property taxes or rent attributable to property taxes does not exceed a prescribed percentage of a resident's household income. Direct payments are issued to claimants from the Department of Taxes, which administers this program through the development and distribution of forms, educational services, and processing and verification claims. This initiative extends property tax relief to nearly 150,000 homeowners and renters.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Property Tax Assistance

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Property Tax Assistance	0	0	0	109,466,772	93,811,600	98,811,600	112,796,276
TOTAL	0	0	0	109,466,772	93,811,600	98,811,600	112,796,276
FUND TYPE							
General Fund				7,084,690	5,280,000	5,280,000	6,818,056
Transportation Fund				4,385,016	3,520,000	3,520,000	3,548,220
Education Fund				97,997,066	85,011,600	90,011,600	102,430,000
TOTAL				109,466,772	93,811,600	98,811,600	112,796,276

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Property Tax Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	109,466,772	93,811,600	98,811,600	112,796,276
TOTAL	109,466,772	93,811,600	98,811,600	112,796,276
FUND TYPE				
General Fund	7,084,690	5,280,000	5,280,000	6,818,056
Transportation Fund	4,385,016	3,520,000	3,520,000	3,548,220
Education Fund	97,997,066	85,011,600	90,011,600	102,430,000
TOTAL	109,466,772	93,811,600	98,811,600	112,796,276

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 2006 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Use Tax Reimbursement Fund	0	0	0	5,103,995	6,199,670	6,199,670	6,898,455
TOTAL	0	0	0	5,103,995	6,199,670	6,199,670	6,898,455
FUND TYPE							
General Fund				2,793,605	3,889,280	3,889,280	4,569,542
Transportation Fund				2,310,390	2,310,390	2,310,390	2,328,913
TOTAL				5,103,995	6,199,670	6,199,670	6,898,455

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	2,632	0	0	0
Grants	5,101,363	6,199,670	6,199,670	6,898,455
TOTAL	5,103,995	6,199,670	6,199,670	6,898,455
FUND TYPE				
General Fund	2,793,605	3,889,280	3,889,280	4,569,542
Transportation Fund	2,310,390	2,310,390	2,310,390	2,328,913
TOTAL	5,103,995	6,199,670	6,199,670	6,898,455

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 that office shall executed by 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's office has one full-time employee and uses part-time, temporary employees as needed.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Lieutenant Governor

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Lieutenant Governor	2	2	2	123,109	134,647	134,647	136,372
TOTAL	2	2	2	123,109	134,647	134,647	136,372
FUND TYPE							
General Fund				100,530	115,517	115,517	117,089
Transportation Fund				22,579	19,130	19,130	19,283
TOTAL				123,109	134,647	134,647	136,372

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Lieutenant Governor

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	110,592	125,062	125,062	118,723
Operating Expenses	12,517	9,585	9,585	17,649
TOTAL	123,109	134,647	134,647	136,372
FUND TYPE				
General Fund	100,530	115,517	115,517	117,089
Transportation Fund	22,579	19,130	19,130	19,283
TOTAL	123,109	134,647	134,647	136,372

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.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Legislature	19	19	19	4,956,787	4,632,314	5,323,699	5,116,921
TOTAL	19	19	19	4,956,787	4,632,314	5,323,699	5,116,921
FUND TYPE							
General Fund				4,146,452	3,935,297	4,626,682	4,414,316
Transportation Fund				810,335	697,017	697,017	702,605
TOTAL				4,956,787	4,632,314	5,323,699	5,116,921

Appropriation Key Budget Issues

The Governor's Recommend budget funds the Legislature for a 17 week session, which is one week longer than was budgeted in last year's Governor's Recommend. Additionally, this budget includes a pay raise for the Legislature, as per 32 V.S.A. Sections 1051 and 1052.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Legislature

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,762,302	2,665,198	3,071,799	2,925,702
Operating Expenses	2,144,313	1,967,116	2,251,900	2,191,219
Grants	50,172	0	0	0
TOTAL	4,956,787	4,632,314	5,323,699	5,116,921
FUND TYPE				
General Fund	4,146,452	3,935,297	4,626,682	4,414,316
Transportation Fund	810,335	697,017	697,017	702,605
TOTAL	4,956,787	4,632,314	5,323,699	5,116,921

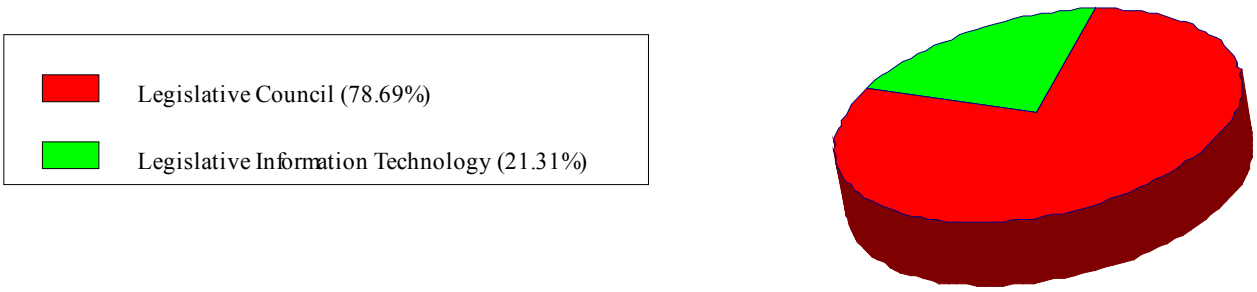
Department Mission Statement

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 Legislature.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Legislative Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Legislative Council	26	26	24	1,805,936	1,692,117	1,877,090	1,822,484
Legislative Information Technology	0	4	4	0	514,284	514,284	493,413
TOTAL	26	26	28	1,805,936	2,206,401	2,391,374	2,315,897
FUND TYPE							
General Fund				1,512,982	1,974,477	2,159,450	2,082,114
Transportation Fund				292,954	231,924	231,924	233,783
TOTAL				1,805,936	2,206,401	2,391,374	2,315,897



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Legislative Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,684,046	1,575,895	1,710,036	1,685,880
Operating Expenses	121,890	116,222	167,054	136,604
TOTAL	1,805,936	1,692,117	1,877,090	1,822,484
FUND TYPE				
General Fund	1,512,982	1,460,193	1,645,166	1,588,701
Transportation Fund	292,954	231,924	231,924	233,783
TOTAL	1,805,936	1,692,117	1,877,090	1,822,484

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Legislative Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	226,325	200,788	309,186
Operating Expenses	0	287,959	313,496	184,227
TOTAL	0	514,284	514,284	493,413
FUND TYPE				
General Fund	0	514,284	514,284	493,413
TOTAL	0	514,284	514,284	493,413

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

Duties involve overseeing the activities in the State House and maintaining the same, including furnishings. The staff consists of the Sergeant at Arms, one assistant and one other office staff member. In addition, five door keepers (only four on at a time), traffic and security officer and custodians are managed by the Sergeant at Arms.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Sergeant at Arms

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Sergeant at Arms	5	5	5	489,416	496,816	508,691	507,416
TOTAL	5	5	5	489,416	496,816	508,691	507,416
FUND TYPE							
General Fund				431,823	456,405	468,280	466,681
Transportation Fund				57,593	40,411	40,411	40,735
TOTAL				489,416	496,816	508,691	507,416

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Sergeant at Arms

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	426,572	449,154	452,494	444,507
Operating Expenses	62,844	47,662	56,197	62,909
TOTAL	489,416	496,816	508,691	507,416
FUND TYPE				
General Fund	431,823	456,405	468,280	466,681
Transportation Fund	57,593	40,411	40,411	40,735
TOTAL	489,416	496,816	508,691	507,416

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 Joint Fiscal Office is staffed by 11 permanent exempt employees, of which 2 work part-time. 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 works with the House and Senate Appropriations, Ways and Means, Finance and Transportation Committees and 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; and prepares fiscal notes.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Joint Fiscal Committee	11	10	10	1,003,984	966,184	1,015,264	1,018,373
TOTAL	11	10	10	1,003,984	966,184	1,015,264	1,018,373
FUND TYPE							
General Fund				846,352	831,789	880,869	882,901
Transportation Fund				157,632	134,395	134,395	135,472
TOTAL				1,003,984	966,184	1,015,264	1,018,373

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	932,973	898,960	950,924	945,988
Operating Expenses	71,011	67,224	64,340	72,385
TOTAL	1,003,984	966,184	1,015,264	1,018,373
FUND TYPE				
General Fund	846,352	831,789	880,869	882,901
Transportation Fund	157,632	134,395	134,395	135,472
TOTAL	1,003,984	966,184	1,015,264	1,018,373

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 offers five products to the playing public: Instant Games; and On-line games known as Powerball, Tri-State Megabucks, Win Cash, and the Daily Numbers Games of Pick 3 and Pick 4. Powerball was added in FY04.

Licensed Vermont Lottery agents offer lottery games to players. Currently, there are approximately 750 licensed Vermont Lottery agents. All agents sell instant games and about 550 agents also sell 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 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 2006 BUDGET RECOMMENDATIONS
Lottery Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Lottery Commission	20	20	20	2,064,862	2,157,814	2,327,519	2,211,759
TOTAL	20	20	20	2,064,862	2,157,814	2,327,519	2,211,759
FUND TYPE							
Enterprise Fund				2,064,862	2,157,814	2,327,519	2,211,759
TOTAL				2,064,862	2,157,814	2,327,519	2,211,759

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Lottery Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,159,291	1,253,912	1,244,989	1,279,592
Operating Expenses	905,571	903,902	1,082,530	932,167
TOTAL	2,064,862	2,157,814	2,327,519	2,211,759
FUND TYPE				
Enterprise Fund	2,064,862	2,157,814	2,327,519	2,211,759
TOTAL	2,064,862	2,157,814	2,327,519	2,211,759

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Payments in Lieu of Taxes	0	0	0	2,250,000	2,500,000	2,500,000	2,500,000
TOTAL	0	0	0	2,250,000	2,500,000	2,500,000	2,500,000
FUND TYPE							
General Fund				800,000	800,000	800,000	600,000
Special Fund				1,450,000	1,700,000	1,700,000	1,900,000
TOTAL				2,250,000	2,500,000	2,500,000	2,500,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	2,250,000	2,500,000	2,500,000	2,500,000
TOTAL	2,250,000	2,500,000	2,500,000	2,500,000
FUND TYPE				
General Fund	800,000	800,000	800,000	600,000
Special Fund	1,450,000	1,700,000	1,700,000	1,900,000
TOTAL	2,250,000	2,500,000	2,500,000	2,500,000

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Montpelier PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
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							
General Fund				184,000	184,000	184,000	184,000
TOTAL				184,000	184,000	184,000	184,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Montpelier PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000
FUND TYPE				
General Fund	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000

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 2006 BUDGET RECOMMENDATIONS
Corrections PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
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							
General Fund				40,000	40,000	40,000	40,000
TOTAL				40,000	40,000	40,000	40,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Corrections PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000
FUND TYPE				
General Fund	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000

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 in civil lawsuits in state and federal courts. It defends personal injury, wrongful death and civil rights claims. It also defends legislative acts and administrative rules that are challenged on constitutional or other grounds. In addition, it brings affirmative claims on behalf of the state. The Civil Division continues its representation through the litigation of civil appeals before the Vermont Supreme Court, the United States Courts of Appeals, the United States Supreme Court, and other appellate tribunals.

Criminal Division

The Criminal Division is a statewide prosecutorial agency that consists of several specialized units. The division prosecutes homicides, other violent felonies and public corruption. Specialized units prosecute gun law violations, computer crimes and drug trafficking. The focus is on complex cases. The division works closely with county, state and federal law enforcement, providing technical and personnel support to county prosecutors as needed. The Criminal Division works with the legislature and others on a wide range of criminal justice issues, and is an active participant on a number of committees that develop criminal justice policies.

The Medicaid Fraud and Residential Abuse Unit (MFRAU) is a specialized unit within the Criminal Division. MFRAU is a federally funded state program that investigates and prosecutes Medicaid provider fraud and violations of state laws pertaining to fraud in the administration of the Medicaid program. As part of its mission the unit initiates or participates in civil actions, both locally and nationally, to recoup fraudulent losses to the Medicaid Program. In Federal Fiscal Year 2004, the Unit recouped nearly $1,200,000. In addition, the unit reviews all complaints, and where appropriate initiates prosecution of patient abuse, exploitation or neglect that occur in health care facilities that receive Medicaid funds.

General Counsel Division

The General Counsel Division advises and represents Vermont's constitutional officers, the retirement boards, the general services department, liquor control and other state agencies. It handles public records and open meetings issues and lawsuits, reviews state contracts and handles elections cases. It investigates and prosecutes disciplinary complaints against physicians. It pursues civil actions to recover environmental cleanup expenses incurred by the Agency of Natural Resources. The Division's appellate unit briefs and argues civil appeals and assists other staff in complex trials and appeals.

Public Protection

The Public Protection Division has four units. The Consumer Protection and Antitrust Units investigate and prosecute frauds against consumers and unfair, deceptive and anticompetitive business practices. In cooperation with UVM the Attorney General also operates a Consumer Assistance Program to educate consumers and to resolve consumer complaints on an informal basis. This program logs approximately 3,500 complaints and resolves approximately 1,200 written complaints every year.

The Consumer Protection Unit also enforces the terms of the multi-state tobacco settlement, including provisions to protect minors and to prevent the unfair and deceptive marketing of tobacco products. The tobacco settlement provides approximately $25 million a year to Vermont. The unit also enforces the settlement terms that require tobacco companies to register and to make escrow payments on behalf of Vermont, monies that would be available to the State to satisfy any future judgments against tobacco companies.

The Environmental Unit prosecutes violations of state and federal environmental laws, including air, water, solid and hazardous waste, and Act 250. This unit handles all appeals of environmental cases to the Vermont Supreme Court and provides legal counsel to the Agency of Natural Resources.

The Civil Rights Unit enforces laws that protect victims of hate crimes and protect all Vermonters from discrimination and harassment in the workplace. It sponsors employer education programs to help businesses to comply with Vermont's civil rights laws.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Attorney General	69	71	71	5,568,361	5,736,628	5,906,461	6,255,689
TOTAL	69	71	71	5,568,361	5,736,628	5,906,461	6,255,689
FUND TYPE							
General Fund				2,086,063	2,550,429	2,607,348	2,822,155
Transportation Fund				85,970	69,061	69,061	69,615
Education Fund				52,688	0	47,311	0
Special Fund				1,769,334	1,304,901	1,349,901	1,402,209
Federal Revenue Fund				433,806	573,500	573,500	617,000
Interdepartmental Transfer				1,140,500	1,238,737	1,259,340	1,344,710
TOTAL				5,568,361	5,736,628	5,906,461	6,255,689

Appropriation Key Budget Issues

The Fiscal 2006 Budget request would sustain the core mission and activities of the Attorney General's Office.

The Attorney General has proposed in the Fiscal 2005 Budget Adjustment that the state wide Court Diversion Director and Administrative Assistant become employees of the Attorney General's Office. Currently these two positions are under the Vermont Association of Court Diversion Programs (VACDAP). The new arrangement would let the Attorney General more effectively administer the juvenile and adult diversion projects consistent with 3 V.S.A. sections 163, 164, and 166.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Attorney General

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	4,805,553	4,838,548	5,008,389	5,331,126
Operating Expenses	762,808	898,080	898,072	924,563
TOTAL	5,568,361	5,736,628	5,906,461	6,255,689
FUND TYPE				
General Fund	2,086,063	2,550,429	2,607,348	2,822,155
Transportation Fund	85,970	69,061	69,061	69,615
Education Fund	52,688	0	47,311	0
Special Fund	1,769,334	1,304,901	1,349,901	1,402,209
Federal Revenue Fund	433,806	573,500	573,500	617,000
Interdepartmental Transfer	1,140,500	1,238,737	1,259,340	1,344,710
TOTAL	5,568,361	5,736,628	5,906,461	6,255,689

Department Mission Statement

The Vermont Court Diversion Program is a locally directed justice program begun in the 1970's to divert first time 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 juvenile and first time offenders. Its goals are to:
*Reduce the workload on Vermont Courts
*Use citizen involvement and a restorative model to make victims whole
*Restore to the community any loss it sustained
*Redirect young offenders in a more productive direction
*Reduce recidivism.

Description of Appropriations, Divisions, & Programs

The Vermont Association of Court Diversion Programs is made up of thirteen community based nonprofit agencies, one in each county except that Essex County and Caledonia County are housed in one agency. A community board of directors governs each program which, in turn, is designated by the Vermont Association of Court Diversion Programs (VACDP) and Attorney General as the diversion agency serving a particular court/county. All diversion programs offer the traditional diversion program in which the state's attorney refers first-time offenders, either youth or adult, to a community panel that determines a set of obligations for the offender to meet. If the offender is successful in meeting the obligations, the charge is dismissed. If the offender does not complete the diversion contract, he or she is returned to court for further prosecution. In FY 04, 2028 such cases were referred to diversion throughout the state.

In addition to the diversion program, as of July 1, 2000, all of the diversion programs were also designated to provide the Teen Alcohol Safety Program (TASP) by Act 160, the statute that converted first offense consumption of alcohol by a minor to a civil charge. This program insures that each youth that receives a ticket for that offense also receives an assessment of his or her substance abuse and completes any follow-up treatment or education recommended by the assessment. Youths also perform community service and may be asked to complete other tasks related to their offense. In FY 04, 3923 such cases were handled by diversion.

In 2000, the general assembly changed underage drinking from a criminal charge to a civil procedure, designating court diversion programs to implement the program. Local court diversion programs dealt with the TASP without additional state level support for the first three years. That had a negative impact on counties' successful completion rates for both the TASP and regular diversion cases and more cases returned to court for adjudication.

Last year, state funding was increased by $150,000 to support TASP. With this additional funding, counties were able to:

*Hire more staff to encourage more minors to participate in the program and to closely monitor their participation in TASP, which increased the chances of their successfully completing the program.

*Offer more in-house screenings to minors ticketed for underage drinking. This helped to identify a minor's substance abuse issues in a timely manner. It relieved some of the workload of the limited number of licensed/certified drug and alcohol counselors who work with minors.

*Hire more caseworkers in counties with the highest case load to focus solely on TASP. This specialized staffing supports caseworkers and enables them to offer educational components in their work with minors, and to become better trained in the use of screening tools.

*Meet on a regular basis with service providers to ensure the veracity of substance abuse screening and assessment procedures and case management.

TASP case load continues to rise each year. For example, in FY03 the total number of TASP cases statewide was 3,257. In FY04 the number of cases rose to 3,923. More importantly, the legislation that took effect in October 2003, designed to encourage minors to participate in the program, has been successful. In addition to increased referral rates, court diversion programs have seen an increase of approximately 30-35% in participation rates in the last year.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Court Diversion

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Court Diversion	0	0	0	1,452,454	1,470,071	1,505,071	1,500,071
TOTAL	0	0	0	1,452,454	1,470,071	1,505,071	1,500,071
FUND TYPE							
General Fund				870,531	927,238	957,238	956,093
Transportation Fund				177,804	142,833	142,833	143,978
Special Fund				404,119	400,000	405,000	400,000
TOTAL				1,452,454	1,470,071	1,505,071	1,500,071

Appropriation Key Budget Issues

VACDP's budget reflects an increase of $30,000 to partially fund new professional liability insurance requirement for its programs.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Court Diversion

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	1,452,454	1,470,071	1,505,071	1,500,071
TOTAL	1,452,454	1,470,071	1,505,071	1,500,071
FUND TYPE				
General Fund	870,531	927,238	957,238	956,093
Transportation Fund	177,804	142,833	142,833	143,978
Special Fund	404,119	400,000	405,000	400,000
TOTAL	1,452,454	1,470,071	1,505,071	1,500,071

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. By increasing 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 Center for Crime Victim Services is mandated by statute to administer the Victims Compensation and Victim Assistance Programs, as well as the new Restitution Unit 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.

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 payor," the program reimburses only those expenses not covered by some form of insurance, or by restitution ordered from the offender. Staff members verify claims through a comprehensive investigative process and approved payments are made either to service providers or directly to the victim. Over the past five years the number of claims received annually has steadily risen from approximately 450 to nearly 600. 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. $651,400 has been budgeted in FY 2006 for payment of these claims.

The Victim Assistance Program maintains 23 full-time equivalent 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 present, and to be heard at all critical stages of the criminal justice process. During FY 04, there were 3,702 felony and 13,820 misdemeanor crimes filed in District Court, most of which involve a victim. The Victim Advocates ensure these victims are provided every opportunity to participate in the criminal

justice system. Beginning at arraignment and continuing throughout the trial, advocates provide victims with information about the court process and how it might affect them. Advocates keep regular contact to explain developments in the cases and encourage victims to submit Victim Impact Statements. Often cases last more than a year and advocates maintain contact with victims during post-conviction proceedings, expanding their true caseloads far beyond the number of new victims served each year.

The sheer volume of new cases added to court dockets each year (over 17,000 in 2004) hampers the ability of advocates to provide all statutory services to all eligible victims. However, all those in serious need do receive comprehensive services. Most victims in the over 3,000 felony cases, along with many of the victims of misdemeanors such as assault and domestic assault, receive advocacy and support services. A full-time coordinator 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. $1,041,685 has been budgeted in FY 06 for the Victim Assistance Program.

The Restitution Unit, established by Act 57 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 surcharge was added to court fines and traffic tickets beginning on July 1, 2003 in order to capitalize a Restitution Fund. The Restitution Unit became operational in FY 05 with $1,525,000 budgeted to be paid out to victims in court-ordered restitution payments. The Unit will work to collect these obligations from offenders in order to replenish the Fund. In FY 06, $1,525,000 is budgeted for restitution payments to crime victims.

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, and 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.

VOCA (Victims of Crime Act) federal funds provide "core" services to victims of domestic and sexual violence and child sexual abuse, to elderly victims and to the families of homicide victims. Advocates at the Attorney General's Office, OUR House of Central VT, SafeSpace of Burlington, The Family Place of Norwich, VT Center for the Deaf & Hard of Hearing, and the sixteen member programs of the VT Network Against Domestic Violence and Sexual Assault provide these services. In FY 2006, $640,130 in federal funds is budgeted.

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 and domestic violence cases while reducing the trauma experienced by victims. In FY 2006, $765,100 in federal funds is budgeted for these units.

FVPSA (Family Violence Prevention and Services Act) monies provide immediate shelter and related assistance to victims of family violence and their dependents, and, also fund public awareness activities related to domestic violence. In FY 2006, $718,175 in federal funds is budgeted.

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 FY 2006, $421,020 in federal funds is budgeted.

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 Intensive Domestic Abuse Programs at the Department of Corrections, the Domestic Violence Council, and legal representation for victims in family court matters. In FY 2006, $559,350 in federal funds is budgeted.

The Center's General Fund Appropriation is allocated to three state programs:

State Domestic Violence and Sexual Assault Funds are passed through to the sixteen member programs of the Vermont Network Against Domestic Violence and Sexual Assault to enable them to provide direct service to victims of domestic and sexual violence. In FY 2006, $788,417 is budgeted.

The Supervised Visitation Grant program funds eight 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. In FY 06, $100,000 is budgeted for this grant program. During FY 05, the Supervised Visitation Advisory Board made a recommendation that this program be administered by the Department of Children and Families(DCF). The Center and DCF will seek approval of this request from the Legislature; until the change is made it is in the Center's budget.

The Child Advocacy Grant program funds 5 Child Advocacy Centers that provide case management services in order to coordinate the investigative and clinical aspects of child sexual abuse cases thus reducing the level of trauma experienced by these children. In FY 06, $75,000 is budgeted for this program.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Center for Crime Victims' Services	0	0	0	6,651,387	8,758,586	9,171,856	8,636,344
TOTAL	0	0	0	6,651,387	8,758,586	9,171,856	8,636,344
FUND TYPE							
General Fund				828,828	963,878	963,878	973,644
Special Fund				1,468,979	3,400,000	3,813,270	3,541,155
Federal Revenue Fund				4,315,558	4,332,208	4,332,208	4,058,345
Interdepartmental Transfer				38,022	62,500	62,500	63,200
TOTAL				6,651,387	8,758,586	9,171,856	8,636,344

Appropriation Key Budget Issues

In FY06, the General Fund appropriation has a 1% increase. $100,000 is allocated to Supervised Visitation Programs, $75,000 is allocated to the Child Advocacy Centers, and $788,417 is allocated to the Vermont Network Against Domestic Violence and Sexual Assault, the balance of $10,227 is for operating expenses for the Center. The total General Fund budget for FY06 is $973,644.

The cost of the Victim Assistance Program increases each year due to step increases, cost of living increases and rising health insurance costs. In the past, the Center has been able to generate the revenue needed for this annual increase through the state Special Fund and the Federal Victim of Crime Act funds. However, receipts to the Special Fund are on the decline and the VOCA grant is anticipating a 2% cut in FY 05. For this reason, the Center will be level funding the Victim Assistance Program in FY 06 at $1,041, 685, which will result in cuts to both personal services and operating.

Also beginning in FY 05, the Restitution Unit took over collection of all restitution accounts under the old system. The Department of Corrections transferred 3,200 restitution accounts that the Unit now collects on. Payments received from offenders are passed on to the victim(s) in the case. These cases are not eligible to be paid out of the Restitution Fund. At this point in time, it is unclear what amount should be budgeted for these old restitution cases. From August 5, 2004 through November 19, 2004, a total of $241,953 was collected; however, it is anticipated that this number will increase over time as the Unit becomes more functional.

The FY 06 budget has an increase of $141,155 for operating and personal services for the Restitution Unit. Currently, the Unit has one Collection Specialist and one Data Entry position working on the collection of restitution owed by defendants on new restitution cases (restitution ordered after 7/1/04). The increase will allow the Unit to hire another Collection Specialist and another Data Entry position to do collections on the 3,200 outstanding restitution cases that were pending prior to 6/30/04.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	930,907	1,159,300	1,223,050	1,035,455
Operating Expenses	295,182	353,286	368,306	220,612
Grants	5,425,298	7,246,000	7,580,500	7,380,277
TOTAL	6,651,387	8,758,586	9,171,856	8,636,344
FUND TYPE				
General Fund	828,828	963,878	963,878	973,644
Special Fund	1,468,979	3,400,000	3,813,270	3,541,155
Federal Revenue Fund	4,315,558	4,332,208	4,332,208	4,058,345
Interdepartmental Transfer	38,022	62,500	62,500	63,200
TOTAL	6,651,387	8,758,586	9,171,856	8,636,344

Department Mission Statement

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.

Description of Appropriations, Divisions, & Programs

The Department of State's Attorneys has one program - the effective prosecution of crime in Vermont. The Department staffs and maintains an office in each county (14) and an administrative office in Montpelier. Each county office is open to the public and responsible for the prosecution of crime in that county. Each county office is under the direction of a State's Attorney who is elected by the voters of that county to a four-year term. A State's Attorney is responsible for the direction of prosecutions in a county. The Department's administrative office is responsible for the administrative and financial direction of the Department.

Department costs are predominantly personal services. In FY2004, the breakdown of actual costs between personal services and operating expenses was 87% personal services and 13% operating expense. With the exception of expert witnesses and other trial-related services, the Department's personal service budget is dedicated to position costs. As for operating expenses, the Department's operating budget funds the inherent costs of maintaining a local office in each county (e.g. rents, communications, computer, postage, etc.)

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State's Attorneys

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
State's Attorneys	123	123	124	8,339,407	8,759,177	8,986,910	8,970,760
TOTAL	123	123	124	8,339,407	8,759,177	8,986,910	8,970,760
FUND TYPE							
General Fund				6,215,062	6,665,235	6,833,542	6,771,903
Transportation Fund				499,399	366,373	394,198	369,310
Special Fund				0	53,599	95,200	146,375
Federal Revenue Fund				1,623	5,000	5,000	5,000
Interdepartmental Transfer				1,623,323	1,668,970	1,658,970	1,678,172
TOTAL				8,339,407	8,759,177	8,986,910	8,970,760

Appropriation Key Budget Issues

The key budget pressures for the Department of State's Attorneys in FY2006 are the Department's attorney pay plan and the cost of an effective trial program. Additional pressures are decreasing federal dollars to support critical Department victim advocate and prosecutor positions, as well as costs associated with the continued implementation and operation of the Department's major CRIMES database. The year-to-year dollar impact of CRIMES approximates $100,000. Because the Department's base funding has not increased in recognition of CRIMES, the Department has absorbed these costs through cuts in operating and personal services. A final budget FY 2006 issue is the Department's success in securing special funding as a result of drug asset forfeitures. Under the terms by which the Department receives this special funding (estimated $50,000 in FY2006), the Department can only use this funding to support related professional development, equipment, and other resource needs.

Deputy State's Attorney Pay Plan The Department's pay plan has helped the Department retain experienced prosecutors on staff capable of handling heavier caseloads.

Effective Trial Program A strong trial program is essential to the effective performance of the Department. The total number of criminal cases added or reopened in FY2004 was 17,638 (3,745 felonies and 13,893 misdemeanors). The great majority of cases are resolved short of trial because the Department is able and willing to take a case to trial. Fair and firm plea negotiations to resolve cases depends upon the Department's prospects for success at trial.

Depending on the nature of the offense, success at trial may require one or more expert witnesses. The Department has instituted and continues to utilize a review- and pre-approval process for the use of any expert. The Department's budget request includes approximately $200,000 for trial experts. When spread across 14 counties, a heavy caseload, and hourly expert witness rates that can reach $150, the Department has done well to keep its expert costs at their current levels.

As part of its trial program, and as its preferred method of case management, the Department continues to move toward vertical prosecution. Vertical prosecution means that the same prosecutor handles a case from initial charging decision straight through to final appeal. This approach not only ensures that the person handling a case is most familiar with its strengths and weaknesses, but also provides a consistent point of contact for crime victims. While the Department lacks sufficient attorneys to adopt vertical prosecution as standard practice, and while court scheduling conflicts often require attorneys to cover for one another (especially in those counties with more than one presiding judge), the Department will continue to implement vertical prosecution when possible.

Decreasing Federal Support for Victim Advocate and Prosecutor Positions The Department has successfully relied upon federal grants to fully or partially fund essential prosecutor and victim advocate positions. In FY 2006, 36 of the Department's 124 positions depend upon grant dollars for their

existence. These positions include all domestic violence prosecutors, the Department's entire victim advocate staff located in each and every county across Vermont, as well as the Department's specialized drug and DUI attorneys, a teen violence prosecutor, and a drug court paralegal.

In response to shrinking support in recent years, the Department has reduced hours. Domestic violence prosecutors formerly funded as full-time positions have been reduced in hours. Several victim advocate positions also have been reduced in hours.

Continued Implementation and Maintenance of CRIMES Database The Department's operating budget mainly covers the cost of rents, telecommunications, data circuits/computers, and postage. These four items account for 70% of the Department's FY2006 requested operating budget. The Department has worked in recent years to keep operating expenses down in an effort to maximize the dollars available for current staff and trial costs.

In FY2005 and FY2006, the Department continues to implement CRIMES, an integrated database that will enhance the Department's handling of its caseloads, as well as significantly improve the Department's ability to work with the larger criminal justice community in an increasingly data-rich environment. The implementation of CRIMES brings an exciting and much-needed data capability to the Department. The Department received a capital appropriation adequate to cover CRIMES implementation costs, but the Department must rely upon its operating budget for annual maintenance costs.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State's Attorneys

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	7,265,042	7,600,224	7,804,460	7,767,300
Operating Expenses	1,044,365	1,158,953	1,182,450	1,203,460
Grants	30,000	0	0	0
TOTAL	8,339,407	8,759,177	8,986,910	8,970,760
FUND TYPE				
General Fund	6,215,062	6,665,235	6,833,542	6,771,903
Transportation Fund	499,399	366,373	394,198	369,310
Special Fund	0	53,599	95,200	146,375
Federal Revenue Fund	1,623	5,000	5,000	5,000
Interdepartmental Transfer	1,623,323	1,668,970	1,658,970	1,678,172
TOTAL	8,339,407	8,759,177	8,986,910	8,970,760

Department Mission Statement

The Sheriffs' Department serves the 14 County Sheriffs in discharging their State law enforcement and prisoner transport duties. Through coordination and integration of effort in transporting prisoners, the Sheriffs' Department strives to protect the public and safely and efficiently serve the courts and the larger law enforcement community.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Sheriffs	38	38	38	2,727,032	2,853,048	3,065,654	3,009,815
TOTAL	38	38	38	2,727,032	2,853,048	3,065,654	3,009,815
FUND TYPE							
General Fund				2,007,481	2,287,344	2,477,614	2,439,576
Transportation Fund				719,551	565,704	588,040	570,239
TOTAL				2,727,032	2,853,048	3,065,654	3,009,815

Appropriation Key Budget Issues

Prisoner Transports The challenges for the transport program in FY2006 are both structural and financial. The structural challenge continues to be the number of transports. Coordinated effort by Sheriffs, the Court Administrator, Corrections, and the Defender General has helped the Department to reduce the number of transports. The transport program remains, however, the Department's most serious fiscal challenge. In terms of raw numbers, the Department performed 3,868 transports in FY2004 involving 9,161 prisoners covering 495,000 miles. This compares favorably to FY2003, during which the Department performed 4,210 transports involving 10,240 prisoners and covering nearly 518,000 miles. The Department's continued success in this area will demand the involvement and cooperation of all parties.

In addition to the cost pressures driven by the volume of transports, the Department has asked for an increase in FY2006 to the hourly rate paid to per diem deputy sheriffs who perform transports when State-paid deputy sheriffs are unavailable. The per diem deputy sheriffs are regular deputy sheriffs on the staff of a county sheriff. The per diem deputy sheriffs are not in State-paid positions, but are essential to the Department's transport program. In FY2004, the Department utilized 20,700 hours of per diem deputy sheriff time to perform Department prisoner transports. The current hourly rate is $11.00 [32 V.S.A. 1591(2)(A)] and has been unchanged since 1999. This rate is lower than the cost to Sheriffs to provide this service. The Department is proposing a fee increase to the per diem hourly rate as part of this year's Executive Branch Fee Bill. If adopted, this fee increase represents an estimated $100,000 cost increase in FY2006.

Position Funding The Sheriffs Department consists of 38 State-paid positions: 14 elected Sheriffs; 23 transport deputy sheriffs; and 1 administrative position located in Montpelier. The administrative position provides central financial, payroll, and transport support to the 14 offices around the state. Except for funding per diem transport deputy sheriffs and associated transport mileage, and State assessments for financial processing and insurance, the Department's appropriation is entirely dedicated to funding its 38 positions. There is only minimal operating support ($39,000 in FY2006) provided to the 14 local sheriff offices. Consequently, the Department uses position vacancies to absorb any underfunding of year-to-year pay act. Because the demands of prisoner transport continue notwithstanding a position vacancy, any position savings are offset by increased per diem deputy sheriff transport costs.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Sheriffs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	2,469,167	2,540,882	2,708,916	2,702,546
Operating Expenses	257,865	312,166	356,738	307,269
TOTAL	2,727,032	2,853,048	3,065,654	3,009,815
FUND TYPE				
General Fund	2,007,481	2,287,344	2,477,614	2,439,576
Transportation Fund	719,551	565,704	588,040	570,239
TOTAL	2,727,032	2,853,048	3,065,654	3,009,815

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 the client on behalf of those charged with serious crime is a necessary component of 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 Social and Rehabilitation Services; 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. The creation of this unit will help to reduce some of the caseload pressures in local public defender offices, while providing individuals

charged with the most serious crimes superior quality representation. 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. 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", 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, Children in Need of Supervision (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 70 separate contracts for assigned counsel services, including 2 attorneys who handle appeals.

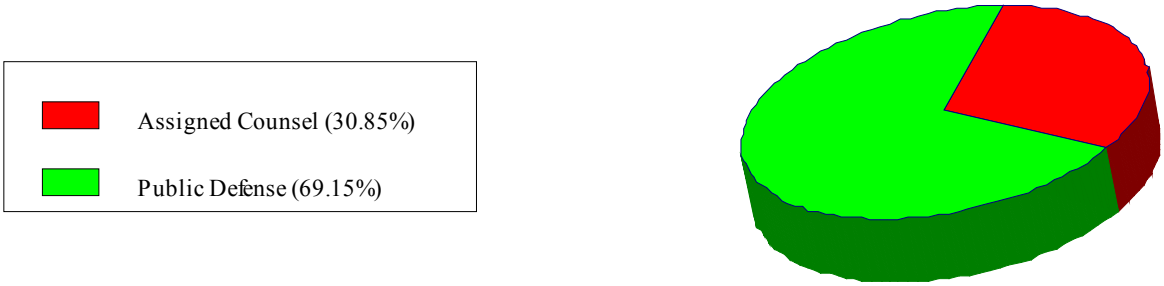
Ad Hoc Counsel
Ad hoc counsel are assigned by the court when there are conflicts with all staff and contract attorneys. Services provided by ad hoc counsel represent approximately 2-3% of the caseload. However, it is the most expensive means of service, with an hourly rate of $50. Recent efforts at expanding 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 2005 a 77% reduction in ad hoc debentures (bills for services), and a 71% decrease in added ad hoc clients.

Serious Felony Units
The Legislature in 2001 authorized the creation of three Serious Felony Units 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.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Defender General

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Public Defense	58	63	63	5,552,619	6,032,271	6,183,998	6,247,571
Assigned Counsel	8	7	7	2,682,024	2,651,368	2,848,839	2,787,679
TOTAL	66	70	70	8,234,643	8,683,639	9,032,837	9,035,250
FUND TYPE							
General Fund				6,563,072	7,286,984	7,360,715	7,579,359
Transportation Fund				906,764	728,626	738,775	734,468
Special Fund				626,161	602,629	800,100	602,502
Federal Revenue Fund				40,000	2,250	2,250	0
Interdepartmental Transfer				98,646	63,150	130,997	118,921
TOTAL				8,234,643	8,683,639	9,032,837	9,035,250



Appropriation Key Budget Issues

The Governor's recommended funding for FY 2006 is an increase of approximately $300,000. This level of funding will allow the ODG to continue funding various improvements made to the delivery of cost-effective public defense services over the last few years. Specifically, the Public Defense Serious Felony Unit, the Public Defense caseload relief contract, and the assigned counsel Serious Felony Units will be continued. Additionally, the staff of the Prisoners' Rights Office was doubled during FY 2005, and the new positions will be funded for a complete year in FY 2006. Most Public Defense contracts were entered into in FY 2005 for a three-year period, with level funding for FY 2006. Additionally, this budget includes funds for IT support and $10,000 for replacement of obsolete computer equipment, that is expected to fail in the next year. IT support remains a challenge, and the ODG is pursuing opportunities to obtain adequate funding for hardware upgrade, including federal grants. 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, and entering into long-term personal services contracts whenever possible. Also, the ODG has 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.

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. There has been a growing disparity between the LEC of public defenders and the actual number of public defenders who are available to perform this work.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	4,953,754	5,361,146	5,545,984	5,611,340
Operating Expenses	598,865	671,125	638,014	636,231
TOTAL	5,552,619	6,032,271	6,183,998	6,247,571
FUND TYPE				
General Fund	4,401,577	4,974,854	5,048,585	5,130,918
Transportation Fund	646,235	489,388	499,537	495,230
Special Fund	366,161	502,629	502,629	502,502
Federal Revenue Fund	40,000	2,250	2,250	0
Interdepartmental Transfer	98,646	63,150	130,997	118,921
TOTAL	5,552,619	6,032,271	6,183,998	6,247,571

Appropriation Key Budget Issues

Assigned counsel contractors are the most cost-efficient means of providing public defense services. This budget supports level funding of these contractors. 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 four consecutive fiscal years. The four serious felony units will be continued at level funding.

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. Minimal funds are provided to pay most anticipated bills during FY 2006.

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 a 71% reduction in added ad hoc clients from first quarter FY 2002 to first quarter FY 2005.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	2,615,663	2,599,693	2,797,164	2,734,829
Operating Expenses	66,361	51,675	51,675	52,850
TOTAL	2,682,024	2,651,368	2,848,839	2,787,679
FUND TYPE				
General Fund	2,161,495	2,312,130	2,312,130	2,448,441
Transportation Fund	260,529	239,238	239,238	239,238
Special Fund	260,000	100,000	297,471	100,000
TOTAL	2,682,024	2,651,368	2,848,839	2,787,679

Department Mission Statement

The State of Vermont Military Department, administered by the Adjutant General, includes the Vermont Army and Air National Guard, and serves as a state military force available to the Governor in the event of statewide emergency beyond the capability of civil authority. As a federal force, the Vermont National Guard is an immediate reserve for both the US Army and US Air Force, with the purpose of providing trained units and qualified personnel available for active duty in the armed forces in time of war or national emergency, and at other times as may be required for national security. The Military Department commands or supports the National Guard as mandated by state and federal constitutions. Under the Adjutant General, the Military Department provides support to Vermont Veterans, as required by Vermont Law.

State funds account for approximately 18.6% of the combined state and federal budget the Military Department expends to maintain facilities for administration, training and storage requirements of the Vermont National Guard in the accomplishment of its missions.

Description of Appropriations, Divisions, & Programs

In the Department's role as a state military force prepared to respond at the call of the Governor, it has provided relief services to the citizens of the state on numerous occasions. This support ranges from providing water storage units in time of drought, to road repair and evacuation in time of flood and other natural disasters. The Military Department has been tasked with providing support to the Vermont Army and Air National Guard in their participation in Operations Noble Eagle, Iraqi Freedom and Enduring Freedom. This support includes maintenance support for the armories throughout the State, assisting with implementing additional security measures as required at Camp Johnson, and providing facilities for the feeding and housing of soldiers called to duty for homeland security missions. This has not been without cost, as the armories have of necessity not been available to the many youth and community groups that normally use these facilities throughout the State, due to heightened levels of security implemented nationally and here in Vermont. Additionally, the Military Department serves the needs of more than 60,000 Vermont Veterans. A major part of its service to Veterans is maintenance of the Vermont Veteran's Memorial Cemetery in Randolph. Supervision of this cemetery is provided through the Veterans' Affairs Office in Montpelier. The Veterans' Affairs Office also maintains records of all Vermont Veterans, coordinates requests for funeral services for deceased veterans, tracks and verifies claims for bonus payments and disability claims, and handles other miscellaneous requests for information. The Military Department also provides support to Vermont communities with color guards for parades and other formal ceremonies, as well as providing honor guards for funeral services throughout the state. In 2004, the Army and Air National Guard has provided over 300 military funeral

details for Vermont's deceased Veterans. This number is expected to continue to rise for the foreseeable future.

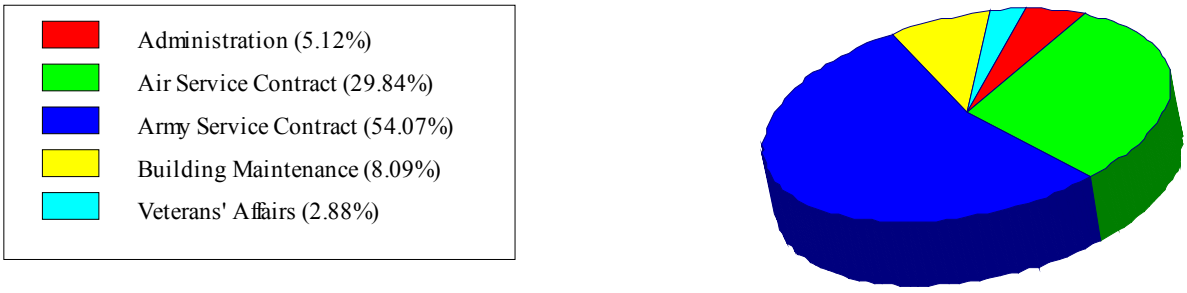
Since FY 1994, the Military Department has administered Starbase, a 100% federally funded program targeting students in grades four through six with hands-on curriculum of science, math, and technology. Over 7,000 students have been served by the program. Students attend a five-day session held at the Vermont Air National Guard Base in South Burlington and a second site in Rutland. The Starbase staff consists of a Unit Chief, Administrator, Instructor, and Administrative Specialist at South Burlington and Rutland sites. All positions are state employees whose compensation and benefits package is federally reimbursed. The Military Department also provides crash, fire and rescue services to the Burlington International Airport. The Vermont Air Guard Fire Department is the first-responder for all crash, fire and rescue needs at the airport, as well as assisting with back-up to other departments in Chittenden County. The Burlington Airport Commission has estimated that this service results in an annual cost-saving to taxpayers of $500,000.

The Military Department continues to operate these programs even as over 1,000 soldiers (many are state employees of this Department) have been deployed for overseas duty in the Global War on Terror.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Military

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration	7	7	7	737,494	786,011	786,011	802,781
Air Service Contract	57	58	57	3,798,835	4,618,716	4,618,716	4,676,576
Army Service Contract	27	29	30	4,681,958	10,742,004	10,742,004	8,472,152
Building Maintenance	20	20	21	1,211,749	1,262,400	1,262,400	1,267,472
Veterans' Affairs	4	4	4	369,147	402,180	402,180	451,221
TOTAL	115	118	118	10,799,183	17,811,311	17,811,311	15,670,202
FUND TYPE							
General Fund				2,685,280	2,910,631	2,910,631	2,954,602
Special Fund				71,743	0	0	0
Federal Revenue Fund				8,042,160	14,900,680	14,900,680	12,715,600
TOTAL				10,799,183	17,811,311	17,811,311	15,670,202



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	425,968	442,365	442,365	450,746
Operating Expenses	191,556	199,963	199,963	152,035
Grants	119,970	143,683	143,683	200,000
TOTAL	737,494	786,011	786,011	802,781
FUND TYPE				
General Fund	737,494	786,011	786,011	802,781
TOTAL	737,494	786,011	786,011	802,781

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Air Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	3,065,943	3,731,755	3,731,755	3,838,895
Operating Expenses	732,892	886,961	886,961	837,681
TOTAL	3,798,835	4,618,716	4,618,716	4,676,576
FUND TYPE				
General Fund	301,505	344,459	344,459	322,658
Federal Revenue Fund	3,497,330	4,274,257	4,274,257	4,353,918
TOTAL	3,798,835	4,618,716	4,618,716	4,676,576

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Army Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,376,352	2,565,304	2,565,304	2,692,018
Operating Expenses	3,305,606	8,176,700	8,176,700	5,780,134
TOTAL	4,681,958	10,742,004	10,742,004	8,472,152
FUND TYPE				
General Fund	137,128	115,581	115,581	110,470
Federal Revenue Fund	4,544,830	10,626,423	10,626,423	8,361,682
TOTAL	4,681,958	10,742,004	10,742,004	8,472,152

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Building Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	765,337	846,956	846,956	883,960
Operating Expenses	446,412	415,444	415,444	383,512
TOTAL	1,211,749	1,262,400	1,262,400	1,267,472
FUND TYPE				
General Fund	1,211,749	1,262,400	1,262,400	1,267,472
TOTAL	1,211,749	1,262,400	1,262,400	1,267,472

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Veterans' Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	175,529	206,015	206,015	221,316
Operating Expenses	168,283	70,000	70,000	108,740
Grants	25,335	126,165	126,165	121,165
TOTAL	369,147	402,180	402,180	451,221
FUND TYPE				
General Fund	297,404	402,180	402,180	451,221
Special Fund	71,743	0	0	0
TOTAL	369,147	402,180	402,180	451,221

Department Mission Statement

The Department of Labor & Industry's mission is to provide for the safety, protection, and welfare of people where they work, live and play, in a manner that is fair, consistent, supportive, and professional.

Description of Appropriations, Divisions, & Programs

Departmental Merger

As reflected in a number of public announcements, the Administration is proposing a merger between the Departments of Employment & Training and Labor and Industry. The Governor will present an Executive Order to the Legislature in January 2005 making the merger effective July 1, 2005. The new department, to be called the Department of Labor, will result in one administrative umbrella for numerous programs such as unemployment insurance, workers' compensation, labor market information, job skills training, workforce development, and occupational safety. It is anticipated the new department will provide a better service delivery model for employers and individuals and will in the long-term provide for a strong organizational structure and efficiencies.

For the fiscal 2006 budget request both the Department of Labor and Industry and the Department of Employment & Training are filing individual requests.

The Department of Labor and Industry's Fiscal 2006 budget request is approximately $4.2 million. About 53% of Labor and Industry's funding is from special funds, with general funds (20%) and federal funds (27%) accounting for the remainder.

Currently, the Department's work is organized into the following divisions and major programs:

- Workers' Compensation
- VOSHA Compliance
- Project WorkSAFE
- Wage and Hour
- Passenger Tramway
- Licensing and Inspection

Workers' Compensation Division
The Workers' Compensation Division ensures that workers who are injured because of their work receive medical and disability compensation from their employer or their employer's insurer, without

regard to fault on the part of the employee or employer. This involves extensive efforts at dispute resolution, including form audits, mediation and adjudication. The Division adjudicates disputed workers' compensation claims through an informal dispute resolution process and when necessary through a formal hearing process.

With a staff of 17, the Division receives about 20,000 injury reports a year. Of these about 7,500 involve lost work time of three or more days. About 5,000 cases involve a dispute of one or more issues. Most of the disputed cases are settled informally, only 60 to 75 go to formal hearing.

The Workers' Compensation program is primarily funded by an assessment, currently at 0.40%, on employers' workers' compensation premiums. We are recommending that the assessment rate remain at its current level for FY 2006.

Vermont Occupational Safety and Health Administration (VOSHA)
VOSHA assures that all persons are provided, by their employers, with safe and healthful working conditions at their work places and ensures that employees not suffer diminished health, functional capacity, or life expectancy as a result of their work experience. This mission is accomplished through the inspection of work places for violations of the VOSHA safety and health standards. If violations are found the employer must correct them and may be subject to monetary penalties. The VOSHA Compliance program and its 13 employees are funded on a 50% general fund and 50% federal fund basis. The Department also receives small federal grants to cover half the cost of collecting labor statistics on injured workers and to fund private training programs from the Mine Safety & Health Administration.

Project WorkSAFE
Project WorkSAFE seeks to maintain safe workplaces by providing confidential, no-cost inspection and consultation services to Vermont's businesses. Employers invite WorkSAFE staff to inspect their facilities, who list a summary of hazards, and provide assistance in hazard correction. The employer avoids any citations or penalties, but is required to correct all hazards discovered during the inspection. Project WorkSAFE and its six employees are funded by federal and special funds. Federal funds account for 75%-80% of WorkSAFE's funding, depending upon federal grant limits. The remaining funding comes from the Workers' Compensation Administration Special Fund, about 15% -20%, and about 5% in general funds.

Wage and Hour Program
The Wage and Hour Program enforces the State's minimum wage, overtime, wage payment, employee benefit, and child labor laws. This program is funded entirely with general funds. The program has two office staff and it shares an investigator position with the workers' compensation program.

Passenger Tramway Program
The Passenger Tramway Program inspects the construction, operation and maintenance of ski tows, lifts and trams and monitors them for compliance with state regulations designed to provide for passenger

safety. The state has 226 lifts at its 26 ski areas. Each year about 250 injuries occur on or are caused by ski lifts over the course of about 4 million skier days, about one injury per 16,000 skier days.

Vermont ski areas pay the cost of the Passenger Tramway Program. An annual assessment rate is set based upon the number, type and length of ski lifts operating in the State. Every fiscal year the fee rate is set to collect enough revenue to fund the program. The program has three inspectors.

Licensing and Inspection

Effective April 1, 2005 the majority of the Department's Fire Prevention program will be transferred to the Dept of Public Safety. Labor and Industry will retain the Plumbing and Electrical Licensing, the Plumbing Inspection, and the Elevator Safety programs. Collectively, these programs are known as the Licensing and Inspection program. This 3.5 position program is funded entirely by special funds.

Administration

The Commissioner's Office provides management, policy guidance, strategic planning, business management functions, information technology and legal services to the Department. The office also licenses employee-leasing companies. There are seven positions (six funded) in Administration. This is down from nine positions in FY 2005. The Deputy Commissioner position is not funded in the FY 2006 budget request.

The costs of the Commissioner's Office and the Administrative Services section are allocated to the various funding sources based upon salary dollars in each program. The loss of the bulk of the Fire Prevention division has reduced the workload of Administration and has eliminated a major source of funding, the Fire Prevention special fund.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Labor and Industry	88	88	52	6,226,059	7,018,518	6,261,518	4,229,773
TOTAL	88	88	52	6,226,059	7,018,518	6,261,518	4,229,773
FUND TYPE							
General Fund				678,380	913,722	891,186	836,000
Special Fund				4,602,642	4,975,015	4,253,634	2,254,281
Federal Revenue Fund				914,862	1,080,648	1,080,648	1,139,492
Interdepartmental Transfer				30,175	49,133	36,050	0
TOTAL				6,226,059	7,018,518	6,261,518	4,229,773

Appropriation Key Budget Issues

The Department of Labor and Industry is in transition. As of January 1, 2005 the Department has 88 positions. Effective April 1,2005 the majority of the Fire Prevention division and 36 positions will be transferred to the new Fire Safety Division in the Department of Public Safety. As outlined elsewhere, the Administration is proposing a merger between the Departments of Employment & Training and Labor and Industry. Both Labor and Industry and Employment and Training are filing separate budget requests for FY 2006.

The Department's FY 2006 budget request of $4.23 million reflects the move of the positions to Public Safety and also incorporates reductions in the Department's Administration division. After accounting for the move of the Fire Prevention programs, both the general fund request of $836,000 and the special funds request of $2.25 million are within 1% of the FY 2005 request. We believe our federal funds will be sufficient to maintain programs at existing levels.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	5,109,237	5,618,018	4,999,413	3,365,123
Operating Expenses	1,039,164	1,325,500	1,187,105	789,650
Grants	77,658	75,000	75,000	75,000
TOTAL	6,226,059	7,018,518	6,261,518	4,229,773
FUND TYPE				
General Fund	678,380	913,722	891,186	836,000
Special Fund	4,602,642	4,975,015	4,253,634	2,254,281
Federal Revenue Fund	914,862	1,080,648	1,080,648	1,139,492
Interdepartmental Transfer	30,175	49,133	36,050	0
TOTAL	6,226,059	7,018,518	6,261,518	4,229,773

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 to all departments who wish to enter the program.

Description of Appropriations, Divisions, & Programs

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

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 training, 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 70 full-time officers each year, plus approximately 25 waiver students from other states. Additionally, we average 40-50 people per day for in-service education and re-certification education.

The Vermont Canine Academy currently consists of 30 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 four youth programs geared to a future in law enforcement or firefighting.

Appropriations, Programs: The Criminal Justice Training Council is funded through the General Fund, Transportation Fund and Special Fund. The special fund is made up of tuition charged to Departments who attend in-service training. The Special Fund also has receipts from penalty assessments deposited to it. Income from other tuition and reimbursement sources makes up the remainder. In addition, state, county and local departments are donating nearly a half million dollars in time and equipment.

The Academy works closely with all police departments in the state in the areas of recruiting and retention as well as providing audiovisual programs the recruiters can use away from their department. Every three weeks, an entrance test is administered to potential students who are selected by departments. Once hired, the full-time program consists of sixteen weeks of intense physical and mental training to prepare students for duty with the sponsoring departments. The part-time program consisting of a minimum of 168 hours is also offered. The Council certifies approximately two hundred new officers each year and trains an additional fifty-five officers a day in a variety of in-service programs.

The agencies that we serve are continuing to demand alternative methods of training. This includes distance-learning modalities and regional training offerings. These alternatives are expensive and time consuming.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Criminal Justice Training Council	7	8	10	1,369,534	1,525,159	1,525,159	1,754,928
TOTAL	7	8	10	1,369,534	1,525,159	1,525,159	1,754,928
FUND TYPE							
General Fund				558,151	647,358	647,358	902,574
Transportation Fund				383,711	279,677	279,677	281,919
Special Fund				412,465	464,724	464,724	500,435
Interdepartmental Transfer				15,207	133,400	133,400	70,000
TOTAL				1,369,534	1,525,159	1,525,159	1,754,928

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	702,049	794,955	794,955	873,949
Operating Expenses	667,485	730,204	730,204	880,979
TOTAL	1,369,534	1,525,159	1,525,159	1,754,928
FUND TYPE				
General Fund	558,151	647,358	647,358	902,574
Transportation Fund	383,711	279,677	279,677	281,919
Special Fund	412,465	464,724	464,724	500,435
Interdepartmental Transfer	15,207	133,400	133,400	70,000
TOTAL	1,369,534	1,525,159	1,525,159	1,754,928

Department Mission Statement

The Department of Liquor Control is responsible for: the purchase, distribution and retail sale of all "spirits", (i.e., all distilled spirits, beers of greater than 8% alcohol, and wines greater than 16% alcohol content); the enforcement of Vermont's alcohol beverage statutes and regulations; statutes relating to tobacco products; the collection of the State's 25% retail tax on liquor; the annual issuance of more than 4,900 licenses; providing mandatory education concerning the proper use of alcohol beverages and tobacco products to licensees, industry members and students; and the redemption and recycling of liquor bottles subject to Vermont's deposit law.

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 spiritous 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 promotes moderate consumption, while maximizing the revenues generated for the state.

Retail Operations provide for the sale of alcohol beverages to the public and licensed establishments throughout the state.

Warehousing, Distribution, and Recycling receives and stores alcohol 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.

The Liquor Control Board, Commissioner and support personnel supervise and manage the sale of spiritous liquors as well as enforce laws and regulations under V.S.A. Title 7. Supervisory staff provides 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 vendors to resale. Information Technology supports all divisions of the department.

Enforcement, Licensing & Education Appropriation:
The Enforcement, Licensing, & Education division's mission is to provide a safe and healthy 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 the Vermont's alcohol beverage statutes and regulations and certain tobacco laws. This division also provides mandatory alcohol and tobacco education for all licensees and their employees.

Enforcement and Licensing investigate 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 4,900 licenses annually and handles cases and enforces decisions made by the Liquor Control Board. They also conduct alcohol compliance testing monthly of licensed premises, as mandated by the Liquor Control Board.

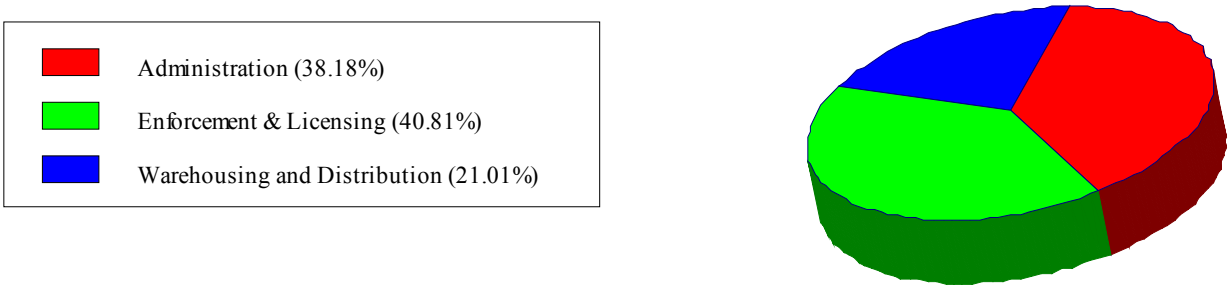
The Education Unit provides licensee server training for business owners and their employees. They also process statistical seminar activity. Their primary function is to provide mandatory server/seller training as mandated by 7 V.S.A. Sec.239(c). Tobacco compliance testing also has been mandated by 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 passing a mandatory server/seller education law. The Education Section became a more defined part of the Division. In the Education Section there is now an Education Programs Coordinator, two Education Investigators and an administrative person working together to improve the department's educational programs. The section has been developing updated programs for licensees, as well as working on improved programs for students and their communities. The Education Section, 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.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Liquor Control

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Enforcement & Licensing	23	23	23	1,703,920	1,678,669	1,707,642	1,713,154
Administration	19	19	19	1,450,682	1,500,171	1,500,171	1,602,675
Warehousing and Distribution	14	14	14	786,602	875,140	875,140	882,019
TOTAL	56	56	56	3,941,204	4,053,980	4,082,953	4,197,848
FUND TYPE							
Special Fund				318,862	290,000	290,000	289,768
Enterprise Fund				3,596,772	3,763,980	3,757,953	3,908,080
Interdepartmental Transfer				25,570	0	35,000	0
TOTAL				3,941,204	4,053,980	4,082,953	4,197,848



Appropriation Key Budget Issues

Tobacco Settlement money funds 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. As of November, 2004, numbers indicate a 91.8% compliance rate. 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 2006 BUDGET RECOMMENDATIONS
Enforcement & Licensing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,459,158	1,483,036	1,512,009	1,557,469
Operating Expenses	244,762	195,633	195,633	155,685
TOTAL	1,703,920	1,678,669	1,707,642	1,713,154
FUND TYPE				
Special Fund	318,862	290,000	290,000	289,768
Enterprise Fund	1,359,488	1,388,669	1,382,642	1,423,386
Interdepartmental Transfer	25,570	0	35,000	0
TOTAL	1,703,920	1,678,669	1,707,642	1,713,154

Appropriation Key Budget Issues

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 $34,931,651 in 1996 to $47,036,541 in 2004. Half way through FY05, sales are more than $1.8 million over last year and could be up by $2.5 to $3 million by year end.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,141,874	1,204,987	1,204,987	1,250,029
Operating Expenses	308,808	295,184	295,184	352,646
TOTAL	1,450,682	1,500,171	1,500,171	1,602,675
FUND TYPE				
Enterprise Fund	1,450,682	1,500,171	1,500,171	1,602,675
TOTAL	1,450,682	1,500,171	1,500,171	1,602,675

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Warehousing and Distribution

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	585,069	640,494	640,494	716,954
Operating Expenses	201,533	234,646	234,646	165,065
TOTAL	786,602	875,140	875,140	882,019
FUND TYPE				
Enterprise Fund	786,602	875,140	875,140	882,019
TOTAL	786,602	875,140	875,140	882,019

Department Mission Statement

The Racing Commission is charged with the establishment, licensing, regulation, and control of the pari-mutuel system of wagering on horse racing in the State of Vermont.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Racing Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Racing Commission	0	0	0	3,978	5,000	5,000	5,000
TOTAL	0	0	0	3,978	5,000	5,000	5,000
FUND TYPE							
General Fund				3,978	5,000	5,000	5,000
TOTAL				3,978	5,000	5,000	5,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Racing Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	195	2,076	2,076	2,076
Operating Expenses	3,783	2,924	2,924	2,924
TOTAL	3,978	5,000	5,000	5,000
FUND TYPE				
General Fund	3,978	5,000	5,000	5,000
TOTAL	3,978	5,000	5,000	5,000

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, 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 Archives, Elections, Corporations, and Professional Regulation; and the Safe at Home address confidentiality program.

ARCHIVES
The Archives Division of the Office of the Secretary of State preserves and keeps accessible state government records deemed by statute, record schedule or archival appraisal to have continuing value. The goal of the Archives is to provide evidence of key government transactions and activities of government. The Archives provide reference services to those seeking to review public records.

The Archives shall, to the extent practicable, cooperate with and assist state institutions, political subdivisions, and individuals engaged in archival management and historical research. The Archives may offer advice on questions associated with the statutory provisions governing access to public records. The primary statutory authority for the State Archives can be found in 3 V.S.A.§117 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 responsive and accurate information and advice to citizens, 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; improves the motor voter registration process and forms; continues to increase the availability of information through its web site and publications; and provides public education to encourage the participation of all citizens of voting age in the Vermont elections process.

As of the 2000 census, there were 461,491 citizens of voting age and as of November, 2004 there were

444,077 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; to register trademarks and trade names; and to act as the central filing office for Uniform Commercial Code liens. The office seeks to increase opportunities for business to register and file, and for the public to search for information, using the internet.

The division seeks to pay for its services through the generation of fee and registration revenues and to contribute additional revenues to the general fund.

OFFICE OF PROFESSIONAL REGULATION
The mission of the Office of Professional Regulation within the Office of the Secretary of State 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; to ensure equity in licensing, regulation and discipline by fairly and responsibly administering the rules and statutes pertaining to these professions and occupations. The Office of Professional Regulation serves these 40 professions, agencies that investigate criminal and civil abuse cases, professional associations, consumers, and educational systems for the professions.

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 2006 BUDGET RECOMMENDATIONS
Secretary of State

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Secretary of State	49	51	51	4,329,084	5,365,205	5,568,068	6,289,947
TOTAL	49	51	51	4,329,084	5,365,205	5,568,068	6,289,947
FUND TYPE							
General Fund				572,201	928,352	1,047,215	583,525
Special Fund				3,204,996	3,542,965	3,626,965	3,631,422
Federal Revenue Fund				476,887	818,888	818,888	2,000,000
Interdepartmental Transfer				75,000	75,000	75,000	75,000
TOTAL				4,329,084	5,365,205	5,568,068	6,289,947

Appropriation Key Budget Issues

Federal spending for requirements of the Help America Vote Act (HAVA) is budgeted at $2,000,000 in fiscal year 2006.

APA proposed rule publication costs are level funded in fiscal year 2006. The costs of publication of proposed rules are reimbursed by the originating agency or department proposing the rule.

The budget includes $2,640,529 in special funds from the professional regulatory fund for the operations of the Office of Professional Regulation.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,856,816	3,239,056	3,343,056	3,543,036
Operating Expenses	1,472,268	2,126,149	2,225,012	2,746,911
TOTAL	4,329,084	5,365,205	5,568,068	6,289,947
FUND TYPE				
General Fund	572,201	928,352	1,047,215	583,525
Special Fund	3,204,996	3,542,965	3,626,965	3,631,422
Federal Revenue Fund	476,887	818,888	818,888	2,000,000
Interdepartmental Transfer	75,000	75,000	75,000	75,000
TOTAL	4,329,084	5,365,205	5,568,068	6,289,947

Department Mission Statement

The Department contains the Divisions of Banking, Insurance, Captive Insurance, Securities and Health Care Administration. The Banking, Insurance and Captive Insurance divisions perform financial examinations of the institutions and companies under their jurisdictions. The Insurance Division reviews the contracts and products being sold to the public and the qualifications and disciplinary history of financial service providers and their sales agents. The Securities Division reviews securities offerings prior to their sale to the Vermont public and reviews the qualifications and disciplinary history of brokers/dealers and investment adviser firms and their agents. The Health Care Administration Division regulates and monitors key sectors of Vermont's health care system to ensure that all Vermonters have access to preventive and medically necessary care that is affordable and meets accepted standards for quality. Each of the four Divisions mediate consumer complaints and provide consumer information. Formation and expansion of regulated Vermont companies are subject to Department review, as are the rates charged on certain financial service products. The Department has administrative enforcement power to ensure compliance with Vermont laws.

Description of Appropriations, Divisions, & Programs

FY 2006 Banking Division
Overview

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 date 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. The Commissioner has been granted a wide range of enforcement alternatives by the Legislature.

(2) Consumer services which is 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 intervention with regulated institutions. Examinations and investigations may be initiated where needed.

(3) Education, which was added with the passage of the new banking law in 2000, centers on providing the public valuable information through brochures, surveys, and public speaking

engagements 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 <http://www.bishca.state.vt.us>.

During Fiscal year 2006, the following state-chartered entities and licensees will be regulated by the Banking Division: Vermont Financial Institutions, Non-Depository Trust Companies, Independent Trust Companies, Credit Unions, Financial Holding Companies, Licensed Lenders, Mortgage Brokers, Debt Adjusters, Sales Finance Companies, Money Transmitters, Check Cashers and Currency Exchangers.

FY 2006 Insurance Division
Overview

The mission of the Insurance Division is to protect the insurance buying public through regulation of those persons and companies engaged in providing insurance to the citizens of Vermont. The Division, through each of its sections, regulates the insurance industry through ongoing financial surveillance, periodic financial and market conduct examinations around the country, licensing and maintenance of competency standards of individual professionals, rate and policy form review and consumer education and consumer complaint resolution.

The Rate & Forms Section's function is to review and approve policy forms and certain rate filings for insurance companies licensed to do business in Vermont. This includes Property & Casualty insurance and Life & Annuity insurance. In FY2004, approximately 4,700 filings were acted on resulting in approximately $638,000 in fees received. The Rate & Forms Section also monitors and analyzes the insurance market in Vermont in regards to most lines of Property & Casualty insurance, maintains statistical reporting of the industry, provides technical data support to the Consumer Complaints Section and reports and testifies on a wide range of insurance issues to the legislature. In FY2004, the section implemented a system for the electronic filing of rates and forms for all property and casualty and life insurance lines. Vermont is the first state to implement the electronic filing system which significantly enhanced the section's productivity.

The purpose of the Market Conduct Section is to ensure that insurance companies licensed in the state conduct their business in accordance with Vermont law and treat consumers in a fair and equitable manner. To accomplish this goal, the Insurance Division employs Market Conduct Examiners to perform periodic on-site examinations of the trade practices of insurance companies and licensees that do business in the state. Any activities uncovered by the examination that are not in accordance with Vermont law may lead to an enforcement action, including administrative penalties and orders of restitution. The cost of market conduct examinations to Vermont taxpayers is negligible since Vermont law allows the Department to be reimbursed for the cost of the exam by companies and licensees being examined. During FY2003, the Insurance Division completed market conduct examinations of five major insurance companies doing business in the state and initiated examinations of six other insurers. As a direct result of these examinations and the related enforcement actions, Vermont policyholders

have recovered refunds exceeding $163,000.00 and the State has received over $57,000.00 in administrative penalties.

The primary goal of the Company Licensing and Examination Section is to ensure that consumers purchase insurance from companies, which are fiscally responsible. The Section licenses or authorizes and reviews approximately 1,200 traditional insurance companies conducting business in this state. Of these, 20 are domiciled in Vermont. Traditional insurance companies include property and casualty companies, life and health companies, non-profit health organizations, fraternal organizations, title companies, viatical companies, HMOs, premium finance and service contract companies and continuing care retirement communities. Fees amounting to approximately $551,000 are collected from the companies. Every three to five years, under the Section's examination program, licensed domestic companies are visited on site where an in-depth review of their financial position is conducted. On going financial analysis of Vermont's domestic companies is also conducted through submitted financial statements and other required filings.

The main objective of the Insurance Division’s Consumer Assistance Section is to provide direct and personal service to the public on resolving consumer complaints. This entails ensuring that the insurance industry adheres to the laws, regulations and bulletins established by the Department to protect the public. This can range from assisting the consumer in getting a claim paid to aiding the consumer in procuring coverage during the hard market which we are now experiencing. The Section provides consumer education and guidance, comparative information about rates and forms in the marketplace, various consumer guide publications and on site attendance at a variety of fairs and shows to assist on an outreach basis. In 2004, the Section logged approximately 8,300 telephone calls for assistance, opened over 709 complaints, answered an additional 196 written inquiries and recovered approximately $1.6 million for consumers through problem solving resolution and intervention with companies.

The Producer Licensing Section of the Insurance Division issues 15 different types of licenses on a biennial basis. The primary purpose of the Licensing Section is to protect Vermonters by ensuring that only qualified individuals are licensed in Vermont. In addition to this mission, the Section also provides the insurance industry with excellent and timely service so that the business of insurance using licensees is uninterrupted. In FY2004, the Section collected $4.5 million in licensing related fees. It should be noted that insurance producers are licensed for two year periods occurring in odd numbered years, thus the section’s fees vary significantly between odd and even numbered years. In FY2003, the section collected $9.4 million in licensing fees.

The Producer Licensing Section has undergone a significant amount of change. This change relates to both the state requirements for licensure of certain license types and the systems and processing used to administer the issuance and renewal of licenses. Vermont law was amended in 2001 to establish a new license type called "producer." The license type became effective on July 1, 2002. The producer license replaces the previous license types of "agent and broker." The new law did not change the requirement that individuals who sell on behalf of insurers (called producers under the new law) must be appointed through the state by companies for whom they act as an agent. The section currently has approximately

25,000 licensees and approximately 100,000 appointments by insurers.

In addition to implementing this new law, the Producer Licensing Section completed a system-wide conversion onto a new software system. As a result of this conversion, the Section is achieving greater efficiency managing the licensing process. Service quality has improved dramatically by shortening the length of time needed to obtain a license. In addition, as a result of the conversion, the Section participates in a national database that enables the electronic processing of certain license types.

FY 2006 Captive Insurance Division
Overview

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. Vermont has evolved a regulatory system to ensure the solvency of captives while recognizing the special purpose for which they were created. The number of captives in Vermont continues to grow.

There are 512 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 their licensing and examination activities. Captive insurers create jobs and also generate premium taxes for the state; in FY2004 the Captive insurance industry remunerated approximately $19,900,000 in premium taxes to Vermont.

FY 2006 Securities Division
Overview

The mission of the Securities Division is to protect Vermont investors from fraudulent investment schemes and thus to help promote the legitimate formation of capital in this state. The Division fulfills this mission through four main regulatory activities: 1) review and approval of securities offered to Vermont investors; 2) licensing of securities dealers and investment advisors; 3) enforcement of the anti-fraud provisions of the Vermont Securities Act; and 4) consumer protection by both responding to consumer complaints and providing education to the investing public.

The Division employs five members, including one enforcement attorney, two securities examiners who review proposed securities offerings and investigate alleged violations of the Vermont Securities Act, a systems administrator who oversees the licensing of over 68,000 securities dealers and investment advisors in the state, and a program services clerk.

In FY 2004, the Division’s revenue from all sources, including fines and licensing fees, exceeded $15.7 million. FY 2004 revenues were higher than usual due to the Division’s participation along with other

state and federal securities regulators in a global settlement of charges that Wall Street brokerage firms issued misleading stock research reports to investors. Thus, it is anticipated that total Division revenue will return to the $12 million range in FY 2005.

The Division believes that helping to create financial literacy is one of the best ways to protect Vermont investors. During FY 2004, Division staff engaged in a variety of activities designed to promote financial literacy among Vermont citizens, including personal appearances at senior fairs and high schools, television appearances, and the publication of magazine and newspaper articles. The Division plans to continue increasing its investor education activities by further developing programs aimed at increasing the financial sophistication of two high priority groups, senior citizens and teenagers.

FY 2006 Health Care Administration Division
Overview

The mission of the Division of Health Care Administration is to foster a high quality health care system that all Vermonters can access, which is affordable and meets accepted standards for quality. This mission is accomplished by implementing and enforcing regulations, providing consumer services and education, and developing policy. During the 2003 legislative session, Act 53 was passed to strengthen the health planning process. The requires HCA to work with all stakeholders of the health care delivery system to develop a Health Resource Allocation Plan. The HRAP is expected to identify Vermont's need in health care services, programs, and facilities. The plan will identify the resources available to meet those needs and the priorities for addressing those needs on a statewide basis. The law also represents a fundamental and extensive change to the Certificate of Need process for review of health care capital expenditures.

The Division operates 5 primary programs to carry out regulatory responsibilities. These programs utilize both staff and contractual expertise to implement and operate oversight, data research and analysis, consumer services and legal/enforcement activities. The following describes the major functions that the Division performs to meet its mission and the requirements of law.

PROFILE OF PROGRAMS/FUNCTIONS

Health Resource Allocation Plan

Regulatory oversight of health care in Vermont changed in 2003 with the passage of Act 53 of the Vermont General Assembly. The law is implemented under the provisions of 18 V.S.A. §9402 through §9456. A key provision of the Act is the development of a Health Resource Allocation Plan (HRAP).

The HRAP is expected to identify Vermont's need in health care services, programs, and facilities. The plan will identify the resources available to meet those needs and the priorities for addressing those needs on a statewide basis. The HRAP will include a statement of principles, identification of the supply and distribution of health care resources and providers, development of recommendations as to

the appropriate supply and distribution of resources, options for implementing recommendations, and mechanisms to encourage local integration. Recommendations will be achieved by considering several factors:

1) a comprehensive health care services inventory,
2) the State Health Plan that is expected to be completed by the Health Department in January of 2005,
3) hospital community needs assessments that are intended to prioritize services in the local health care service areas,
4) hospital community reports that will include financial and quality measures,
5) four year capital plans as presented by the hospitals,
6) recommendations from an advisory committee that was assembled by the Commissioner in the spring of 2004,
7) and public input from at least five public hearings to be held across the state.

The Division has held a number of public meetings with the Health Resource Allocation Advisory committee since the spring of 2004. This information, along with key analyses and documents is provided on the Department's web site as well. Ongoing public involvement and input will continually be considered throughout the process.

Data, Information and Research

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, delivery and quality of health care services offered to Vermonters. Under Act 53 and revisions to 18 V.S.A. § 9405, HCA has expanded responsibilities related to the collection and analysis of health care data and information needed to support the development of the four-year health resource allocation plan to identify the supply, distribution, need for, and appropriate allocation of health care resources, facilities and programs serving Vermonters. HCA analyzes data from health care providers, facilities, payers, and health insurance carriers to produce reports about expenditures for health care in the state, and for state residents in and out of state. HCA analyzes administrative and survey databases to monitor the health insurance coverage status of Vermont residents and the structure of the private health insurance market in Vermont. Current efforts include: preparation of the Annual Vermont Health Care Expenditure Analysis; planning, management, analysis and reporting of the 2005 Vermont Family Health Insurance Survey; analysis of the federal Annual Demographic and Economic Survey (Current Population Survey) data to estimate health insurance coverage status and related characteristics of Vermont residents; management and analysis of the Annual Statement Supplement Report Database quantifying Vermont's insured market; administration of the Vermont Hospital Inpatient Discharges, Outpatient Procedures and Emergency Department Visit Database including collaborative analysis and reporting with the Vermont Department of Health; and preparation of ad hoc analyses as requested by the Commissioner and policy makers.

Certificate of Need and Hospital Budget Review

The public fiscal oversight provided through the division's regulatory activities is focused on maintaining reasonable controls over health care expenditures and encouraging development of non-duplicated and cost-effective health care services while protecting access to and quality of care.

The Public Oversight Commission has a significant role in reviewing CON applications and recommending approval, changes, or denials to the Commissioner. HCA provides the administrative support necessary for the POC to perform its duties. The POC also examines hospital budget information and provides comments along with the public. Specifically, HCA:

a) As required by 18 VSA 9451 et seq., establishes the Vermont hospital budgets on an annual basis which determines each hospital's spending level for that year,
b) Reviews budgets to determine whether a hospital operated within its approved budget level established in the prior year,
c) As required by 18 VSA 9431 et seq., approves or disapproves expenditures for new institutional health services which exceed specific dollar amounts or review of proposals as mandated by Certificate of Need (CON) laws,
d) As required by 18 VSA 9431 develops three-year projections of health care expenditures, using the Vermont Expenditure Analysis, and,
e) Then adopts an annual unified health care budget to serve as a guide for controlling costs, directing resources and assuring quality and access.

As noted previously, during the 2003 legislative session, Act 53 was passed requiring changes in the CON program. The CON program will be coordinated and changes implemented as the Health Resource Allocation Plan and one-year and four-year capital budgets are developed. This new information, along with hospital report cards, will serve to help inform the Health Resource Allocation Plan and CON applications that are presented to the Division. The hospital report cards and the one-year and four-year capital budget tasks have been completed.

Health Insurance Rate Review and Form Filings

Review of health insurance rate proposals and form filings is also part of HCA's duties (8 VSA Chapter 107). Health insurance rate and form filings number over 1,100 in a given year and include those pertaining to traditional indemnity plans, managed care plans, disability plans, accident plans, and various supplemental insurance products (such as Medicare Supplement). Form filings, which describe the coverage a given plan will provide to the consumer, require staff to review a plan's documents to determine whether they are in compliance with Federal and State statutes and regulations and to ensure that they are written so that the consumer can understand his or her coverage. Rate approval includes analysis of key assumptions used to determine the need for rate increases, taking the financial status of the company and its performance in a specific market into consideration. Analysis includes services purchased from actuaries as well as internal staff review. In the case of certain Medicare Supplement

rate requests, the Division administers an extensive statutory process that includes public informational hearings. Approval of a rate filing is determined by evaluating the adequacy of the rate, determining whether the rate is excessive, and whether it is discriminatory.

Quality Improvement and Consumer Services

HCA is responsible for evaluating managed care organizations (MCOs) under 8 V.S.A. § 4089a and Rule 10. Each year, 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 the national average, and works with the MCOs to identify opportunities for improvement based on the data. Annual quality improvement goals and projects are negotiated with each MCO. The MCOs also undergo extensive Rule 10 Triennial Reviews to ensure that their policies and practices conform with Rule 10 requirements. HCA also regulates and licenses mental health utilization review agents under Regulation 95-2.

Under the mental health parity statute, 8 V.S.A. § 4089b, health insurers are required to submit data related to mental health and substance abuse treatment and financing, and a task force of consumers, providers, insurers, business representatives and public sector representatives has been established to evaluate the implementation of parity. HCA staffs this Mental Health and Substance Abuse Task Force. The Task Force specifies mental health and substance abuse data to be collected from insurers, reviews and analyzes the data, and makes recommendations on how to improve care for Vermont consumers who need mental health and substance abuse care.

Hospital community reports are a new requirement contained in Act 53 of 2003 (18 V.S.A. § 9405b). Each hospital is required to publish an annual report that includes measures of quality, patient safety, charges and financial health; a summary of the hospital's budget; a process for achieving openness, inclusiveness and meaningful public participation in the hospital's strategic planning and decision-making; the hospital's complaint resolution process; information about ongoing quality improvement and patient safety projects; a summary of the community needs assessment; and information about the hospital's governing body. The first reports are to be published by January 1, 2005.

HCA responds to approximately 500 consumer telephone inquiries about health insurance each month, and more than 200 written inquiries and 200 to 300 consumer complaints each year. HCA has developed a series of consumer publications on topics such as Medicare supplement insurance, shopping for individual and small group health insurance, long term care insurance and continuation of health insurance coverage. HCA also maintains an inventory of health insurance related publications from other sources.

HCA contracts with the Vermont Program for Quality in Health Care (VPQHC) to maintain a statewide quality improvement system, and with the Office of Health Care Ombudsman to ensure that consumers have access to advocates to assist them with complaints and appeals related to health insurance and

health care. In addition, HCA works with the Department of Health and the Office of Vermont Health Access on a variety of issues, including the chronic care model, the Vermont Youth Health Improvement Initiative, diabetes care, asthma care, and smoking cessation.

External Appeals Program (Consumer Services)

In 1996, the Legislature established the volunteer Independent Panel of Mental Health Providers to hear appeals of mental health and substance abuse denials. An External Appeals Program for physical health care service denials became operational in July 1999 and contracts with Independent Review organizations 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 grounds. The Division administers both programs. That work includes recruitment, orientation and administrative and legal support for the volunteer Independent Panel; issuing RFPs and contracting with independent review organizations; responding to and assessing consumer inquiries; processing inquiries and applications; administering the appeals process for each case; educating consumers and others about appeal rights; and addressing systemic issues that become evident in the course of administering the appeals. The program received approximately 18 formal Independent Panel and 56 formal external review applications in 2004 and has reviewed, evaluated and problem-solved many more related consumer inquiries. 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.

FY 2006 Administration Division
Overview

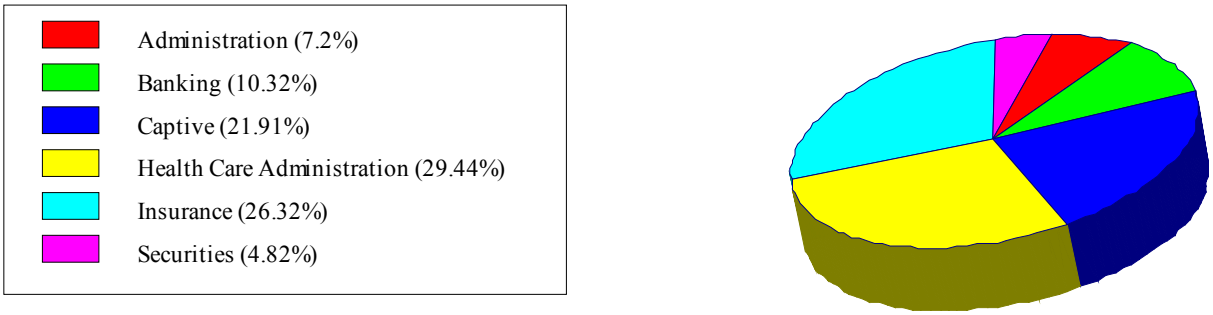
The Administration Division of Banking, Insurance, Securities, and Health Care Administration is responsible for the general management of the Department.

The Division employs eleven staff and includes the Commissioner, General Counsel, Assistant General Counsels, Business Manager, Assistant Personnel Officer, Information Officer, IT Staff and the Commissioner's assistant/payroll officer and front desk receptionist.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Banking	16	16	16	1,167,081	1,382,627	1,382,627	1,390,272
Insurance	26	27	27	2,845,914	3,502,148	3,502,148	3,547,476
Captive	22	24	26	2,180,775	2,637,089	2,637,089	2,952,733
Securities	7	7	6	589,285	705,473	705,473	649,536
Health Care Administration	20	21	21	3,104,811	3,201,948	3,190,066	3,967,271
Administration	10	10	11	820,568	856,388	856,388	970,370
TOTAL	101	105	107	10,708,434	12,285,673	12,273,791	13,477,658
FUND TYPE							
General Fund				550,909	466,993	482,611	469,832
Special Fund				10,157,525	11,818,680	11,791,180	12,907,826
Interdepartmental Transfer				0	0	0	100,000
TOTAL				10,708,434	12,285,673	12,273,791	13,477,658



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Banking

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	945,721	1,113,087	1,113,087	1,141,527
Operating Expenses	221,360	269,540	269,540	248,745
TOTAL	1,167,081	1,382,627	1,382,627	1,390,272
FUND TYPE				
Special Fund	1,167,081	1,382,627	1,382,627	1,390,272
TOTAL	1,167,081	1,382,627	1,382,627	1,390,272

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,439,008	2,902,648	2,902,648	3,017,341
Operating Expenses	406,906	599,500	599,500	530,135
TOTAL	2,845,914	3,502,148	3,502,148	3,547,476
FUND TYPE				
Special Fund	2,845,914	3,502,148	3,502,148	3,547,476
TOTAL	2,845,914	3,502,148	3,502,148	3,547,476

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,865,399	2,252,239	2,252,239	2,565,519
Operating Expenses	315,376	384,850	384,850	387,214
TOTAL	2,180,775	2,637,089	2,637,089	2,952,733
FUND TYPE				
Special Fund	2,180,775	2,637,089	2,637,089	2,952,733
TOTAL	2,180,775	2,637,089	2,637,089	2,952,733

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	489,872	574,363	574,363	519,436
Operating Expenses	99,413	131,110	131,110	130,100
TOTAL	589,285	705,473	705,473	649,536
FUND TYPE				
Special Fund	589,285	705,473	705,473	649,536
TOTAL	589,285	705,473	705,473	649,536

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,765,774	2,827,046	2,815,164	3,609,269
Operating Expenses	339,037	374,902	374,902	358,002
TOTAL	3,104,811	3,201,948	3,190,066	3,967,271
FUND TYPE				
General Fund	550,909	466,993	482,611	469,832
Special Fund	2,553,902	2,734,955	2,707,455	3,397,439
Interdepartmental Transfer	0	0	0	100,000
TOTAL	3,104,811	3,201,948	3,190,066	3,967,271

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	753,974	806,688	806,688	922,370
Operating Expenses	66,594	49,700	49,700	48,000
TOTAL	820,568	856,388	856,388	970,370
FUND TYPE				
Special Fund	820,568	856,388	856,388	970,370
TOTAL	820,568	856,388	856,388	970,370

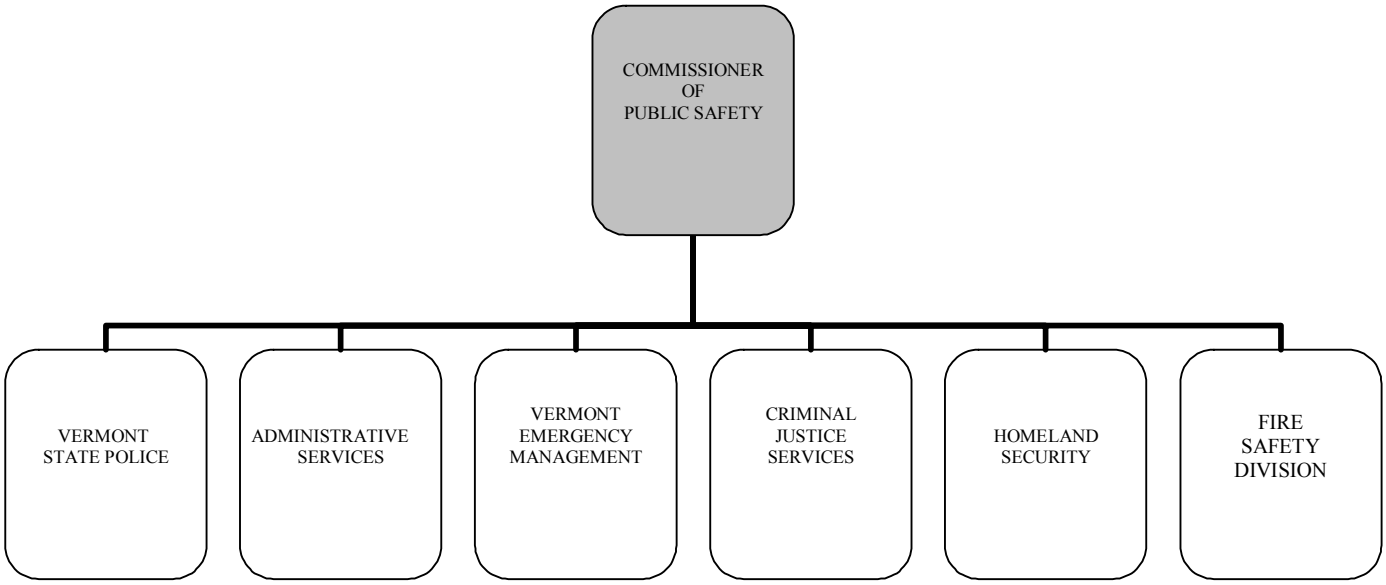
Department Mission Statement

MISSION STATEMENT

The mission of the Department of Public Safety is to provide law enforcement, criminal justice systems support and emergency preparedness planning and training programs for the State of Vermont.

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

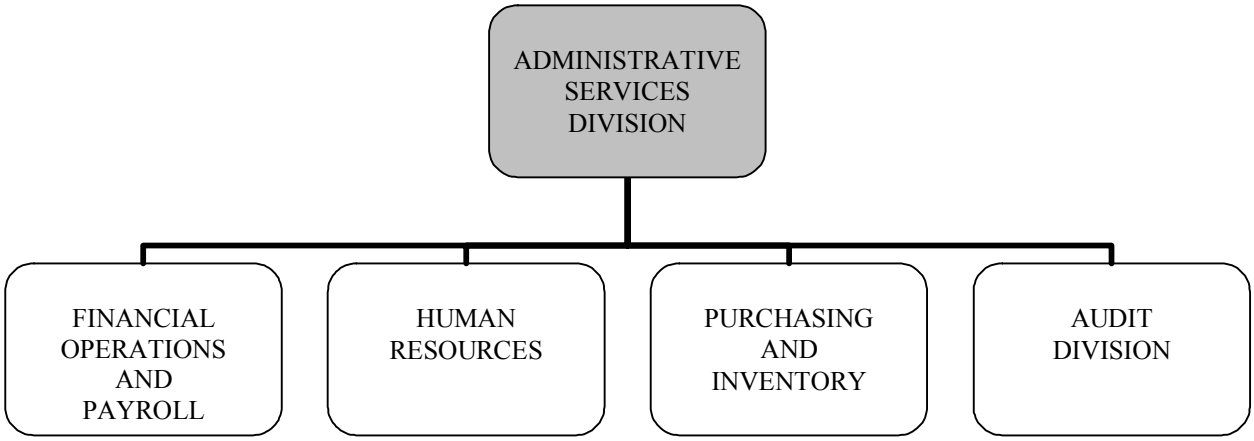


The Department of Public Safety is organized into six functional areas: State Police, Administrative Services Division, Vermont Emergency Management, Criminal Justice Services, the Fire Safety Division and Homeland Security. There are four appropriations: State Police, Emergency Management and Criminal Justice Services 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 Service Training Council. Administrative Services and Homeland Security are both appropriated under State Police for administrative purposes. The Division of Administrative Services supports all programs within Public Safety as well as the Criminal Justice Training Council. The Training Council, which is not part of the department, receives their business function support from Public Safety.

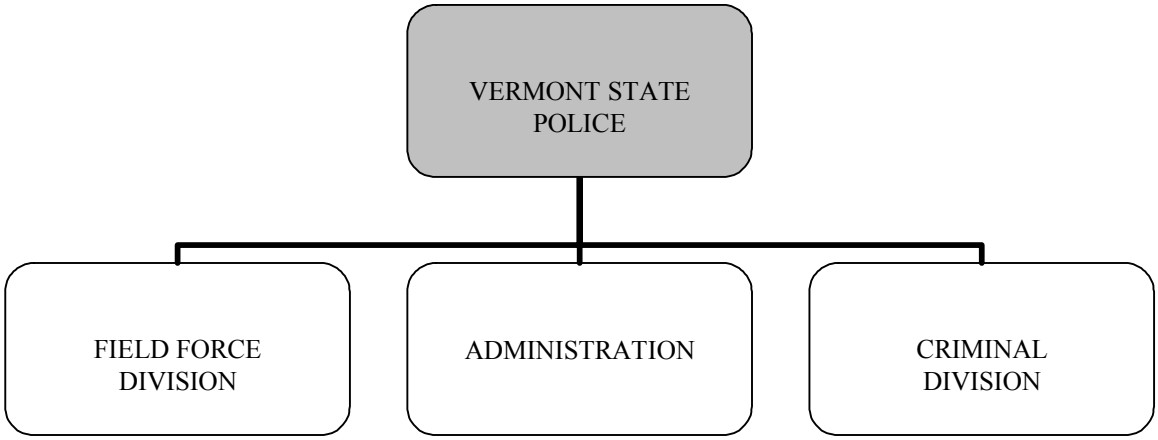
The Vermont State Police Homeland Security Unit (HSU) has been developed to enhance public safety by promoting coordinated terrorism response among all Vermont's first response agencies. The HSU consists of three sworn State Police officers, 2 grants administrators, and an administrative assistant, and currently employs six civilian contractors who serve as advisors to Vermont State Police Troop Commanders who as an additional duty, serve in the capacity of Terrorism District Managers. The Homeland Security Unit has been charged with four critical missions:

a. Coordinate and assist in the development of state, regional and local terrorism response plans - The HSU works in partnership with Vermont Emergency Management and provides guidance, training and federal homeland security funding to Vermont's 12 Regional Planning Commissions and 13 Local Emergency Planning Commissions to assist in the development of regional and local terrorism response plans.
b. Gather, evaluate and disseminate terrorist threat information - The HSU works in a collaborative effort with the Vermont Criminal Intelligence Unit, the federal Department of Homeland Security and

many other local, state, federal and international law enforcement agencies in an effort to keep our first response agencies and government officials informed of the most up to date terrorist threat information. The HSU facilitates the distribution of a weekly terrorist threat update to many first responders works in partnership with the US Attorney's Office Anti Terrorism Task Force, and actively participates in the FBI's Joint Terrorism Task Force.
c. Coordinate state and federal terrorism response planning - the HSU coordinates terrorism response training programs through the Vermont Police and Fire Academies. The HSU has facilitated grant funding to these Academies in excess of $1,000,000 to ensure that all Vermont first responders receive the training required to be able to detect, deter and respond to terrorist events.
d. Manage and administer federal homeland security grants - Since 1999, Vermont has received approximately 55 million dollars of federal homeland security funding. Since that time, the HSU has been the single point of contact with the federal government for the receipt and distribution of these federal funds. The HSU works with over 7,000 first responders, 250 first response agencies, and during any one year, provides grant funds to over 400 sub grantees.



Administrative Services provides a full range of financial services, payroll administration, human resource services, and purchasing and inventory support for all Public Safety divisions and the Criminal Justice Training Council. Bill paying, purchasing administration and payroll and personnel activities are all managed through a central office operation consisting of sixteen positions at the department headquarters in Waterbury. In FY 2005, a new division of Audit was created for the purpose of providing financial outreach to sub recipients and to review internal procedures and fiscal controls.



The Vermont State Police includes 325 sworn members and 165 civilian personnel. They are the primary law enforcement agency in the state, providing twenty-four hour coverage to 212 of the state's 255 towns or 46% of the state population on a full-time basis. In geographic terms, this accounts for 89% of the total land area in Vermont.

Within the State Police, there are three divisions identified as the Uniform Division, Criminal Division and Administration. The administrative section of the Vermont State Police includes the office of the Director, Staff Operations, Internal Affairs Unit, Training Section and Fleet Services Section.

The Field Force, or Uniform Division of the Vermont State Police, consists of 235 sworn members, 20 civilian staff members and 145 Emergency Dispatchers assigned to 12 field stations located strategically throughout the State. The Uniform Division personnel have a wide range of responsibilities dedicated to the safety of Vermont citizens and our many visitors. Types of responses by Troopers include, but are not limited to, motor vehicle incidents, motor vehicle accidents; all reported crimes, calls for emergency response, and threats to the safety and well being of our citizens (Homeland Security).

In addition to the emergency calls for service, Troopers are engaged daily in proactive enforcement specifically targeted at reducing accidents and saving lives through aggressive apprehension of violators. Traffic offenses and major motor vehicle violations such as Driving under the Influence are a threat to public safety and Troopers work hard to reduce that threat. Detection and apprehension of drug dealers who are trafficking illegal drugs on Vermont's highways is also a major focus of our enforcement efforts.

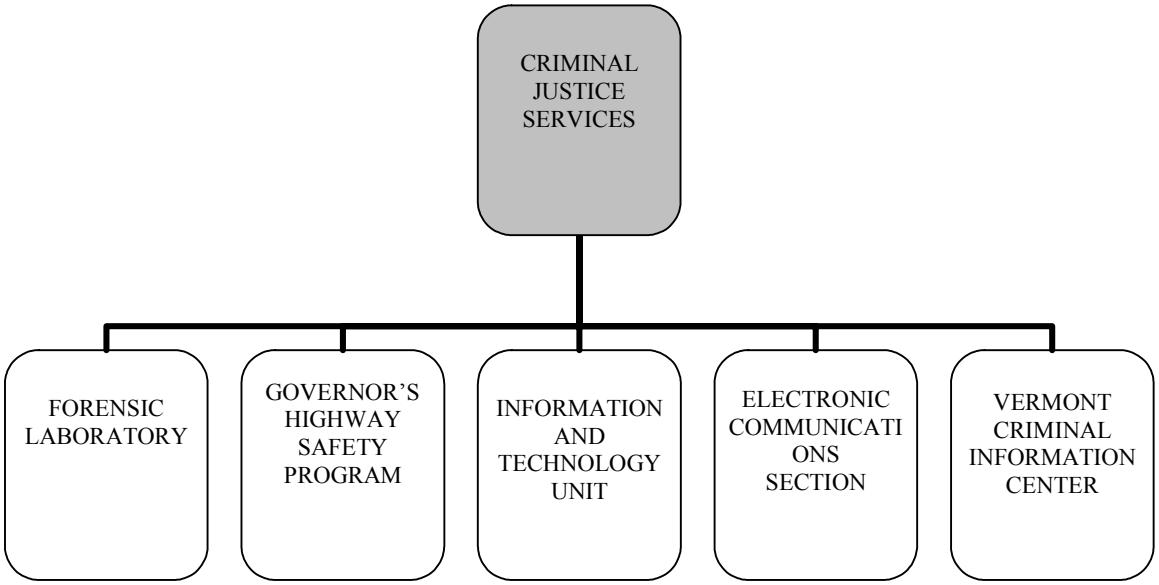
The Vermont State Police have a number of highly specialized teams all working to achieve the State Police Mission. They each require different skills and very specialized training. Their function is to bring to successful resolution dangerous and sensitive situations. The Vermont State Police Special teams are used in all jurisdictions within Vermont and are often called on by local and Federal Law Enforcement Agencies because of their skill and expertise. All Special Teams are comprised of

Troopers who have other, primary assignments and are members of their respective teams as a secondary/part-time duty.

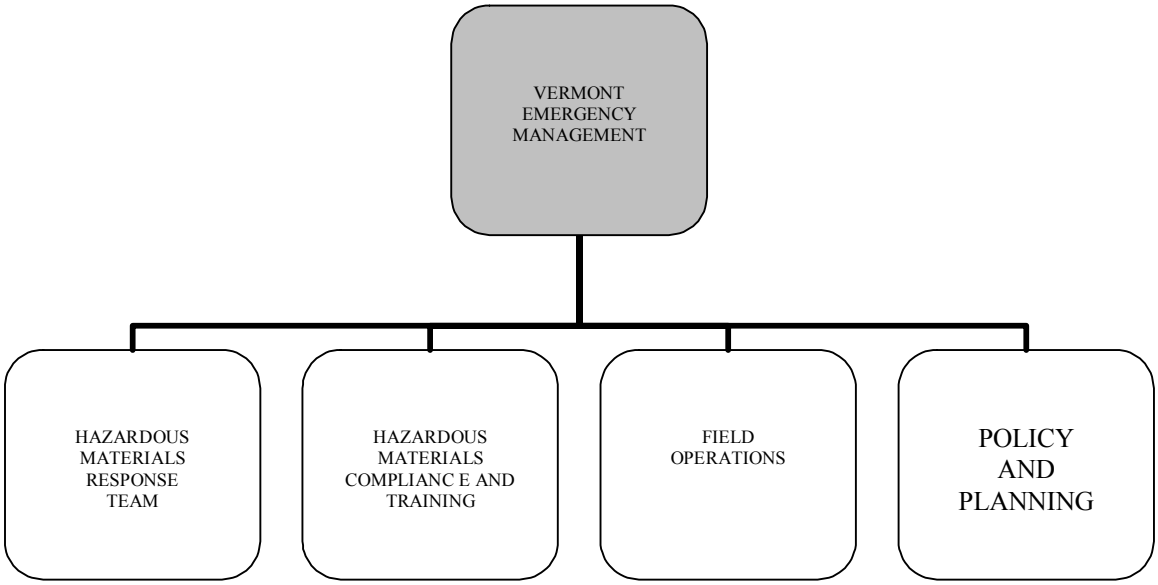
The Field Force Division is responsible for operating four communications centers staffed by civilian Emergency Communications staff. Their duties include taking all 911, emergency and non-emergency calls for service ensuring that "First Responders" have been dispatched to all critical incidents.

The Criminal Division consists of 71 sworn members and is divided into two units, the Bureau of Criminal Investigation (BCI) and the Special Investigations Unit (SIU). The Bureau of Criminal Investigations investigates all major crimes that are brought to their attention. Their primary focus is on death investigations, including homicides, fatal fires, and untimely deaths. Secondary priorities include fire investigations, sex crimes and drug investigations. 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. This includes the investigation of criminal conduct allegations made against Vermont law enforcement officers.

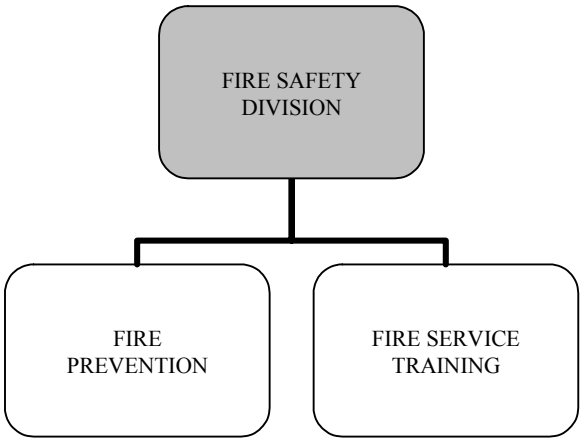
The Special Investigations Unit (SIU) is comprised of five different sections. The Vermont Drug Task Force divided into two "undercover" units (North and South), along with a street level unit dedicated to combat heroin trafficking (Heroin Enforcement Action Team – “HEAT”). The Criminal Intelligence Unit has the primary function of gathering intelligence data used in the formulation of a strategic plan to accurately assess and combat crimes of any nature confronting the state of Vermont. The Computer Crimes Unit serves as a Specialized Support Unit for the Vermont State Police, Local Police Departments and Federal Agencies located in the State of Vermont. They are responsible for Conducting Forensic Analysis of all forms of seized electronic media. The Protective Services Unit provides personal security and transportation for 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.



Criminal Justice Services 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 Crime Information Center (VCIC), the state central repository for criminal information, also managed by the Division of Criminal Justice Services, disseminates criminal information for criminal and non criminal justice purposes. VCIC also manages the sex offender registry program and the new marijuana registry. CJS is not a division of State Police. The electronic communication system 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 Management Section operates a wide area network that provides a system of services to over 1800 users at the state, county and municipal level. These services are mission critical information technology applications for effective and efficient law enforcement services throughout the state. The Governor's Highway Safety Program offers funding to state and local jurisdictions designed to reduce the incidence of death, injury and property damage on Vermont's highways.



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 seventeen, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness (nuclear power plant), hazardous materials compliance and response and disaster prevention planning and mitigation. In addition, VEM staffs the state warning point, coordinating the assessment of response to the daily hazard incidents that occur in the state. The key to VEM's success, however, 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.



The Fire Prevention Division ensures the safety of the public through enforcement, education and

certification programs. The Division, with 39 positions located in Barre, Montpelier, Rutland, Springfield and Williston, has responsibility for the safety and accessibility of all 80,000 of Vermont's public buildings. The Division administers fire, electrical, boiler/pressure vessel and plumbing safety 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 recently began providing 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 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 in its capacity of developing training and certification programs for all Vermont Firefighters. The Executive Director of Fire Service Training is appointed by and reports to the Director of the Fire Safety Division.

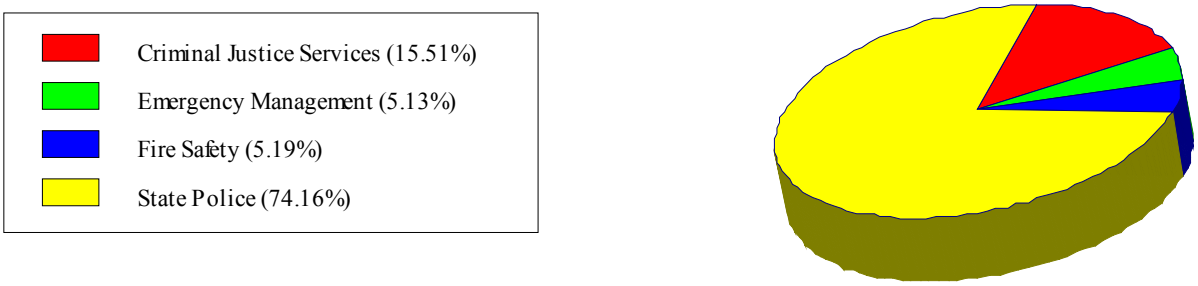
Fire Service Training oversees the operations of the Vermont Fire Academy, located at the Emergency Services Training Facility in Pittsford, VT. The Vermont Fire Academy has a full time staff of eight positions and is responsible for administering, developing, delivering, and documenting the efforts 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.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Public Safety

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
State Police	480	484	486	51,436,226	50,184,165	50,184,165	59,557,872
Criminal Justice Services	67	69	67	10,745,761	11,162,240	11,162,240	12,458,487
Emergency Management	15	19	22	3,504,470	2,980,481	2,980,481	4,118,119
Fire Safety	0	0	45	0	0	1,043,817	4,170,550
TOTAL	561	572	620	65,686,457	64,326,886	65,370,703	80,305,028
FUND TYPE							
General Fund				15,587,061	17,230,749	17,378,169	20,261,722
Transportation Fund				22,619,103	22,440,455	22,460,535	22,701,328
Special Fund				5,563,156	6,086,608	6,884,274	9,714,039
Federal Revenue Fund				20,396,222	17,340,560	17,376,810	26,264,750
Interdepartmental Transfer				1,520,915	1,228,514	1,270,915	1,363,189
TOTAL				65,686,457	64,326,886	65,370,703	80,305,028



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	34,052,503	37,235,943	37,235,943	38,700,972
Operating Expenses	8,000,108	8,247,122	8,247,122	7,303,536
Grants	9,383,615	4,701,100	4,701,100	13,553,364
TOTAL	51,436,226	50,184,165	50,184,165	59,557,872
FUND TYPE				
General Fund	15,460,867	17,115,749	17,115,749	19,429,034
Transportation Fund	18,936,831	18,343,865	18,343,865	18,455,988
Special Fund	3,244,865	3,653,090	3,653,090	3,434,048
Federal Revenue Fund	13,037,123	10,422,548	10,422,548	17,676,113
Interdepartmental Transfer	756,540	648,913	648,913	562,689
TOTAL	51,436,226	50,184,165	50,184,165	59,557,872

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Criminal Justice Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	4,363,901	5,921,690	5,921,690	4,903,618
Operating Expenses	2,539,142	2,697,050	2,697,050	3,585,669
Grants	3,842,718	2,543,500	2,543,500	3,969,200
TOTAL	10,745,761	11,162,240	11,162,240	12,458,487
FUND TYPE				
General Fund	77,264	115,000	115,000	250,000
Transportation Fund	3,598,724	4,032,621	4,032,621	4,100,407
Special Fund	1,187,730	1,241,307	1,241,307	1,256,685
Federal Revenue Fund	5,117,668	5,196,212	5,196,212	6,272,395
Interdepartmental Transfer	764,375	577,100	577,100	579,000
TOTAL	10,745,761	11,162,240	11,162,240	12,458,487

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Emergency Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,341,128	1,479,294	1,479,294	2,111,187
Operating Expenses	616,910	701,700	701,700	803,473
Grants	1,546,432	799,487	799,487	1,203,459
TOTAL	3,504,470	2,980,481	2,980,481	4,118,119
FUND TYPE				
General Fund	48,930	0	0	0
Transportation Fund	83,548	63,969	63,969	63,969
Special Fund	1,130,561	1,192,211	1,192,211	1,827,792
Federal Revenue Fund	2,241,431	1,721,800	1,721,800	2,223,858
Interdepartmental Transfer	0	2,501	2,501	2,500
TOTAL	3,504,470	2,980,481	2,980,481	4,118,119

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Fire Safety

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	0	782,735	3,140,922
Operating Expenses	0	0	261,082	1,029,628
TOTAL	0	0	1,043,817	4,170,550
FUND TYPE				
General Fund	0	0	147,420	582,688
Transportation Fund	0	0	20,080	80,964
Special Fund	0	0	797,666	3,195,514
Federal Revenue Fund	0	0	36,250	92,384
Interdepartmental Transfer	0	0	42,401	219,000
TOTAL	0	0	1,043,817	4,170,550

Agency Mission Statement

The Vermont Agency of Agriculture, Food and Markets has four divisions and 96 employees. 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

Clean and Clear Program:
The Agency has a significant 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. Significant additional resources have been directed to Clean and Clear in the proposed FY06 budget.

The Administration Division provides oversight and direction for the Agency. In addition, it provides administrative and financial assistance to Natural Resources Conservation Districts, conducts agricultural land use planning, develops the biennial report and provides business and research services for the Agency. The Agency is currently undertaking an extensive review of all its informational technology systems.

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 Plant Industry Division:

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.

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

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 livestock premise identification; 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.

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.

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

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

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.

The Agricultural Development 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, artisianal 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 expansion of the Farm Viability program through Vermont Housing and Conservation Board.

Identifying and assisting in developing new markets, local and out of state, for Vermont agricultural products by extending the Vermont Brand through "Buy Local" and "Vermont Seal of Quality" programs.

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.

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

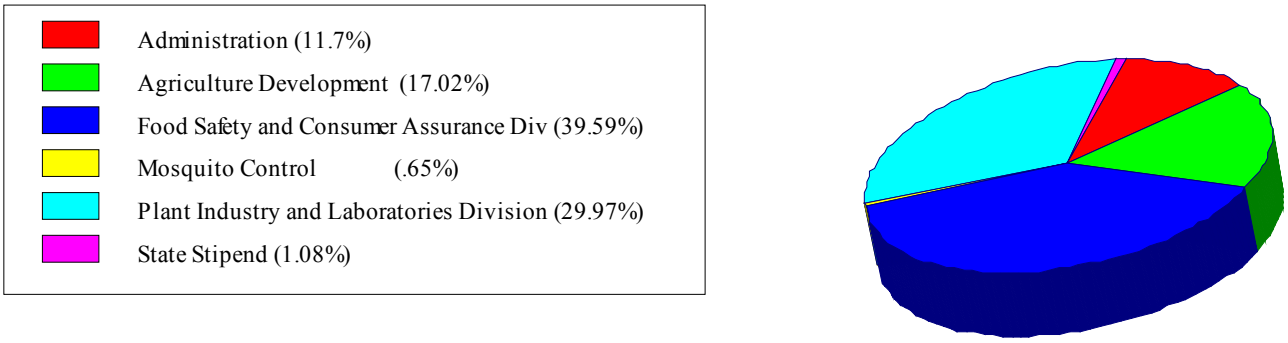
The Stipend Program makes awards to agricultural fairs and field days to encourage agricultural events.

The Mosquito Control Program provides assistance to mosquito control districts, oversees larviciding and provides related training.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration	12	12	12	1,487,572	1,483,793	1,600,151	1,629,368
Food Safety and Consumer Assurance	34	34	35	2,263,225	5,180,538	5,517,610	5,513,951
Agriculture Development	10	10	10	1,180,116	2,261,681	2,370,671	2,370,175
Plant Industry and Laboratories	32	37	39	2,390,033	3,379,386	3,558,963	4,173,652
State Stipend	0	0	0	163,500	175,000	175,000	150,000
Mosquito Control	0	0	0	70,503	90,000	90,000	90,000
TOTAL	88	93	96	7,554,949	12,570,398	13,312,395	13,927,146
FUND TYPE							
General Fund				3,882,306	3,931,724	4,051,692	5,309,593
Transportation Fund				47,540	38,553	39,460	38,862
Special Fund				1,983,135	6,859,650	6,941,650	6,590,879
Federal Revenue Fund				1,317,855	1,440,314	1,857,464	1,650,411
Interdepartmental Transfer				324,113	300,157	422,129	337,401
TOTAL				7,554,949	12,570,398	13,312,395	13,927,146



Appropriation Key Budget Issues

In FY06 the Administration Division is shifting the funding of some personal services expenses to special funds. This reflects a more accurate allocation of the costs of services provided by administration staff to other divisions throughout the Agency.

It is necessary to upgrade the Agency's informational technology infrastructure to participate in national databases for animal identification; to respond to agricultural regulatory issues; and to have a coordinated marketing policy. Federal grant funds are being used to assist in this process.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	668,980	783,330	899,688	880,196
Operating Expenses	425,919	387,059	387,059	453,668
Grants	392,673	313,404	313,404	295,504
TOTAL	1,487,572	1,483,793	1,600,151	1,629,368
FUND TYPE				
General Fund	1,222,755	1,337,322	1,423,680	1,362,535
Special Fund	84,221	65,316	65,316	117,216
Federal Revenue Fund	114,596	24,542	24,542	91,004
Interdepartmental Transfer	66,000	56,613	86,613	58,613
TOTAL	1,487,572	1,483,793	1,600,151	1,629,368

Appropriation Key Budget Issues

Funding for three positions is being shifted from general funds to federal and special funds. Additional staff support is being developed in Animal Health in response to animal identification programs and increased disease surveillance.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Food Safety and Consumer Assurance Div

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,846,495	1,989,605	2,228,667	2,330,887
Operating Expenses	416,730	289,441	387,451	281,572
Grants	0	2,901,492	2,901,492	2,901,492
TOTAL	2,263,225	5,180,538	5,517,610	5,513,951
FUND TYPE				
General Fund	1,245,681	1,328,083	1,349,098	1,381,891
Transportation Fund	47,540	38,553	39,460	38,862
Special Fund	331,213	3,151,781	3,151,781	3,314,115
Federal Revenue Fund	631,869	655,121	970,271	772,083
Interdepartmental Transfer	6,922	7,000	7,000	7,000
TOTAL	2,263,225	5,180,538	5,517,610	5,513,951

Appropriation Key Budget Issues

The Agricultural Viability Program continues to expand as does business assistance for alternative nutrient management.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Agriculture Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	688,932	626,627	735,617	816,602
Operating Expenses	454,039	600,633	600,633	504,152
Grants	37,145	1,034,421	1,034,421	1,049,421
TOTAL	1,180,116	2,261,681	2,370,671	2,370,175
FUND TYPE				
General Fund	600,411	558,266	565,256	609,472
Special Fund	423,262	1,507,415	1,507,415	1,571,703
Federal Revenue Fund	102,302	196,000	298,000	189,000
Interdepartmental Transfer	54,141	0	0	0
TOTAL	1,180,116	2,261,681	2,370,671	2,370,175

Appropriation Key Budget Issues

Clean and Clear:
There have been major funding changes in the Clean and Clear Program. In FY 2005, the program was funded with Special Funds (Pesticide Monitoring and Feed, Seed and Fertilizer). In FY 2006, it will be funded with General Funds. There will also be an additional $582,000 expended in the program. Of those funds, $250,000 will be for an increase in Integrated Crop Management grants to farmers and $100,000 will be expended for the agricultural component of Watershed Planning. This division will have two new Clean and Clear positions. One will be responsible for enhanced oversight of Accepted Agricultural Practices. One will be responsible for technical assistance to farmers in manure pit development.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Plant Industry and Laboratories Division

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,909,971	2,401,202	2,468,779	3,003,076
Operating Expenses	478,923	563,184	675,184	554,576
Grants	1,139	415,000	415,000	616,000
TOTAL	2,390,033	3,379,386	3,558,963	4,173,652
FUND TYPE				
General Fund	649,959	533,053	538,658	1,805,695
Special Fund	1,073,936	2,045,138	2,127,138	1,497,845
Federal Revenue Fund	469,088	564,651	564,651	598,324
Interdepartmental Transfer	197,050	236,544	328,516	271,788
TOTAL	2,390,033	3,379,386	3,558,963	4,173,652

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State Stipend

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	163,500	175,000	175,000	150,000
TOTAL	163,500	175,000	175,000	150,000
FUND TYPE				
General Fund	163,500	175,000	175,000	150,000
TOTAL	163,500	175,000	175,000	150,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Mosquito Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	20,000	20,000	20,000
Operating Expenses	70,503	70,000	70,000	70,000
TOTAL	70,503	90,000	90,000	90,000
FUND TYPE				
Special Fund	70,503	90,000	90,000	90,000
TOTAL	70,503	90,000	90,000	90,000

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 Efficiency 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

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.

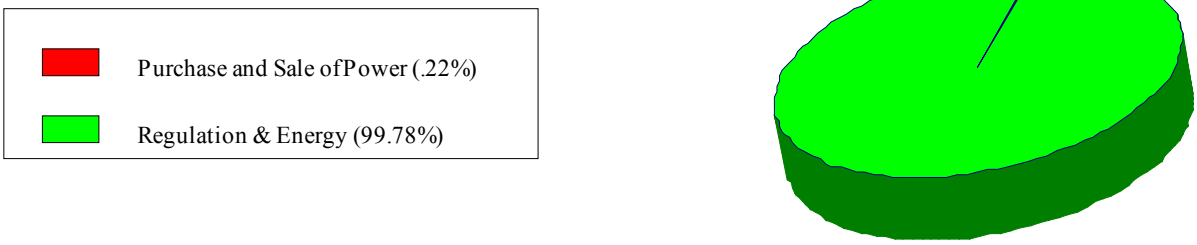
Monitoring of Non-Regulated Fuels. The Department monitors and reports non-regulated fuel prices and supplies statewide. This information is summarized and distributed in a monthly publication, "Vermont Fuel Price Report." Key issues and trends are identified and actions are recommended when appropriate 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 2006 BUDGET RECOMMENDATIONS
Public Service Department

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Regulation & Energy	43	42	42	5,097,494	5,603,761	5,603,761	5,896,235
Purchase and Sale of Power	0	0	0	23,543	12,215	12,215	12,815
TOTAL	43	42	42	5,121,037	5,615,976	5,615,976	5,909,050
FUND TYPE							
Special Fund				3,761,723	4,610,976	4,610,976	4,726,250
Federal Revenue Fund				1,345,381	980,000	980,000	1,157,800
Interdepartmental Transfer				13,933	25,000	25,000	25,000
TOTAL				5,121,037	5,615,976	5,615,976	5,909,050



Appropriation Key Budget Issues

Because the Department of Public Service's regulation and energy efficiency appropriation is 100% special and federal funds, there are no significant budget issues or service impacts at this time.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Regulation & Energy

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	3,628,194	4,514,560	4,514,560	4,464,769
Operating Expenses	482,922	639,201	639,201	631,466
Grants	986,378	450,000	450,000	800,000
TOTAL	5,097,494	5,603,761	5,603,761	5,896,235
FUND TYPE				
Special Fund	3,738,180	4,598,761	4,598,761	4,713,435
Federal Revenue Fund	1,345,381	980,000	980,000	1,157,800
Interdepartmental Transfer	13,933	25,000	25,000	25,000
TOTAL	5,097,494	5,603,761	5,603,761	5,896,235

Appropriation Key Budget Issues

There are no significant budget issues or service impacts associated with this appropriation. All funding comes from payment for services by the entities purchasing the power in Department-brokered sales. It is a pass-through on a time and materials basis.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Purchase and Sale of Power

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	21,403	10,000	10,000	10,600
Operating Expenses	2,140	2,215	2,215	2,215
TOTAL	23,543	12,215	12,215	12,815
FUND TYPE				
Special Fund	23,543	12,215	12,215	12,815
TOTAL	23,543	12,215	12,215	12,815

Department Mission Statement

The Enhanced 911 Board's mission is to provide a statewide emergency telecommunications system, accessible to everyone, and to oversee its operation.

Description of Appropriations, Divisions, & Programs

The Enhanced 911 Board has statutory responsibility for the design, installation and operation of statewide enhanced 911. The Board established 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 2006 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Enhanced 9-1-1 Board	10	10	10	2,331,692	2,417,588	2,417,588	2,417,588
TOTAL	10	10	10	2,331,692	2,417,588	2,417,588	2,417,588
FUND TYPE							
Special Fund				2,331,692	2,417,588	2,417,588	2,417,588
TOTAL				2,331,692	2,417,588	2,417,588	2,417,588

Appropriation Key Budget Issues

The E911 Board and Verizon are currently negotiating extensions to the E911 system contract on a year-to-year basis. The Board is doing its best to keep cost increases to a minimum while awaiting the time when the next generation E911 technology is available and a rebid is feasible.

E-911's IT Plan calls for a complete equipment upgrade at the ten Public Safety Answering Points (PSAP's) and migration to a completely new technology. The FY06 budget is level funded.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,988,042	1,960,337	1,960,337	2,020,257
Operating Expenses	343,650	457,251	457,251	397,331
TOTAL	2,331,692	2,417,588	2,417,588	2,417,588
FUND TYPE				
Special Fund	2,331,692	2,417,588	2,417,588	2,417,588
TOTAL	2,331,692	2,417,588	2,417,588	2,417,588

Department Mission Statement

The Public Service Board exists to ensure that Vermont's ratepayers receive 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 public good of the state.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Public Service Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Public Service Board	26	27	27	2,467,313	2,624,677	2,624,677	2,690,294
TOTAL	26	27	27	2,467,313	2,624,677	2,624,677	2,690,294
FUND TYPE							
Special Fund				2,467,313	2,624,677	2,624,677	2,690,294
TOTAL				2,467,313	2,624,677	2,624,677	2,690,294

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Public Service Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	2,154,743	2,304,677	2,304,677	2,380,294
Operating Expenses	312,570	320,000	320,000	310,000
TOTAL	2,467,313	2,624,677	2,624,677	2,690,294
FUND TYPE				
Special Fund	2,467,313	2,624,677	2,624,677	2,690,294
TOTAL	2,467,313	2,624,677	2,624,677	2,690,294

Department Mission Statement

The Judiciary is a separate and distinct branch of government established by the Vermont Constitution (see Chapter II, Sections 4, 5 and 28-41), and implemented by statute (see Title 4 of the Vermont Statutes Annotated) "for the trial of all causes proper for their cognizance," Vermont Constitution, Chapter II, Section 28. In that document, the people of Vermont told the Judiciary that it must provide to every person a forum to obtain "right and justice... promptly and without delay; conformably to the laws." (Ch. 1, Article 4) Therefore, the Judiciary's purpose is to assist citizens in the resolution of disputes through a determination of legal rights and status.

To meet this constitutional mandate, the Judiciary has established these goals:

- Issue quality judicial decisions that do justice for the litigants, establish clear and ascertainable law, and apply the law correctly to the facts;
- Issue timely judicial decisions at minimal expense to the litigants and the taxpayers;
- Provide the public with the services they need to access the courts, understand court operations and use the courts appropriately;
- Provide the public with staff services needed to promote the fair, timely and inexpensive resolution of disputes; and
- Protect persons from the abuse of others and from the arbitrary use of governmental power.

The Judiciary serves the entire population of Vermont. In Superior Court, individuals and corporations file lawsuits seeking hundreds of thousands in damages; landlords sue to eject tenants who don't pay their rent; tenants sue to recover their security deposits. In Family Court, battered spouses seek protective orders; the state acts to protect children from abusive parents; people file for divorce. In District Court, defendants are brought to court to respond to a wide range of crimes, from retail theft to murder. In Environmental Court, people appeal the permits issued by zoning boards and district commissions. In Probate Court, people seek adoptions, guardianships and the distribution of assets from the estates of loved ones. At the Judicial Bureau, people contest traffic tickets and municipal ordinance violations.

Description of Appropriations, Divisions, & Programs

THE SUPREME COURT

The Chief Justice and the four Associate Justices constitute the Vermont Supreme Court.

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 530 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 district and superior judges, environmental judge, child support magistrates, judicial bureau hearing officers and assistant judges to the trial courts, resolves attorney conflicts, and in cooperation with the Court Administrator, assumes general administrative control of the work of the trial 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 judge hears and disposes 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 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 DISTRICT COURT

Each county has a District Court. The Court is responsible for the 17,500 criminal 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 District Court Judges determine the guilt or innocence of persons charged with crimes.

Through sentencing decisions, the District 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 District Court Judges protect the public from the arbitrary use of government power.

THE FAMILY COURT

Each county has a Family Court. The Court is responsible for the 2,944 divorce actions, 1,430 other domestic actions (primarily parentage) and the 4,127 post-judgment actions filed each year. Most of the post-judgment actions involve attempts by parents to modify or enforce, visitation or custody orders.

The Family Court is also responsible for 7,562 motions to establish, modify or enforce child support, 1,409 juvenile delinquency cases, 619 cases involving the abuse and neglect of children, 260 cases in which the state seeks to terminate parental rights, 4,601 petitions for relief from domestic abuse. The Family Court is also responsible for matters including how the state should care for persons with mental illness and develop mental disabilities.

The Administrative Judge assigns district and superior judges, child support magistrates and assistant judges to Family Court. These judicial officers and Court staff attempt to conduct timely hearings and issue timely decisions in order to resolve disputes, provide support to distressed litigants and provide protection to victims of family violence and emotional abuse, 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.

THE SUPERIOR COURT

Each county has a Superior Court. The Court is responsible for the 6,500 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 Superior Court. The Court 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 Superior and Probate Courts and the county sheriff's departments.

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, or persons should lose their homes or other property for failure to pay their debts.

The Superior Court also decides the 7,600 small claims filed each year. Citizens and businesses seeking up to $3,500 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.

THE ENVIRONMENTAL COURT

The Environmental Court is responsible for hearing and deciding 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 Court also hears 160 appeals from municipal zoning boards and planning commissions. The Court is located in Washington County. In 2004, the Legislature expanded the jurisdiction of the Environmental Court to include appeals related to the issuance of permits by District Environmental Commissions.

THE PROBATE COURT

The Probate Court is responsible for the 3,800 guardianships, adoptions, decedent estates and testamentary trusts that are filed each year. There are 18 Probate Courts in Vermont. There is one Probate Court in ten of Vermont’s counties; the other four, Bennington, Rutland, Windham and Windsor counties, each have two probate districts and two probate judges.

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 131,899 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 1,895 violations of underage drinking laws, 1,937 municipal ordinance violations and 561 fish and wildlife violations each year.

Through the assistance of court developed computer programs, Bureau staff accept $15,101,333 in civil penalties from the 72,000 drivers who chose not to contest their traffic tickets or ordinance violations and from the 36,235 people who receive default judgments for failure to respond to their tickets.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Judiciary	337	337	342	27,750,717	29,162,902	29,227,902	30,695,800
TOTAL	337	337	342	27,750,717	29,162,902	29,227,902	30,695,800
FUND TYPE							
General Fund				21,509,577	23,288,570	23,353,570	24,646,705
Transportation Fund				3,740,591	3,004,507	3,004,507	3,028,595
Special Fund				479,065	510,118	510,118	662,500
Federal Revenue Fund				173,483	305,458	305,458	333,000
Interdepartmental Transfer				1,848,001	2,054,249	2,054,249	2,025,000
TOTAL				27,750,717	29,162,902	29,227,902	30,695,800

Appropriation Key Budget Issues

The FY06 Judiciary budget reflects an additional $1.36 million in General Fund over its FY05 appropriation for a 5.8 percent increase. The major components of this increase include: annualization of pay increases; new furniture and fitting for their new space in Rutland and Berlin and new phone system to help provide language related interpretation services; annualization of the funding for the Environmental Court; filling the remaining open Judgeship; and significant increase in fee for space costs including the Rutland Courthouse.

The Judiciary still has some challenges to deal with that could not be addressed in this budget. They are looking into ways to deal with their outdated automated docketing system and hope to present a solution for this problem for the 2007 fiscal year. They are also concerned about the *Guardian ad Litem* program and are looking into ways to improve this system. Finally, they are trying to further improve the interpreter services for those for whom English is not their first language.

Last year, the Supreme Court had identified the increasing backlog of pending criminal cases especially those over a year old as the problem of greatest concern. Using a grant funded by the Byrne money through the Department of Public Safety, the judiciary launched its criminal case delay reduction project at a conference in January 2004. At that time, the district court had 608 cases pending on its criminal docket for over one year, and 1041 cases pending from six months to one year. As of December 24, 2004, the cases pending over one year were reduced to 306 (a reduction of 49%) and the cases pending from six months to one year were reduced to 579 (a reduction of 44%). Good management and much hard work invested by attorneys, court staff, judges, and others involved in the justice system produced remarkable results, and those results are concentrated in the most difficult cases (i.e. the oldest pending cases).

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	22,096,609	23,120,914	23,155,914	24,119,133
Operating Expenses	5,649,108	6,041,988	6,071,988	6,576,667
Grants	5,000	0	0	0
TOTAL	27,750,717	29,162,902	29,227,902	30,695,800
FUND TYPE				
General Fund	21,509,577	23,288,570	23,353,570	24,646,705
Transportation Fund	3,740,591	3,004,507	3,004,507	3,028,595
Special Fund	479,065	510,118	510,118	662,500
Federal Revenue Fund	173,483	305,458	305,458	333,000
Interdepartmental Transfer	1,848,001	2,054,249	2,054,249	2,025,000
TOTAL	27,750,717	29,162,902	29,227,902	30,695,800

Department Mission Statement

The mission of the Commission is to promote 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.

Description of Appropriations, Divisions, & Programs

The Commission is funded by a combination of:

State general funds, at an amount roughly equivalent to about 80% 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. Anticipated FY06 federal receipts total $88,377 while the Commission expects to use about $160,000 in federal funds appropriation with the remainder being withdrawn from a federal reserve fund maintained on behalf of the Commission (see discussion below); and,

Special funds (budgeted at $1 annually) as the Commission is authorized to seek recovery of its investigative fees and costs, and attorney fees. From time to time such monies are deposited as excess receipts into the Commission's established special fund for future appropriation by the Legislature.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Human Rights Commission	5	5	5	375,049	427,453	577,453	437,706
TOTAL	5	5	5	375,049	427,453	577,453	437,706
FUND TYPE							
General Fund				253,533	273,225	273,225	278,014
Special Fund				0	1	1	1
Federal Revenue Fund				121,516	154,227	304,227	159,691
TOTAL				375,049	427,453	577,453	437,706

Appropriation Key Budget Issues

The Governor's recommended budget will allow the Human Rights Commission (HRC) to continue to provide its current level of service to the citizens of Vermont. The Commission has seen modest increases in the number of charges filed over the past three years: in FY03, 80 charges were filed; in FY04, 95 charges were filed; and, in FY05, based on year-to-date, 108 charges are projected to be filed. Nonetheless, present staffing appears to be adequate to provide timely and effective responses to these complaints.

A longer-term budget issue is the decrease in the amount of federal funds granted to the Commission by HUD. The HUD grant received during FY04 was $172,140, reduced in FY05 to $124,142 and further reduced in FY06 to $88,377. Simultaneously, HUD is requiring a more rapid response to federal fair housing complaints processed by the HRC and has heightened its training requirements for HRC staff. HUD recently announced that. for the HRC to remain eligible for continued grant support. all HRC investigative staff and its Executive Director will be required to attend a ten-week fair housing training course over the next several years. The question is whether this ongoing relationship is sustainable and continues to be in the State's interest given, HUD's increasing demands on the HRC, concurrent with a decrease in federal financial support of the Commission's work.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Human Rights Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	305,732	352,103	502,103	353,523
Operating Expenses	55,318	75,350	75,350	84,183
Grants	14,000	0	0	0
TOTAL	375,049	427,453	577,453	437,706
FUND TYPE				
General Fund	253,533	273,225	273,225	278,014
Special Fund	0	1	1	1
Federal Revenue Fund	121,516	154,227	304,227	159,691
TOTAL	375,049	427,453	577,453	437,706

Agency Mission Statement

The mission of the Agency is to improve the well-being of Vermonters today and tomorrow and protect those who cannot protect themselves.

Description of Departments in Agency

The Agency of Human Services is comprised of the following departments and offices:

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 Director of Housing & Transportation, the Investigations Unit, the Human Services Board, and the Developmental Disabilities Council.

Department of Aging and Independent Living: 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 from abuse, neglect, and exploitation elders and people with developmental disabilities regardless of age.

Department of Corrections: In partnership with Vermont communities, the 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 63 Community Reparative Boards that develop sanctions and restorative plans in order for many nonviolent offenders to make amends for their crimes and return value to their communities.

Department of Health: 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 babies programs), surveillance (e.g., disease reporting), and protection (e.g., restaurant inspections). The Department also oversees provision of services to adults with mental illness, children and adolescents experiencing a severe emotional disturbance and their families.

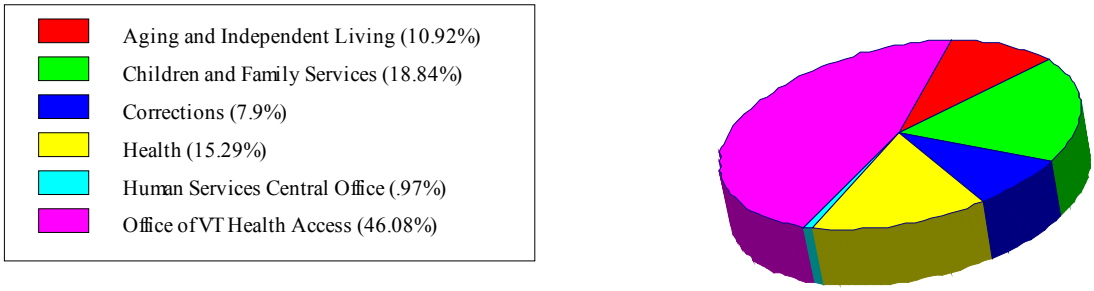
Department for Children and Family Services: DCF administers several programs that address the basic needs of Vermonters who are unable to provide for themselves and their dependents. These programs promote the well-being of families and individuals through welfare-to-work services, in-kind benefits, 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 take 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 absent parents. Child Support improves financial security for children by obtaining child support obligations and payments.

Office of Vermont Health Access: The OVHA promotes the well-being of families and individuals through the provision of health care coverage. The OVHA 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. As such, it is the largest insurer in Vermont in terms of dollars spent and the second largest insurer in terms of covered lives.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Agency of Human Services

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Human Services Central Office	0	55	60	0	13,328,386	13,328,386	13,730,682
Office of VT Health Access	0	59	59	0	585,382,589	622,025,707	654,489,614
Health	0	812	812	0	209,691,387	212,986,214	217,148,664
Children and Family Services	0	961	937	0	253,531,900	262,102,357	267,565,073
Aging and Independent Living	0	288	288	0	151,859,745	149,999,844	155,079,001
Corrections	0	1,145	1,152	0	105,513,592	108,182,384	112,211,771
TOTAL	0	3,327	3,307	0	1,319,307,599	1,368,624,892	1,420,224,805
FUND TYPE							
General Fund				0	309,012,258	622,450,575	336,219,491
Transportation Fund				0	1,624,062	1,624,062	1,637,082
Education Fund				0	0	0	776,280
Special Fund				0	273,981,608	294,101,941	294,582,773
Federal Revenue Fund				0	705,792,780	721,242,107	757,624,604
Permanent Trust Fund				0	2,300	2,300	10,000
Internal Service Fund				0	3,330,142	3,330,142	3,123,012
Interdepartmental Transfer				0	25,564,449	25,873,765	26,251,563
TOTAL				0	1,319,307,599	1,368,624,892	1,420,224,805



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

Fiscal Unit:
The Fiscal Unit coordinates the development of the Agency's budget 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 and statewide single audit functions, development of the AHS indirect rate, and updates of federal cost allocation plans.

Office of the Chief Information and Network Systems:
The Agency's CIO office 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, provides broad oversight of all IT expenditures, and provides overall leadership in the development of and use of information technology in the delivery of agency services.

Personnel Unit:
Personnel staff supports all Agency human resource development actions, including, but not limited to, recruitment of new hires, promotions, demotions, transfers, performance evaluation, and worker's compensation for an agency workforce of approximately 3,300 employees.

Division of Planning:
The Division works in partnership with communities and state entities to improve the wellbeing of Vermonters through the planning, coordination, and evaluation of human services. The Division

engages in prevention planning, training and technical assistance, and evaluation with AHS departments and other state agencies and non-governmental partners. It assists communities to assess their strengths and assets and to articulate clear and consistent goals, develop integrated and effective strategies, and deploy resources efficiently. The Division also engages in federal grant compliance monitoring and helps communities to evaluate their initiatives. The Division publishes annual summaries of Vermont State and community performance on more than 50 indicators of well-being.

Rate Setting:
The Unit audits and establishes Medicaid payment rates for nursing facilities for the Office of Vermont Health Access (OVHA), intermediate care facilities for people with developmental disabilities for the Department of Aging and Independent Living (DAIL) and private non-medical institutions for the Department for Children and Family Services(DCF). Through the application of its rules, the Unit evaluates the reasonableness and allocation of program budgets and expenditures to ensure both cost containment and quality of care.

Housing and Transportation:
The Housing and Transportation Director's primary role is to coordinate issues related to housing and transportation across departments within AHS and to speak with one voice for AHS and our constituencies across all relevant forums, including but not limited to other state agencies, the federal government, and community partners. The need for Vermonters to lead safe, healthy and productive lives is critical to the success of our mission. Two of the most basic life supports for our clients are housing and transportation. In order for this position and our clients to be successful, the Housing and Transportation Director will develop a comprehensive view of housing and transportation needs across the agency, develop and begin to implement a statewide plan to end homelessness and to explore methods for increasing transportation alternatives for individuals with disabilities and the concept of flexible transportation options.

Investigations Unit:
Unit is responsible for all labor related investigations within the Agency of Human Services, specifically those within the Department of Corrections. In addition to labor related issues, this Unit investigates incidents within the Department of Corrections including but not limited to alleged misconduct, policy violations, work rule violations, bargaining agreement violations, inmate grievances and inmate on inmate incidents. The unit works closely with all Departments within the Agency of Human Services and maintains an established toll-free telephone number set up to allow the general public and those under the charge of the Department of Corrections to file complaints. This Unit is a result of Legislative action to create more accountability and transparency within the Agency of Human Services.

Human Services Board:
The Board is a citizens' panel consisting of seven members, created by the legislature pursuant to 3 V.S.A., Section 3090. Its duties are to act as a fair hearing board for appeals brought by individuals who are aggrieved by decisions or policies of departments and programs within the Agency of Human Services. The Board conducts hearings and issues written decisions in accordance with its rules and its

statutory responsibilities. The Board also certifies Family Court copies of Child Support Orders issued by the Board prior to the creation of the Family Court.

Vermont Developmental Disabilities Council:

The D.D. Council works to ensure that all people with developmental disabilities receive the opportunities, assistance, and services necessary to live independently and productively in integrated community settings. The Council engages in advocacy, capacity building, and systems change activities. It contributes to a self-directed and family centered system of community services, individualized supports, and other forms of assistance that enable self-advocates to exercise self-determination, be independent, productive, and included in all facets of community life.

Drug Education, Treatment, Enforcement and Rehabilitation Program:

The administration proposes spending $973,107 to help mitigate mounting substance abuse pressures in Vermont. The proposal will promote drug prevention through an increase of 20 Student Assistance Professionals in middle and high schools throughout the state. Additionally, substance abuse treatment will be increased through funding for outpatient clinical services and for the opening of an opiate treatment center through a request for proposal process. The $973,107 is estimated to generate an additional $736,800 in federal funds.

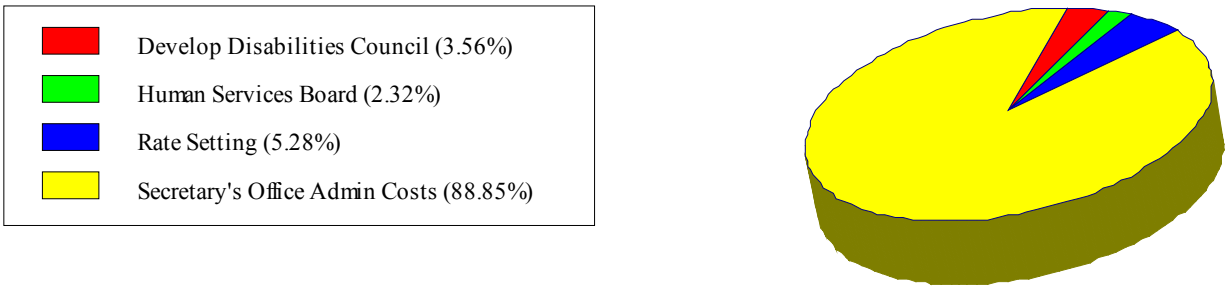
Human Resources Development:

With the early SFY2005 appointment of a Human Resource Development Director, AHS has begun to develop an agency-wide staff development plan. That plan is expected to include a customer focus, with an emphasis on respect and diversity; cross training regarding AHS services for better navigation and service coordination; and supervisory and leadership training to support workforce enhancement. The AHS Re-organizational Strategic Plan for 2005-2006 will contain a section on Staff Development. That will establish priorities and provide greater detail regarding the human resource development services and trainings that will be offered in the coming fiscal year.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Human Services Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Secretary's Office Admin Costs	0	40	45	0	11,848,910	11,848,910	12,199,121
Rate Setting	0	9	9	0	694,891	694,891	724,435
Develop Disabilities Council	0	2	2	0	483,121	483,121	488,385
Human Services Board	0	4	4	0	301,464	301,464	318,741
TOTAL	0	55	60	0	13,328,386	13,328,386	13,730,682
FUND TYPE							
General Fund				0	3,993,318	3,993,318	4,474,553
Special Fund				0	1,375,845	1,375,845	1,375,845
Federal Revenue Fund				0	6,112,079	6,112,079	6,101,480
Interdepartmental Transfer				0	1,847,144	1,847,144	1,778,804
TOTAL				0	13,328,386	13,328,386	13,730,682



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Secretary's Office Admin Costs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	3,463,792	3,463,792	3,836,236
Operating Expenses	0	888,493	888,493	1,245,070
Grants	0	7,496,625	7,496,625	7,117,815
TOTAL	0	11,848,910	11,848,910	12,199,121
FUND TYPE				
General Fund	0	3,872,236	3,872,236	4,344,860
Special Fund	0	1,375,845	1,375,845	1,375,845
Federal Revenue Fund	0	5,500,829	5,500,829	5,478,416
Interdepartmental Transfer	0	1,100,000	1,100,000	1,000,000
TOTAL	0	11,848,910	11,848,910	12,199,121

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	628,088	628,088	632,040
Operating Expenses	0	66,803	66,803	92,395
TOTAL	0	694,891	694,891	724,435
FUND TYPE				
Interdepartmental Transfer	0	694,891	694,891	724,435
TOTAL	0	694,891	694,891	724,435

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Develop Disabilities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	122,521	122,521	110,310
Operating Expenses	0	39,600	39,600	27,237
Grants	0	321,000	321,000	350,838
TOTAL	0	483,121	483,121	488,385
FUND TYPE				
Federal Revenue Fund	0	483,121	483,121	488,385
TOTAL	0	483,121	483,121	488,385

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Human Services Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	269,238	269,238	278,443
Operating Expenses	0	32,226	32,226	40,298
TOTAL	0	301,464	301,464	318,741
FUND TYPE				
General Fund	0	121,082	121,082	129,693
Federal Revenue Fund	0	128,129	128,129	134,679
Interdepartmental Transfer	0	52,253	52,253	54,369
TOTAL	0	301,464	301,464	318,741

Department Mission Statement

To assist beneficiaries in accessing clinically appropriate health services.

To administer Vermont's public health insurance system efficiently and effectively.

To collaborate with other health care system entities in bringing evidence-based practices to Vermont Medicaid beneficiaries.

Description of Appropriations, Divisions, & Programs

Medicaid - Traditional Medicaid provides comprehensive coverage to the lowest income population that is aged, blind or disabled, and to families with dependent children. Dr. Dynasaur, which is a component of Medicaid, was expanded in SFY' 99 to cover children with family income up to 300% FPL. SCHIP is available to uninsured children with family income up to 300% FPL. Particular emphasis is being placed on identifying and enrolling children with special health and education needs. A federal waiver expanded eligibility in SFY'99 for parents and caretakers with income up to 185% FPL. Medicaid also funds Ladies First, which is a breast cancer program and the QMB and SLMB Medicare cost sharing programs to cover Medicare Part B premiums and Medicare deductibles and coinsurance.
SFY'06 Est. Avg. Medicaid Caseload = 101,894 beneficiaries/mo.

Vermont Health Access Plan (VHAP) - A federal 1115 waiver allows provision of assistance to uninsured Vermonters with income up to 150% FPL who do not meet the categorical criteria for Medicaid eligibility. The waiver also allows coverage of uninsured parents or caretaker relatives of dependent children with incomes up to 185% FPL. The benefit package is similar, but less comprehensive, than Medicaid. A separate pharmacy-only benefit is provided to elderly and disabled individuals with incomes up to 150% of FPL.
SFY'06 Est. Avg. VHAP Caseload = 22,733 beneficiaries/mo.
SFY'06 Est. Avg. VHAP-Pharmacy Caseload = 9,316 beneficiaries/mo.

VScript and VScript Expanded - Provides pharmaceutical assistance to low-income aged and disabled Vermonters with incomes between 150% and 175 % FPL (VScript) and up to 225% (VScript Expanded). The benefit covers the cost of maintenance drugs. Beginning January 1, 2004, VScript and VScript Expanded beneficiaries pay premiums and no longer have other cost sharing in their coverage. Due to waiver approval, VScript qualifies for federal financial participation the same as the Medicaid 1115 waiver amendment. OVHA has requested a waiver approval for VScript Expanded, and is fully

state-funded at this time.
SFY'06 Est. Avg. VScript Caseload = 2,847 beneficiaries/mo.
SFY'06 Est. Avg. VScript Expanded Caseload = 2,695 beneficiaries/mo.

Healthy Vermonters - Provides pharmaceutical assistance - drugs at the Medicaid rate- to elderly and disabled individuals with income up to 400% FPL and others with income up to 300% FPL. VScript and VScript Expanded beneficiaries are also enrolled in Healthy Vermonters with assistance for pharmaceuticals for acute conditions.
SFY'06 Est. Avg. Healthy Vermonters Caseload = 11,355 beneficiaries/mo.

Long-Term Care - Per Act 160 (1996), the Department of Aging and Independent Living is mandated to improve independent living options and reduce reliance on institutional care. OVHA is working with DAIL on the approval and implementation of a Federal 1115 Long Term Care waiver. Approximately **60%** of all Nursing Home beds in the state are occupied by Medicaid patients. To meet the mandate, a Long-Term Care budget has been developed to include costs for Nursing Homes, Home & Community Based Waiver Services, and Enhanced Residential Care Services.
SFY'06 Est. Avg. Caseload included in Medicaid figure above.

Appropriation Key Budget Issues

The State of Vermont has a Medicaid Program (In Vermont this program pays for health care needs for almost 25% of the population) that left unrestrained will consume an estimated $685.5 million dollars in combined state and federal revenues in SFY 2006. Even more dramatic is the commitment of state dollars necessary to support this single largest expenditure of funds on any program in the state of $283.7 million. This projected state funds need represents a increase of $90 million dollars in state spending from 2004 to 2006.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Office of VT Health Access

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
OVHA	0	59	59	0	585,382,589	622,025,707	654,489,614
TOTAL	0	59	59	0	585,382,589	622,025,707	654,489,614
FUND TYPE							
General Fund				0	1,166,438	1,166,438	0
Special Fund				0	227,957,547	247,031,227	247,703,403
Federal Revenue Fund				0	356,258,604	373,828,042	406,786,211
TOTAL				0	585,382,589	622,025,707	654,489,614

Appropriation Key Budget Issues

In Vermont the Medicaid Program pays for health care needs for almost 25% of the population. If the program is left unrestrained, it will consume an estimated $667 million in combined state and federal revenues in SFY 2006. Even more dramatic is the commitment of state dollars necessary to support this single largest expenditure of funds on any program in the state of $276 million. This projected state funding need represents an increase of $83 million in state spending from 2004 to 2006.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	19,695,856	19,695,856	24,463,198
Operating Expenses	0	511,621	511,621	681,014
Grants	0	565,175,112	601,818,230	629,345,402
TOTAL	0	585,382,589	622,025,707	654,489,614
FUND TYPE				
General Fund	0	1,166,438	1,166,438	0
Special Fund	0	227,957,547	247,031,227	247,703,403
Federal Revenue Fund	0	356,258,604	373,828,042	406,786,211
TOTAL	0	585,382,589	622,025,707	654,489,614

Department Mission Statement

Vision: To have the nation's premier system of public and mental health, enabling Vermonters to lead healthy lives in healthy communities.

To lead our state and communities in the development of systematic approaches to health promotion, safety and disease prevention.

To continuously assess, vigorously pursue and document measurable improvements to the health and safety of Vermont's population.

We succeed through excellence in individual achievement, organizational competence and teamwork within and outside of the Department of Health.

Description of Appropriations, Divisions, & Programs

The Department of Health is organized into eight divisions:
Administration,
Health Protection,
Health Surveillance,
Health Improvement,
Community Public Health,
Alcohol and Drug Abuse Programs,
Mental Health,
Vermont State Hospital.

The Board of Medical Practice was established as an office in the Department of Health beginning in fiscal year 2003.

Working with partners throughout Vermont and nationally, the Health Department seeks to protect the public against epidemics and the spread of disease. Much of its focus is on enhancing the health of children and adults through promotion of high quality pre-natal care, childhood immunizations, healthy lifestyle advice, and prevention of addictive behaviors. The Department gathers population-based information and makes this information available to communities through Health Status Reports so that community members can take action to improve health outcomes.

The Health Department's activities are guided by its vision and mission, and by the goals and objectives laid out in Healthy Vermonters 2010, the state's blueprint for improving public health.

The **Administration** appropriation includes:
- the Commissioner's Office (department management, public information and legal),
- Information Technology Services,
- Budget and Grants Management,
- Business Office (accounts receivable, accounts payable, payroll, support services),
- Training and Development.

The Commissioner's Office provides policy direction and guidance to staff and programs of the Department. In addition, the Office keeps the public informed of issues that may affect their health and wellbeing through press releases, press conferences and responding to multiple daily press inquiries seeking information related to matters affecting public health. Information on community health is made available to the public through periodic release of the Health Status Report and through establishing broad health goals such as are included in Healthy Vermonters 2010.

Information Technology Services maintains a 500+ user network serving 15 sites statewide. Staff develop, support and maintain a large number of custom software applications serving department programs. The unit supports a key national public health initiative to develop a national electronic disease surveillance and reporting system.

Budget and Grants Management staff manage the department's overall budget and spending. The unit manages the budgets for the nearly 100 federal and foundation funding sources that make up almost three quarters of the department's budget.

The Business Office provides financial and logistics support for all department operations.

The Training and Development Unit is responsible for department-wide work force development issues, with particular emphasis on public health preparedness for emergencies.

The **Health Protection** appropriation includes:
Office of the Chief Medical Examiner:
Performs autopsies and investigates unexpected deaths from violence, injury, suicide, drugs or other circumstances.

Emergency Medical Services:
Responsible for standard setting, regulation and planning for Statewide Emergency Medical Services systems, training, technical assistance and program development for local services, and licensing and certification of all personnel and emergency equipment.

Emergency Preparedness Program:
Coordinates and directs the statewide effort to prepare for responses to events of bioterrorism or other public health emergencies, including assessment and development of the necessary public health infrastructure and the development and exercise of a public health response plan.

Radiological Health Services:
Minimizes occupational, general public and patient radiation exposure by registering and inspecting radiation sources, conducting environmental surveillance for the Vermont Yankee nuclear power plant and providing technical assistance.

Food and Lodging Services:
Inspects and licenses all restaurants, hotels, motels, inns, delis, bakeries, school food service facilities, summer camps and fairs to prevent food borne illness.

Environmental Health Programs:
Evaluates the potential risks to health posed by contaminants in housing, food, water, and air. Performs toxicological and risk assessment analyses: operates asbestos certification program; childhood lead poisoning prevention program; school indoor air program; coordinates development of state asthma plan; and enforces the Clean Indoor Air Act.

The **Health Surveillance** appropriation includes:
Public Health Laboratory:
The laboratory performs laboratory tests annually to identify infectious diseases, toxins or contaminants in air, food, water and clinical samples.

Infectious Disease Epidemiology:
The unit investigates and monitors reportable diseases and operates programs that provide services and prevention for sexually transmitted disease, HIV/AIDS, hepatitis, and tuberculosis.

Immunization:
The unit provides vaccine to children and adults and assures adherence to vaccination procedures and policies.

Public Health Statistics:
The unit provides statistical and analytical support to all department programs, maintains and analyzes vital records (births, deaths, marriages, civil unions, fetal deaths, and abortions), conducts health surveys, and operates the Vermont Cancer Registry.

The **Health Improvement** appropriation includes:
Maternal and Child Health which administers the Maternal and Child Health federal block grant and monitors and works to improve the system of health care for women, children and families.

Children with Special Health Needs (CSHN) provides and /or assures that health care and support services are available to children (0-21) who have complex health problems and to their families.

Dental Health works to improve the oral health of Vermonters by assuring access to preventive dental care, and support for fluoridation programs.

Health Systems, including Vermont's Blueprint for Health, Rural Health and Primary Care Programs, Diabetes Control Program, Nutrition Services, and Minority Health. These programs work to improve access to health care, raise awareness of the health needs of special populations, improve the quality of health services and develop new services. The Blueprint is a public private partnership to improve the delivery of services to people with or at risk of chronic disease. Fit and Healthy Vermonters is a project to expand the infrastructure for and develop new approaches to prevention of overweight in Vermont.

Family Planning administers the federal family planning grant and state family planning resources.

Health Promotion and Chronic Disease Prevention programs, including those for Tobacco Control, which work to cut the prevalence of tobacco use by 50% by 2010 (see performance budget narrative); Women's Health, including Wise Woman and Ladies First, which provide screening and health promotion services to low income women; Injury Prevention, which work to reduce morbidity and mortality, health care cost, and improve the quality of life for Vermonters by preventing unintentional and intentional injuries; Comprehensive Cancer Control, which work to reduce the prevalence of cancer in Vermont, and Arthritis which addresses key primary and secondary prevention issues for arthritis.

Much of the work of this division is funded by Federal grants and to a lesser extent by grants from private foundations. State funds are used primarily to meet federal match requirements. Those general funds not encumbered by federal matching requirements are applied as much as possible to draw down Medicaid funds.

The **Community Public Health** division provides direct service to Vermonters through district offices. The Community Public Health appropriation funds:

Twelve district offices around the state:
These offices provide health promotion, disease prevention, outreach, education, emergency preparedness and follow-up necessary of an effective public health system. It is through these district offices that most Health Department programs reach the people of Vermont.

WIC:
The Special Supplemental Nutrition Program for Women, Infants and Children (WIC), is a federally funded program to promote the health of infants, young children, pregnant women and new mothers by providing food supplements and nutrition education, monitoring child growth and development, and linking participants to prenatal and pediatric health care.

EPSDT:
The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program for children on Medicaid seeks to enhance the health of participants by prescribing standards for children's preventive health care and working to see that these standards are applied, assessing the supply of health care resources available to participants and taking steps to address documented disparities between need and supply, and assisting participants and their parents in using these resources effectively.

Other Maternal and Child Health (MCH) activities include: promoting evidence-bases prevention and intervention strategies and practices; monitoring data; authorizing case management services provided by community partners via the DCF/CDD Healthy Babies, Kids, and Families program; and collaborating with obstetricians, pediatricians, family practitioners, hospitals, academia, and state-administered and community-based programs.

Town Health Office program: coordinates the appointment process for municipal health officers and aids them in carrying out their duties; produces manuals and newsletters for municipal health officers to keep them informed of recent environmental health issues and regulations; and develops and provides training sessions on public health issues relevant to their work.

The Refugee Health program helps facilitate the healthy transition of newly arriving refugees by providing a coordinated approach to health care services. Facilitating the building of a Coordinated School Health Infrastructure throughout the state is another activity in which CPH is involved.

The **Alcohol & Drug Abuse Programs** appropriation funds:
Alcohol and Drug Research and Planning: conducts surveys and analyses to determine the prevalence of substance abuse and treatment needs of communities; conducts program and fiscal monitoring data analyses and evaluations of key ADAP prevention, intervention, and treatment services to ensure their accessibility, appropriateness, quality, and cost effectiveness; and manages and monitors federal data grants and SAPT Block Grant data reporting.

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, residential and pharmacological treatment, recovery services and transitional housing. Monitors and approves programs through site visits and ongoing technical assistance. Develops and implements treatment modalities and programs as needed. 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 (CRASH) Program. 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.

Alcohol and Drug Prevention:
Through staff based in 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.

The **Mental Health** appropriation funds:
-Adult mental health services,
-Children's mental health services,
-Mental health legal services

The Division 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 services to individuals are provided through contracts with 17 private non-profit designated and specialized service agencies 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 10,350 clients received these community-based mental health services in FY2003.

In addition, approximately 10,600 children and adolescents and their families received community-based mental health services in FY2003. 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 disordered 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 6,100 Vermonters were served through these Emergency programs in 2003.

The **Vermont State Hospital** appropriation funds:
The Vermont State Hospital (VSH), which has 56 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 FY2003, VSH served 234 individuals and had 216 admissions, with an average daily census of 47.

The **Board of Medical Practice** appropriation funds:
The Board of Medical Practice, which issues and renews licenses and certificates for physicians (MDs), podiatrists (DPMs), physician's assistants (PAs), and anesthesiologist assistants (AAs). The Board investigates complaints and allegations of unprofessional conduct against any person subject to its jurisdiction. The Board is also required by law to create and maintain individual profiles on all health care professionals licensed, certified, or registered by the department and to make these profiles available to the public. The Board must also use a portion of licensing and certification fees to support the costs of creating and maintaining a Vermont practitioner recovery network to monitor recovering chemically-dependent licensees for the protection of the public.

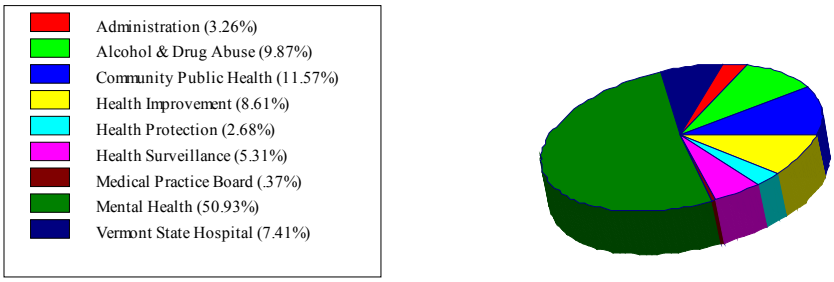
Appropriation Key Budget Issues

The Department continues to maximize the use of federal funds to meet its objectives. The inclusion of the Department of Mental Health and the Vermont State Hospital have brought new challenges to the department both in terms of management and addresing the service needs of the populations. The Department is also responsible for the development of several of the elements of the Administrations health care initiatives: "Fit and Healthy Kids" , "The Vermont Blueprint fot Health", and D.E.T.E.R. the substance abuse initiative.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Health

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration	0	85	85	0	7,177,454	7,513,178	7,084,410
Health Protection	0	54	54	0	4,292,561	5,873,074	5,816,158
Health Surveillance	0	121	121	0	11,375,622	11,456,235	11,519,863
Health Improvement	0	81	81	0	20,366,482	18,009,984	18,690,790
Community Public Health	0	211	211	0	24,371,147	24,602,280	25,130,101
Alcohol & Drug Abuse	0	36	36	0	19,910,926	24,079,862	21,423,329
Mental Health	0	32	32	0	105,008,991	105,429,882	110,586,921
Vermont State Hospital	0	186	186	0	16,425,804	15,240,969	16,097,019
Medical Practice Board	0	6	6	0	762,400	780,750	800,073
TOTAL	0	812	812	0	209,691,387	212,986,214	217,148,664
FUND TYPE							
General Fund				0	55,979,116	61,090,248	64,115,288
Special Fund				0	18,705,760	19,535,955	17,992,690
Federal Revenue Fund				0	115,368,039	112,489,716	114,622,110
Permanent Trust Fund				0	2,300	2,300	10,000
Interdepartmental Transfer				0	19,636,172	19,867,995	20,408,576
TOTAL				0	209,691,387	212,986,214	217,148,664



Appropriation Key Budget Issues

The Department continues to maximize the use of federal funds to meet its objectives. The inclusion of the Department of Mental Health and the Vermont State Hospital have brought new challenges to the department both in terms of management and addressing the service needs of the populations. The Department is also responsible for the development of several of the elements of the Administration's health care initiatives: "Fit and Healthy Kids";"The Vermont Blueprint for Health"; and D.E.T.E.R., the substance abuse initiative.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	5,761,674	6,097,398	5,606,480
Operating Expenses	0	1,415,780	1,415,780	1,477,930
TOTAL	0	7,177,454	7,513,178	7,084,410
FUND TYPE				
General Fund	0	2,015,244	2,069,788	1,864,184
Special Fund	0	21,951	21,951	1,701
Federal Revenue Fund	0	5,140,259	5,421,439	5,214,525
Interdepartmental Transfer	0	0	0	4,000
TOTAL	0	7,177,454	7,513,178	7,084,410

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	3,235,360	3,588,859	3,561,696
Operating Expenses	0	650,861	650,861	680,062
Grants	0	406,340	1,633,354	1,574,400
TOTAL	0	4,292,561	5,873,074	5,816,158
FUND TYPE				
General Fund	0	1,143,228	1,174,374	1,165,201
Special Fund	0	1,122,900	1,122,900	942,000
Federal Revenue Fund	0	1,579,317	3,128,684	3,321,732
Interdepartmental Transfer	0	447,116	447,116	387,225
TOTAL	0	4,292,561	5,873,074	5,816,158

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	6,776,534	6,857,147	7,258,188
Operating Expenses	0	1,884,988	1,884,988	1,900,115
Grants	0	2,714,100	2,714,100	2,361,560
TOTAL	0	11,375,622	11,456,235	11,519,863
FUND TYPE				
General Fund	0	3,555,935	3,609,689	3,462,198
Special Fund	0	1,072,850	1,072,850	1,254,750
Federal Revenue Fund	0	6,616,652	6,643,511	6,672,515
Permanent Trust Fund	0	2,300	2,300	10,000
Interdepartmental Transfer	0	127,885	127,885	120,400
TOTAL	0	11,375,622	11,456,235	11,519,863

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	7,556,492	8,291,094	8,355,130
Operating Expenses	0	1,084,859	1,084,859	1,155,320
Grants	0	11,725,131	8,634,031	9,180,340
TOTAL	0	20,366,482	18,009,984	18,690,790
FUND TYPE				
General Fund	0	3,194,214	3,213,537	3,445,034
Special Fund	0	4,389,604	4,389,604	4,133,179
Federal Revenue Fund	0	12,775,664	10,399,843	11,105,577
Interdepartmental Transfer	0	7,000	7,000	7,000
TOTAL	0	20,366,482	18,009,984	18,690,790

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	11,148,846	11,363,779	11,727,467
Operating Expenses	0	1,627,974	1,644,174	1,620,114
Grants	0	11,594,327	11,594,327	11,782,520
TOTAL	0	24,371,147	24,602,280	25,130,101
FUND TYPE				
General Fund	0	3,929,512	3,969,351	4,138,477
Special Fund	0	520,701	520,701	477,110
Federal Revenue Fund	0	19,563,614	19,754,908	20,362,014
Interdepartmental Transfer	0	357,320	357,320	152,500
TOTAL	0	24,371,147	24,602,280	25,130,101

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	2,288,432	2,262,677	2,391,227
Operating Expenses	0	855,102	855,102	836,119
Grants	0	16,767,392	20,962,083	18,195,983
TOTAL	0	19,910,926	24,079,862	21,423,329
FUND TYPE				
General Fund	0	4,799,653	6,827,946	5,429,692
Special Fund	0	3,328,266	4,140,111	3,328,266
Federal Revenue Fund	0	11,365,007	12,693,805	12,247,371
Interdepartmental Transfer	0	418,000	418,000	418,000
TOTAL	0	19,910,926	24,079,862	21,423,329

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Mental Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	3,007,985	3,028,876	3,404,696
Operating Expenses	0	453,111	453,111	507,616
Grants	0	101,547,895	101,947,895	106,674,609
TOTAL	0	105,008,991	105,429,882	110,586,921
FUND TYPE				
General Fund	0	35,473,415	39,774,306	44,492,587
Special Fund	0	7,377,088	7,377,088	6,945,611
Federal Revenue Fund	0	57,755,100	53,875,100	55,125,950
Interdepartmental Transfer	0	4,403,388	4,403,388	4,022,773
TOTAL	0	105,008,991	105,429,882	110,586,921

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont State Hospital

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	14,846,501	13,520,166	14,280,497
Operating Expenses	0	1,576,303	1,717,803	1,813,522
Grants	0	3,000	3,000	3,000
TOTAL	0	16,425,804	15,240,969	16,097,019
FUND TYPE				
General Fund	0	1,867,915	451,257	117,915
Special Fund	0	110,000	110,000	110,000
Federal Revenue Fund	0	572,426	572,426	572,426
Interdepartmental Transfer	0	13,875,463	14,107,286	15,296,678
TOTAL	0	16,425,804	15,240,969	16,097,019

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Medical Practice Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	637,400	655,750	669,764
Operating Expenses	0	125,000	125,000	130,309
TOTAL	0	762,400	780,750	800,073
FUND TYPE				
Special Fund	0	762,400	780,750	800,073
TOTAL	0	762,400	780,750	800,073

Department Mission Statement

The Department for Children and Family Services (DCF) promotes the social, emotional, physical and economic well being of Vermont's children and families. DCF achieves this mission by providing Vermonters with protective, developmental, therapeutic, probation, economic, and other support services. To this end, DCF works in statewide partnership with families, schools, businesses, community leaders, and service providers.

Description of Appropriations, Divisions, & Programs

On July 1, the departments of SRS and PATH and the offices of Child Support and Economic Opportunities merged. The new department is comprised of five divisions and two offices:

Child Development Division (CDD). This division is comprised of the former Child Care Services Division of SRS and several programs formerly in DDMHS and the Health Department. The new Division consists of the following six units: Direct Services, Standards/Licensing, Fiscal, Workforce Development, Data Integration and Quality Assurance and Systems Development.

Child Welfare and Youth Justice Division (CWYJ). This division consists of the former Social Services Division of SRS, as well as the newly formed Youth Justice Unit, which will include elements formerly in the Social Services Division and the Juvenile Justice Commission of AHS. The new division consists of the following four units: Child Protective Services, Resources, Child Safety and Youth Justice.

Economic Services Division (ESD). This division includes health care programs, Reach Up, Food Stamps, General Assistance, Fuel, and AABD/Essential Person. ESD consists of the following three units: Welfare to Work, Planning, Policy and Regulation and Economic Benefits.

Field Services Division (FSD). This division is comprised of the department's twelve newly-merged field offices.

Disability Determinations Division (DDD). DDD 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.

DDD, OCS and OEO continue to function essentially as they have in the past.

Administration and Support
Provides administrative oversight and support to the operating divisions; is responsible for policy and budget development; maintains relationships with other state agencies, the legislature and federal officials.

Child Development Division
Program Focus:
The Child Development Division was created as a result of the Agency of Human Services reorganization which expanded the roles and responsibilities of the Child Care Services Division within the former Department of Social and Rehabilitation Services. The purpose of the new Division is to assure a coordinated, statewide system of child development services that promotes and supports safe, accessible, quality services for Vermont's children and their families.

The Mission of the Child Development Division is to improve the well being of Vermont's children. This is done in partnership with families, communities, schools, providers and state and federal agencies to assure access to high quality, economically viable, child development services.

Programs and Services:

The Division provides services to children from pre-birth to adolescence and their families through a continuum of child development and family support services which includes primary prevention, early intervention and targeted specialized therapeutic services. The primary services include:

- Child Care
- Child Development
- Community Development
- Consumer Education and Referral
- Early Childhood Mental Health
- Early Intervention
- Early Literacy
- Family Support
- Family to Family Connections
- Health Promotions
- Parent Child Activities
- Parent Education
- Peer to Peer Support
- Professional Development

- Resource Connection and Navigation
- Service Coordination
- Transition Support

The division is organized into six functional units which are part of a Matrix Management System to assure an integrated and comprehensive approach to carrying out the responsibilities of the division. The units are: Licensing, Children's Services, Fiscal, Workforce Development and Quality Enhancement, and Comprehensive Systems Development.

Licensing: The Licensing Unit is responsible for regulating and monitoring all child care centers, family child care homes and certified legally exempt providers in Vermont. There are currently 650 Licensed Centers, 1,300 Registered Homes and 1,000 certified exempt providers. The regulated child care system serves approximately 38,000 children ages 6 weeks to 13 years. The Licensing Unit processes all applications for child care, including over 40,000 criminal records and child abuse screenings annually. Consumer education services are part of this unit. The consumer education and concern line receives over 2,400 calls annually.

Children's Services: This newly formed unit includes all the direct prevention and early intervention programs in the division including Healthy Babies, Kids & Families, the Family, Infant and Toddler Program, Children's Upstream Services, which is early childhood mental health, Success by Six and Child Care.

The Healthy Babies, Kids & Families program provides home visiting support to at risk families. Over 4,000 families were served in SFY 04.

The Family, Infant and Toddler Program serves children under 3 with established disabilities or a diagnosed condition with high probability of subsequent developmental delays. There are 650 active participants at any given time with 1,100-1,200 children served annually.

The CUPS Program is the main vehicle for providing early childhood mental health services in Vermont. CUPS served 365 children and their families with direct therapeutic services in SFY 04 and provided 7,500 mental health consultations to early childhood programs.

Success by Six provides primary prevention services such as playgroups, literacy, welcome baby visits and community resource fairs. An estimated 38,500 children and 59,600 parents and providers were supported with Success by Six funding last year.

Fiscal Unit: The fiscal unit manages the Child Care Subsidy Program, grant and contract development and vendor payments. Over 8,000 children are enrolled in the subsidy program. Payments are made directly to the child care programs where the children are enrolled. Since most of the services funded by the Child Development Division are provided by community based agencies, hundreds of grants and contracts are processed and paid through this unit annually.

Quality Assurance and Data Integration: The Bright Futures Data Information System for the Division is managed within this unit. All business functions and supporting policies are developed with this unit and are integrated into the data system.

Workforce Development and Quality Enhancement: This unit manages all initiatives that support improving the quality of the services provided through the Child Development System, including promoting the ongoing professional development of the workforce. Over 5,000 providers and community partners participate in professional development opportunities annually.

Comprehensive Systems Development: This unit brings together grant funds and services that are designed to establish and support the external systems work necessary to assure an adequate infrastructure to sustain the Child Development System. Grants and programs that currently reside in this unit include, the Parent Child Center base funding, the Head Start Collaboration grant, the Healthy Child Care Vermont funds and the Early Childhood Comprehensive Systems grant. The work of this division is primarily focused on working with external partners, both public and private, to look at issues of governance, accountability and sustainability.

Child Welfare and Youth Justice Division
Program Focus:
Child abuse and neglect investigations: The division is responsible for responding to reports alleging that children are abused 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, social workers collaborate with law enforcement personnel when conducting these investigations.

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.

Substitute care, treatment and permanency planning services for children in custody: For children in custody, the division focused on providing the most appropriate out-of-home living situation. Whenever possible, the division strives to place children 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.

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.

Adoption subsidy and post-adoption supports for adoptees with special needs: Children adopted through

the foster care system are often eligible for financial supports due to their special needs. In addition, adoptive families are provided with post-adoption services to ensure their successful parenting 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 respond 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 Child Welfare and Youth Justice 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.

Economic Services Division

Program Focus:

The Economic Services Division (ESD) administers a variety of state, federal/state, and federal programs that address the basic needs of Vermonters who are unable to provide for themselves and their dependents. Contributing factors include unemployment, part-time or low-wage employment, family breakup, unmarried parenthood, age, temporary or permanent disability, death of a family member, or other catastrophic event. These programs promote the well-being of families and individuals through the provision of welfare-to-work services, health care coverage, and cash assistance. The programs include Medicaid/Dr. Dynasaur, the Vermont Health Access Plan (VHAP), VHAP-Pharmacy, VScript, VScript Expanded, Healthy Vermonters, Reach Up, Food Stamps, SSI/AABD, Fuel Assistance, General Assistance/Emergency Assistance, and Telephone Lifeline. ESD determines financial eligibility for health care programs, and administers the other programs listed above.

These programs serve more than 75,000 low- to moderate-income families - about 150,000 people at any given time during the year. More than one in five Vermonters will receive one or more benefits or services from these programs.

Reach Up - Families with children who are unable to provide for themselves as a result of family breakup, unmarried parenthood, temporary or permanent disability, unemployment, or low-wage employment, receive cash assistance, case management, and other welfare-to-work services, and referral to the Office of Child Support through participation in Reach Up. Families receiving Reach Up are also provided with Medicaid coverage and approximately nine out of ten receive Food Stamps. General funds in the Reach Up appropriation support the Postsecondary Education (PSE) program, which provides stipends and individual case management to approximately 360 parents that are pursuing a two- or four-year college education.

SFY 06 Est. Avg. Reach Up Caseload = 13,403 participants/mo.

Aid to the Aged, Blind, & Disabled (AABD) - The AABD appropriation funds the State Supplement to federal Supplemental Security Income (SSI) benefits that about 12,950 Vermonters receive from the Social Security Administration. Of those, 11,275 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 SSI recipient's spouse, who are ineligible for SSI and Reach Up benefits and whose care or services are essential to the SSI recipient's ability to remain at home.

SFY 06 Est. Avg. AABD Caseload = 13,125 recipients/mo.
SFY 06 Est. Avg. Essential Person Program Caseload = 197 recipients/mo

General Assistance - General Assistance/Emergency Assistance (GA/EA) programs are emergency financial assistance programs for eligible households whose emergency needs cannot be met under any other assistance program administered by Economic Services and cannot be relieved without ESD's intervention. A household may qualify for GA/EA in two ways: by meeting either the non-catastrophic or the catastrophic rules.

Households with emergency needs not caused by a catastrophic situation must be low-income, include a minor dependent, or have employment barriers to be eligible. Households with emergency needs caused by a catastrophic situation must have exhausted all income and resources to be eligible for assistance.

SFY 06 Est. Avg. GA Caseload = 2,475 applications/mo.

Food Stamp Cash Out - The Food Stamp cash-out program serves 19 percent of Food Stamp program recipients and represents 15 percent of total benefits disbursed; the remaining 81 percent of recipients are enrolled in the Electronic Benefit Transfer (EBT/Food) component of the program. In FY 99, coupon issuance was replaced by a statewide EBT distribution system. Cash-out benefits are permitted for households in which everyone is either 65 or older or an SSI recipient. Monthly Food Stamp program benefits, in combination with part of the household's income and other benefits, if any, are intended to enable the household to maintain a minimally nutritious diet.

SFY 06 Est. Avg. Cash-out Caseload = 7,800 recipients/mo.
SFY 06 Est. Avg. Total Food Stamp Program Caseload = 45,501 recipients/mo.

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. Benefits are issued as a direct payment to their certified fuel supplier. PATH had a formal agreement with the five Community Action Programs to operate the Crisis Component of the Fuel Program; this agreement will be continued under the ESD.

SFY 06 Est. Avg. Fuel Caseload = 41,133 recipients/season

Field Services Division
Program Focus:
The Field Services Division is being created during FY 05 as part of the reorganization of human services. The Division is created for the purpose of maximizing the effectiveness of human services in each region of the state. The Division's scope covers the entire Agency of Human Services, including services provided through state-operated entities as well as those operated by private "designated" agencies. AHS Field Directors are expected to work with state departments and divisions, private agencies, community partnerships, education, business, and, especially, consumer groups, to design and implement innovations to improve performance related to the ten outcomes of the Agency of Human Services, as well to make specific progress around the ten themes of the 2004 Reorganization of Human Services:

Respectful Service: Creating a pervasive customer-friendly culture.

Access to Services: Creating a clear and welcoming presence in the community and assuring that people who connect with the agency are guided to the assistance they need. Creating technology that supports easy access.

Prevention: Working together with communities to promote healthy individuals and families.

Preventing Crises: Intervening as early as possible to reduce the need for more intensive services.

Effective Service Coordination: Assuring that individuals and families served by AHS programs have a service coordinator and well-coordinated interventions and supports.

Flexible Funding to address gaps in services: Working to respond to need and to avoid "silo thinking" that creates barriers.

Collaboration with Key Partners: Building on existing partnerships and promoting broader relationships.

Support through Transition: Building smooth bridges between programs defined by age, disability, or situation (e.g. pre-school to school, adolescence to adulthood, school to work, prison to community, hospital to community, elder care at home to some type of supported situation, etc.)

Continuous Improvement and Accountability: Promoting a significant consumer voice in the process. Assuring tracking and addressing performance indicators related to our success.

Information Systems: Establishing improved information systems to support a more effective and efficient system.

History/Mandate:
For the past 35 years, human services in Vermont-as in all other states-has been organized around particular human problems. There have been Departments, Divisions, and Units dedicated to economic problems, substance abuse, mental health, public health, child abuse, corrections, physical disabilities, developmental disabilities, aging, and every other imaginable disability or circumstance. In many of these areas, Vermont's programs have been exceptional-among the best in the country. In addition, there have been a number of initiatives in recent years that have encouraged collaboration across specialized programs. Despite all of this good work, there are various indicators that demonstrate the failings of a system built primarily around programmatic silos.

Eighteen months of inquiry produced a large body of information from citizens throughout Vermont, indicating that despite specific programs that have been excellent, there are serious issues around respect, access, and service coordination. In addition, we realize that, as a State, we must become better at addressing problems earlier. Current financial trends in the areas of Medicaid and Corrections are not sustainable.

The Legislature, in May, 2004, authorized the Agency of Human Services to reorganize pursuant to the plan the agency submitted to the legislature. A State Advisory Group will continue to oversee the process for a period of three years.

Population Served:
The mission of the Field Services Division covers the full scope of the work of the Agency of Human Services. The whole concept is to begin to view the world through the eyes of actual and potential users of the system and through a community lens. The work of AHS Field Directors is not limited to a particular sub-set of the population, but rather is to assure that the system works for all Vermonters.

Major Programs/Activities:
All twelve AHS Field Directors have been hired. They will be working with local state managers, private sector managers, community partnerships, education, the broader community, and with those we serve to develop and implement specific strategies to achieve the results of the reorganization. Those specific strategies will unfold over the next 12 months.

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.

OCS was funded with approximately $1.3 million in general fund for SFY 05 and it is anticipated that the $1.3 M will generate child support collections in excess of $54.5 million for families or as recovery of welfare expenditures. By maximizing federal reimbursements, as well as federal incentives that are awarded for meeting or exceeding performance benchmarks, OCS has remained a highly productive organization where modest General Fund investment generates a substantial return ($54.5 million) in child support payments and state program cost recovery.

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. As families are moved away from public assistance to being self-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, although typically low income, are not receiving TANF benefits. While TANF caseloads may be declining, OCS provides an income support to the former-TANF 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.

Office of Disability Determination Services
Program Focus:
The DDS serves the public by making prompt, program-accurate decisions of medical eligibility for disability benefits under Social Security and Supplemental Security Income (SSI). In addition, a small part of the DDS workload (5% in FFY 2004) involves medical eligibility for Medicaid based on the Social Security regulatory definition of disability. The funds expended by the DDS to process Social Security and SSI disability claims are 100% federally reimbursed.

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.

OEO provides this assistance through:
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 2003, Vermont CAAs provided over 131,000 direct service units to more than 44,000 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 over 27 non-profit organizations serving low-income Vermonters, thereby assisting them with emergency food and shelter needs.

- 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 the homeless or those at risk of homelessness. In SFY 2004, 3,644 individuals spent at least one night in a shelter in Vermont.

- The statewide MicroBusiness Development Program assists low-to-moderate income Vermonters who want to gain skills and knowledge necessary to start and operate a micro business. In 2004, 188 new businesses were started, and 276 new jobs were created by business start-ups, expansions and enhancements. According to a recent survey of Job Start borrowers, nearly three-fourths were still in business. 47% had been in business between one and five years, and another 20% were successfully operating their businesses for over six years.

- Individual Development Accounts (IDAs) - This one-year demonstration project is a matched-savings program that allows income-eligible participants to accumulate the assets needed to purchase a home, pursue higher education or capitalize a small business.

Weatherization Services: The Vermont Weatherization Program was started in 1976 in response to the nation's energy crisis. Funding for the early days of the program was provided for 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, about $5 million annually, is comprised 80.8% from state funds and 19.2% from USDOE. Under the program, income-eligible Vermonters may receive:

- 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.

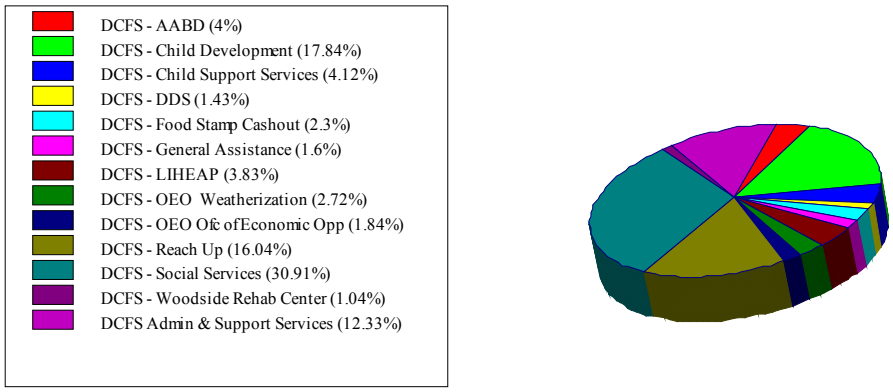
- "Full-service" energy efficiency retrofits including: dense-pack sidewall insulation, air sealing, attic

insulation, heating system upgrades and replacements.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Children and Family Services

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
DCFS Admin & Support Services	0	436	421	0	31,581,474	31,963,350	33,003,690
DCFS - Social Services	0	293	291	0	74,527,067	80,034,771	82,716,358
DCFS - Child Development	0	38	36	0	45,298,713	46,908,129	47,738,205
DCFS - Child Support Services	0	124	122	0	10,440,092	10,440,092	11,017,037
DCFS - AABD	0	0	0	0	10,584,738	10,584,738	10,702,867
DCFS - General Assistance	0	0	0	0	4,376,260	4,376,260	4,276,260
DCFS - Food Stamp Cashout	0	0	0	0	5,764,119	6,637,440	6,141,229
DCFS - Reach Up	0	0	0	0	44,486,083	44,486,083	42,907,279
DCFS - LIHEAP	0	0	0	0	8,462,075	8,462,075	10,256,117
DCFS - OEO Ofc of Economic Opp	0	4	4	0	4,860,773	4,860,773	4,910,873
DCFS - OEO Weatherization	0	2	2	0	7,269,438	7,269,438	7,269,438
DCFS - Woodside Rehab Center	0	34	34	0	2,720,656	2,720,656	2,793,507
DCFS - DDS	0	30	27	0	3,160,412	3,358,552	3,832,213
TOTAL	0	961	937	0	253,531,900	262,102,357	267,565,073
FUND TYPE							
General Fund				0	95,326,779	100,950,055	104,170,397
Transportation Fund				0	60,249	60,249	60,732
Special Fund				0	21,021,450	21,804,818	23,178,957
Federal Revenue Fund				0	136,239,460	138,403,273	139,271,025
Interdepartmental Transfer				0	883,962	883,962	883,962
TOTAL				0	253,531,900	262,102,357	267,565,073



Appropriation Key Budget Issues

DCF / OVHA Medical Support Initiative: The cost of LTC Medicaid continues as a significant budget pressure. The increasingly complex financial situations of many applicants challenge the division to provide additional resources to assure the consistent and accurate administration of the program. Critical resources include adequate training, supervision, and access to legal assistance for review of case documents. Further legal analysis of federal rules and estate planning vehicles could also yield program savings through changes resulting in increased cost sharing by individuals or estate recovery receipts.

Medicare Modernization Act (MMA) - unknown impact on beneficiaries: The MMA will most likely have a significant impact on the Medicare beneficiaries who also receive benefits through the Medicaid, VHAP-Pharmacy, VScript, or VScript expanded programs. Transitioning beneficiaries to a new prescription drug program will require extensive outreach and education to beneficiaries and the public, data collection from beneficiaries, staff training, and systems and procedures redesign.

Medical support from noncustodial parents: This is an opportunity and a pressure point. Pursuing medical support from noncustodial parents, which is a mandate to the Office of Child Support, is an opportunity to increase parents' personal responsibility to support their children, with an added outcome of some Medicaid savings when a child shifts to private health care coverage. The pressure is in the implementation of this initiative, which will require forms and procedure changes, collection of additional data from families, systems redesign, staff training, and the establishment of consequences for families that do not cooperate with this mandate.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS Admin & Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	25,100,787	25,434,063	26,563,475
Operating Expenses	0	5,066,012	5,114,612	5,025,540
Grants	0	1,414,675	1,414,675	1,414,675
TOTAL	0	31,581,474	31,963,350	33,003,690
FUND TYPE				
General Fund	0	13,273,084	13,654,960	13,926,443
Special Fund	0	1,221,846	1,221,846	1,401,422
Federal Revenue Fund	0	17,086,544	17,086,544	17,675,825
TOTAL	0	31,581,474	31,963,350	33,003,690

Appropriation Key Budget Issues

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.

Implementation of statutory revision authorizing child abuse registry checks for employees who will care for vulnerable children or adults has resulted in as many as 100 checks per week, resulting in increased pressure on staff.

Children and youth committed to the care and custody of the state are increasingly in need of significant and on-going mental health and substance abuse treatment.

The custody population continues to become older - over 60% are twelve and older. This requires adjustments to our current systems for placement and treatment.

IV-E eligibility and receipts continue to decline, as federal statute has "frozen" income standards at 1996 ANFC limits.

Social work practice and the on-going professional development of staff needs to be focused on assuring positive outcomes for children and families.

Assuring adequate numbers of resource families who have the necessary skills to nurture children with complex behaviors and needs will continue to be a challenge.

Currently, the division provides supports to over 1200 adopted children with special needs. These children, adopted at an older age, continue to need supportive services after adoption.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - Social Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	17,632,695	17,632,695	18,261,673
Operating Expenses	0	2,841,761	2,841,761	2,870,402
Grants	0	54,052,611	59,560,315	61,584,283
TOTAL	0	74,527,067	80,034,771	82,716,358
FUND TYPE				
General Fund	0	30,877,597	34,509,581	37,993,806
Special Fund	0	1,381,152	2,164,520	1,381,152
Federal Revenue Fund	0	42,268,318	43,360,670	43,341,400
TOTAL	0	74,527,067	80,034,771	82,716,358

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - Child Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	2,332,779	2,332,779	2,412,885
Operating Expenses	0	470,180	470,180	468,401
Grants	0	42,495,754	44,105,170	44,856,919
TOTAL	0	45,298,713	46,908,129	47,738,205
FUND TYPE				
General Fund	0	16,493,126	18,102,542	18,948,093
Transportation Fund	0	60,249	60,249	60,732
Special Fund	0	1,230,722	1,230,722	1,230,722
Federal Revenue Fund	0	27,288,864	27,288,864	27,272,906
Interdepartmental Transfer	0	225,752	225,752	225,752
TOTAL	0	45,298,713	46,908,129	47,738,205

Appropriation Key Budget Issues

Vermont continues to see reductions in federal incentives. A capped incentive funding pool is shared by all states. As other states improve their program performance, they become eligible for additional incentive monies from the capped incentive pool. Thus, while Vermont continues as a national support enforcement performance leader, as these improving (and larger) states draw more money from the pool, states that have consistently performed well (such as Vermont) are seeing reductions in available incentives. This reduction in incentives once again requires OCS to request additional general fund for SFY 06. Historically OCS has received little general fund increases.

DCF, through the Office of Child Support (OCS) and the Economic Services Division (ESD), is joining with the Office of Vermont Health Access (OVHA) to implement a comprehensive program for the establishment and enforcement of medical insurance obligations for children with an absent parent and who are recipients of Medicaid. Program costs are offset by modest Medicaid cost-recovery, Medicaid cost-avoidance, and avoidance of federal non-compliance penalties in OCS operating and TANF funds. The OCS portion of this initiative will require 11 new positions.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - Child Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	7,649,310	7,649,310	8,220,005
Operating Expenses	0	2,790,782	2,790,782	2,797,032
TOTAL	0	10,440,092	10,440,092	11,017,037
FUND TYPE				
General Fund	0	1,370,517	1,370,517	1,550,424
Special Fund	0	454,125	454,125	638,014
Federal Revenue Fund	0	8,508,350	8,508,350	8,721,499
Interdepartmental Transfer	0	107,100	107,100	107,100
TOTAL	0	10,440,092	10,440,092	11,017,037

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - AABD

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	1,365,966	1,365,966	1,365,966
Grants	0	9,218,772	9,218,772	9,336,901
TOTAL	0	10,584,738	10,584,738	10,702,867
FUND TYPE				
General Fund	0	10,584,738	10,584,738	10,702,867
TOTAL	0	10,584,738	10,584,738	10,702,867

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - General Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	0	4,376,260	4,376,260	4,276,260
TOTAL	0	4,376,260	4,376,260	4,276,260
FUND TYPE				
General Fund	0	3,264,939	3,264,939	3,164,939
Special Fund	0	1	1	1
Federal Revenue Fund	0	1,111,320	1,111,320	1,111,320
TOTAL	0	4,376,260	4,376,260	4,276,260

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - Food Stamp Cashout

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	5,764,119	6,637,440	6,141,229
TOTAL	0	5,764,119	6,637,440	6,141,229
FUND TYPE				
Federal Revenue Fund	0	5,764,119	6,637,440	6,141,229
TOTAL	0	5,764,119	6,637,440	6,141,229

Appropriation Key Budget Issues

Federal welfare reform reauthorization: Federal authorization for the Temporary Assistance for Needy Families Block Grant (TANF), Vermont's primary funding source for the Reach Up program, expired on September 30, 2002. Since that time, the U.S. Congress has continued TANF funding through a series of legislative extensions; the current one continues funding through March 31, 2005. When Congress reauthorizes TANF, it is likely the legislation will include changes to the states' participation requirements. To comply with these anticipated changes, Vermont will need to:

- Increase the work participation rate,
- Increase the number of hours participants engage in approved activities,
- Engage participants in approved activities sooner,
- Increase availability of child care, especially for younger children,
- Expand and modify information technology and data collection, and
- Provide more intensive services to help participants overcome barriers to employment in shorter time periods, or in conjunction with their participation in work activities.

The program and resource implications of these changes are significant. DCF's continuing efforts to improve Reach Up outcomes though program evaluation and the reallocation of resources will not be sufficient to fulfill the state's new obligations of the reauthorization. To meet the challenges of the expected changes, DCF will have to find new resources to develop job and work placements across the state, fund additional childcare needs, and provide more intensive barrier removal services.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - Reach Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	44,486,083	44,486,083	42,907,279
TOTAL	0	44,486,083	44,486,083	42,907,279
FUND TYPE				
General Fund	0	15,948,867	15,948,867	14,280,063
Special Fund	0	2,200,000	2,200,000	2,200,000
Federal Revenue Fund	0	26,337,216	26,337,216	26,427,216
TOTAL	0	44,486,083	44,486,083	42,907,279

Appropriation Key Budget Issues

Stretching the heating dollar: The Economic Services Division (ESD) administers a fuel assistance program through its Office of Home Heating Fuel Assistance, with federal funding from the Low-Income Home Energy Assistance Program (LIHEAP). These payments are not intended to meet the total cost of heating the home, but rather to provide supplemental assistance to households that qualify. For the 2003/2004 heating season, 18,268 Vermont families received a seasonal fuel assistance benefit. The crisis component of the program was also able to help approximately 5500 households avert a heating emergency.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - LIHEAP

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	20,000	20,000	20,000
Operating Expenses	0	90,000	90,000	90,000
Grants	0	8,352,075	8,352,075	10,146,117
TOTAL	0	8,462,075	8,462,075	10,256,117
FUND TYPE				
Special Fund	0	8,462,075	8,462,075	10,256,117
TOTAL	0	8,462,075	8,462,075	10,256,117

Appropriation Key Budget Issues

Homelessness : Vermont's Shelters are at capacity nearly every night with every bed and crib filled. With full shelters, people who are homeless find themselves with no options. Increasing the resources to shelters to provide transitional shelter beds through a grant from the federal Department of Housing and Urban Development (HUD) will free up emergency bed availability.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	268,308	268,308	261,733
Operating Expenses	0	78,670	78,670	89,517
Grants	0	4,513,795	4,513,795	4,559,623
TOTAL	0	4,860,773	4,860,773	4,910,873
FUND TYPE				
General Fund	0	848,147	848,147	865,147
Special Fund	0	80,012	80,012	80,012
Federal Revenue Fund	0	3,681,541	3,681,541	3,714,641
Interdepartmental Transfer	0	251,073	251,073	251,073
TOTAL	0	4,860,773	4,860,773	4,910,873

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	151,601	151,601	150,478
Operating Expenses	0	96,510	96,510	39,950
Grants	0	7,021,327	7,021,327	7,079,010
TOTAL	0	7,269,438	7,269,438	7,269,438
FUND TYPE				
Special Fund	0	5,991,517	5,991,517	5,991,517
Federal Revenue Fund	0	1,277,921	1,277,921	1,277,921
TOTAL	0	7,269,438	7,269,438	7,269,438

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DCFS - Woodside Rehab Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	2,282,357	2,282,357	2,361,201
Operating Expenses	0	438,299	438,299	432,306
TOTAL	0	2,720,656	2,720,656	2,793,507
FUND TYPE				
General Fund	0	2,665,764	2,665,764	2,738,615
Interdepartmental Transfer	0	54,892	54,892	54,892
TOTAL	0	2,720,656	2,720,656	2,793,507

Appropriation Key Budget Issues

The transition to electronic claim files and business processes will slow DDS case processing time in the short term. The DDS must maintain cumbersome dual processes (paper and electronic) for several years. The electronic conversion of paper records will be resource intensive until more Vermont healthcare sources develop electronic record transmission capability.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	2,719,300	2,917,440	3,337,193
Operating Expenses	0	441,112	441,112	495,020
TOTAL	0	3,160,412	3,358,552	3,832,213
FUND TYPE				
Federal Revenue Fund	0	2,915,267	3,113,407	3,587,068
Interdepartmental Transfer	0	245,145	245,145	245,145
TOTAL	0	3,160,412	3,358,552	3,832,213

Department Mission Statement

The Department of Independent Living's mission is to: assist older Vermonters and people with disabilities to live as independently as possible; assist people with disabilities to find and maintain meaningful employment; assure quality of care and life to individuals receiving health care services from licensed or certified health care providers; and protect vulnerable adults from abuse, neglect and exploitation.

Description of Appropriations, Divisions, & Programs

The Department has five major divisions that contribute to achieving the mission.

The Division of Advocacy and Independent Living manages a wide variety of programs and services for elders and adults with physical disabilities. The primary goal of these services is to help individuals remain independent and active in their community. The major programs in this division include: the Elderly and Disabled Home and Community Based Waiver (managed by DAIL, but the funds are in OVHA); the Enhanced Residential Care Home Waiver (managed by DAIL, but the funds are in OVHA); all Older Americans Act programs in the Area Agencies on Aging, including case management and nutrition programs; Adult Day Services; and the Attendant Services Program.

The Division of Developmental Services (DS) provides services to over 3000 Vermonters with Developmental Disabilities to help them live as independently as possible and avoid institutional care. The major programs in this division include: the Developmental Services Waiver; Flexible Family Funding; the Office of Public Guardian; Children's Personal Care Services (managed in DS, but the funds are in OVHA); and the High Tech Program (managed in DS, but the funds are in OVHA).

The Division of Vocational Rehabilitation (VR) assists Vermonters with a disability to enter or re-enter the work force through assessment, job training and employment supports. The major programs in VR include: the core rehabilitation work, known as the Section 110 program; supported employment; and the Traumatic Brain Injury Waiver.

The Division for the Blind and Visually Impaired (DBVI) assists blind and visually impaired Vermonters 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 Licensing and Protection (DLP) performs a critical role in ensuring quality of services

and protecting Vermonters with disabilities from abuse. 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 Adult Protective Services, which investigates abuse, neglect and exploitation of vulnerable adults.

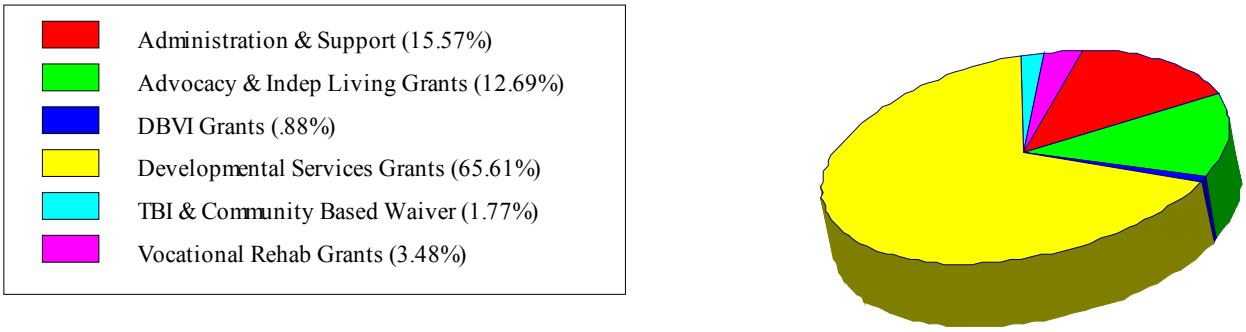
DAIL is also the focal point in state government for policy and management of all long term care programs, including nursing homes, even though the funds for nursing homes, and the long term care waivers, are in the OVHA budget.

The re-organization of AHS has resulted in some changes and proposed changes in the structure of DAIL programs. DAIL has already merged two separate public guardian programs (one for elders and one for developmentally disabled persons). It is in the process of merging the Division of Advocacy and Independent Living and the Division of Developmental Services. The changes will help ensure a better job of serving Vermonters by eliminating some of the “silos” or categorical services in favor of more flexible services.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Aging and Independent Living

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration & Support	0	288	288	0	23,151,602	23,274,833	24,141,994
Advocacy & Indep Living Grants	0	0	0	0	22,281,687	20,820,295	19,676,895
DBVI Grants	0	0	0	0	1,370,219	1,359,000	1,359,000
Vocational Rehab Grants	0	0	0	0	6,217,958	6,367,971	5,402,643
Developmental Services Grants	0	0	0	0	96,274,093	95,578,041	101,749,459
TBI & Community Based Waiver	0	0	0	0	2,564,186	2,599,704	2,749,010
TOTAL	0	288	288	0	151,859,745	149,999,844	155,079,001
FUND TYPE							
General Fund				0	55,695,405	55,730,522	60,399,406
Transportation Fund				0	419,330	419,330	422,692
Special Fund				0	3,315,470	2,748,560	2,702,680
Federal Revenue Fund				0	89,990,872	88,585,271	88,949,068
Interdepartmental Transfer				0	2,438,668	2,516,161	2,605,155
TOTAL				0	151,859,745	149,999,844	155,079,001



Appropriation Key Budget Issues

Long Term Care Budget. Vermont currently spends over $135,000,000 on nursing homes and two community based waivers. The current system is unsustainable. Great progress has been made in reducing reliance on nursing homes in favor of lower cost home and community based care. However, more can be done if Vermont receives permission from the federal government (in the form of an 1115 Waiver) to restructure the long-term care system. The goal of the restructuring is to increase access to home and community based services in ways that are not possible today. By serving more people at home or in other alternatives, we can avoid significant costs in the future. The 1115 Waiver proposal was submitted to the federal government in October of 2003. There have been many discussions with CMS and agreement is close. Once there is an agreement implementation plans can begin that should have a modest impact on the FY 06 budget.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	19,784,428	19,907,659	20,691,990
Operating Expenses	0	3,367,174	3,367,174	3,450,004
TOTAL	0	23,151,602	23,274,833	24,141,994
FUND TYPE				
General Fund	0	7,243,575	7,264,635	8,005,169
Special Fund	0	782,599	782,599	823,719
Federal Revenue Fund	0	14,120,977	14,048,656	14,045,169
Interdepartmental Transfer	0	1,004,451	1,178,943	1,267,937
TOTAL	0	23,151,602	23,274,833	24,141,994

Appropriation Key Budget Issues

Developmental Services. Meeting the service needs of Developmental Services within the 7.5% General Fund increase in the AHS Secretary's pledge will be challenging, but it is something the Department is committed to doing.

Appropriation Key Budget Issues

Area Agencies on Aging. These 5 community based organizations provide the bulk of services to persons over 60 in Vermont and are a vital part of DAIL's services system. Due largely to level funding from the federal government for a number of years, they are approaching a crisis and are already making reduction in services. Additional state funds for these organizations are crucial just to maintain the existing level of service, in a time of increasing demand.

Housing and Supportive Services. This program provides state general funds in grants to 28 public housing settings for seniors and adults with disabilities. These funds pay for service coordination and gap filling services to assist individuals in these settings to remain independent. A reduction in this program is proposed in order to cover other challenges in the budget.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Advocacy & Indep Living Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	22,281,687	20,820,295	19,676,895
TOTAL	0	22,281,687	20,820,295	19,676,895
FUND TYPE				
General Fund	0	8,733,764	8,733,764	8,427,065
Transportation Fund	0	419,330	419,330	422,692
Special Fund	0	801,981	851,981	851,981
Federal Revenue Fund	0	12,249,612	10,738,220	9,898,157
Interdepartmental Transfer	0	77,000	77,000	77,000
TOTAL	0	22,281,687	20,820,295	19,676,895

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
DBVI Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	1,370,219	1,359,000	1,359,000
TOTAL	0	1,370,219	1,359,000	1,359,000
FUND TYPE				
General Fund	0	564,064	564,064	564,064
Special Fund	0	145,000	145,000	145,000
Federal Revenue Fund	0	661,155	649,936	649,936
TOTAL	0	1,370,219	1,359,000	1,359,000

Appropriation Key Budget Issues

Vocational Rehabilitation. Vocational Rehabilitation will experience in FY 2006 a reduction in the federal funds available for case services, which pay for job training, equipment and other services to help re-employ individuals. The Department is working on various approaches to minimize this loss.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vocational Rehab Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	6,217,958	6,367,971	5,402,643
TOTAL	0	6,217,958	6,367,971	5,402,643
FUND TYPE				
General Fund	0	1,599,195	1,599,195	1,599,195
Special Fund	0	80,000	40,000	40,000
Federal Revenue Fund	0	4,313,046	4,529,389	3,564,061
Interdepartmental Transfer	0	225,717	199,387	199,387
TOTAL	0	6,217,958	6,367,971	5,402,643

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Developmental Services Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	96,274,093	95,578,041	101,749,459
TOTAL	0	96,274,093	95,578,041	101,749,459
FUND TYPE				
General Fund	0	36,539,902	36,539,901	40,674,070
Special Fund	0	1,505,890	928,980	841,980
Federal Revenue Fund	0	57,096,801	57,048,329	59,172,578
Interdepartmental Transfer	0	1,131,500	1,060,831	1,060,831
TOTAL	0	96,274,093	95,578,041	101,749,459

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
TBI & Community Based Waiver

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	2,564,186	2,599,704	2,749,010
TOTAL	0	2,564,186	2,599,704	2,749,010
FUND TYPE				
General Fund	0	1,014,905	1,028,963	1,129,843
Federal Revenue Fund	0	1,549,281	1,570,741	1,619,167
TOTAL	0	2,564,186	2,599,704	2,749,010

Department Mission Statement

The Vermont Department of Corrections, in partnership with the community, supports safe communities by providing leadership in crime prevention, repairing the harm done, addressing the needs of crime victims, ensuring offender accountability for criminal acts, and managing the risk posed by offenders. The Department strives 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

Corrections has five basic goals: to involve the community; to address the needs desired by victims; to restore the community; to ensure that offenders are held accountable; and to keep offenders in custody safe.

The administration of the Department consists of the offices of the commissioner and deputy commissioner, and the supporting divisions of finance, information technology, and planning. There is also a legal division staffed by the attorney general.

Parole Board

The Parole Board is an autonomous body that is included in the Corrections appropriation only for administrative purposes. The board reviews recommendations made by the department to grant or revoke parole status. The Parole Board conducts statutory reviews of all inmates, and makes site visits to all facilities, including those housed outside of Vermont. It conducts parole hearings as required by law.

Education

The purpose of the Community High School of Vermont (CHSVT) is to provide quality educational services responsive to academic, vocational, and social needs of Vermont residents, without a basic education and to improve their knowledge, skills, and abilities to function as meaningful participants in the community.

Performance Indicators	FY01	FY02	FY03	FY04
Student Hours (000s)	180	194	173	182
Assessments	1997	1836	1953	1785
Trade/Industry Cert.	0	283	255	356
High School Credits Awarded	0	809	1013	1338

Graduation Plans Implemented	0	223	259	308

Correctional Services
Correctional Services administers six levels of court and legislatively mandated sanctions:
Level 1 -- 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 level requires due process, with a court hearing, counsel, and proof beyond reasonable doubt. The probation sanction includes the reparative probation program, which allows citizens on community panels to determine the quality of restitution made to the victim and to repair harm to the community, consistent with *28 VSA Chapter 12*.

Level 2 --Supervised Community Sentence The second level is based on a law passed in 1990 that provides the legal framework for the intermediate sanctions. The judge sentences to a set of conditions and programs agreed to by the Commissioner, under the supervision of the Parole Board. The offender is a step closer to incarceration. Violation of this level is addressed through a Parole Hearing, with lesser standards of proof and representation.

Level 3 -- Pre-approved Furlough In this level, an offender is sentenced to a term of confinement but, with prior approval of the Commissioner, is granted immediate furlough. Furlough status is a community placement, revocation of it is through an administrative process, and the rules for behavior are more stringent.

Level 4 -- Incarceration The fourth level is a sentence of confinement to a correctional facility, under the care and custody of the Commissioner. At this level, release is through the Parole Board, upon completion of the minimum term or through conditional reentry approved by the Commissioner.

Level 5 - Conditional Reentry: Upon completion of the minimum term of sentence, the inmate is released to the community, still under confinement, subject to conditions of reentry. This status is more restrictive than any other community based placement.

Level 6 - 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 and supervision by Corrections.

The Programs: There are two sets of Correctional programs:

- Risk Management Services, that manages offenders who pose risk of reoffense and threat of serious crime; and
- Reparative Services, that works with communities to respond to offenders who will be repaying the community for their offenses.

Risk Management Services comprise the bulk of corrections responsibilities:

- Three central correctional facilities (Northern State in Newport, Northwest State in St. Albans,

and Southern State in Springfield) house and treat violent and sexual offenders serving long sentences;

- Three regional correctional facilities in St. Johnsbury, S. Burlington and Rutland, serve courts and law enforcement agencies by providing detention, classification and short sentence housing.
- The Caledonia County Work Camp provides a less expensive means of incarceration for appropriate minimum security offenders working in the community.
- Dale State Correctional facility and the Southeast State Correctional house women offenders.
- Nine Community Correctional Services Centers that manage offenders who need supervision and treatment.

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Programs in facilities include sex offender treatment, the violent offender program, a federally funded substance abuse program, Community High School of Vermont, vocational training, and offender work programs. Programs in the community include domestic violence, intensive substance abuse, cognitive skills training and Community High School of Vermont, as well as sex offender treatment, violence treatment, women's programs and other community-based treatment options. Offenders are entitled to basic standards of care related to nutrition, sanitation, recreation, education, religious, safety, medical, dental, and mental health. Detailed data is presented in Facts and Figures, the Department's annual data book.

Reparative Services consists of 10 court and reparative service units (CRSU) that provide information to the courts at sentencing and eligibility determination for program placement, and assist Community Reparative Boards in creating appropriate reparative sanctions for low risk offenders. The services provided by this track involve restitution and community service. There are currently some 63 reparative boards operating in 36 different Vermont communities, involving over 500 citizen volunteers. These boards developed sanctions and restorative plans for 1,567 offenders last year. The CRSU's also monitor some 8,400 offenders on probation.

Performance Indicators (Further detail in Facts and Figures)

1. Public safety

Failure to Return	FY99	FY00	FY01	FY02	FY03	FY04
Average Daily Population on furlough	446	459.5	538.5	687	788	811
# Furloughed	1348	1405	1449	1503	1807	1832
Failures to Return	103	117	132	147	188	146

2. Recidivism

Release Year	FY95	FY96	FY97	FY98	FY99	FY00
Prison	56%	59%	60%	54%	52%	51%
Number in cohort	1612	1640	1842	2076	2337	2494

Recidivism is any new conviction within 36 months after release.

3. New charges during supervision:

New Charge rate	FY98	FY99	FY00	FY01	FY02	FY03	FY04

Intermediate Sanction	9.6%	7.1%	6.8%	7.3%	11%	9.3%	7.7%
Furlough	15.3%	14.0%	11.2%	12.1%	18%	18.5%	12.3%
Probation	*NDA*	*NDA*	*NDA*	*NDA*	*NDA*	14.1%	9.3%
Parole	*NDA*	*NDA*	*NDA*	*NDA*	*NDA*	8.4%	5.1%

4. Reparation to victims and community

Year	FY99	FY00	FY01	FY02	FY03	FY04
Collected $ 000s	1,673	1,827	2,045	2,101	2,902	
Work hours 000s	432	429	454	430	422	426

4. Community involvement

Year	FY99	FY00	FY01	FY02	FY03	FY04
Volunteers	1,246	1,077	1,147	1,267	1,288	

Correctional Facilities- Recreation

The recreation fund gets its resources from the receipts from inmate commissaries and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees and is used for inmate recreational opportunities. In addition, several of the inmate boards have decided to make substantive donations to victim activities. The recreation fund is also used to pay for inmate postage costs and to provide support for inmate reentry into the community after release including housing assistance.

Vermont Offender Work Programs(VOWP)

Vermont Offender Work Programs administers industrial and training programs in correctional facilities, including a print shop, a silkscreen shop, a furniture manufacture and assembly shop, a license plate and sheet metal working shop, and many smaller correctional industries. The program also works with the community work camp, providing many surrounding communities with work service crews that perform a wide variety of reparative services. Recently, the Windsor Correctional Facility, long the site of the plate shop and sign shop, has become a women's correctional facility. This required a restructuring of the shops, but resulted in maintaining the same level of production.

VOWP also works with community service work crews composed of offenders on probation and intermediate sanctions to provide services 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, all the 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.

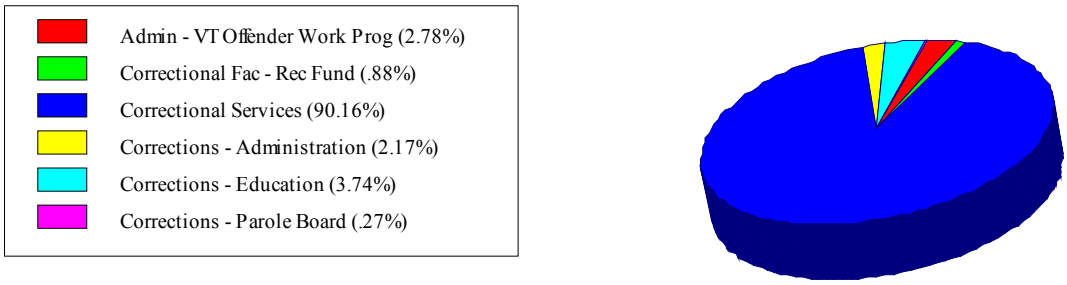
Total Hours of Work (Offender Work Program)

	FY99	FY00	FY01	FY02	FY03	FY04
Work hours (000s)	432	429	454	430	422	426

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Corrections

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Corrections - Administration	0	29	29	0	2,476,310	2,476,310	2,431,912
Corrections - Parole Board	0	3	3	0	284,117	284,117	298,277
Corrections - Education	0	59	62	0	3,674,585	3,674,585	4,201,166
Correctional Services	0	1,025	1,028	0	94,829,902	97,498,694	101,165,206
Correctional Fac - Rec Fund	0	9	9	0	918,536	918,536	992,198
Admin - VT Offender Work Prog	0	20	21	0	3,330,142	3,330,142	3,123,012
TOTAL	0	1,145	1,152	0	105,513,592	108,182,384	112,211,771
FUND TYPE							
General Fund				0	96,851,202	99,519,994	103,059,847
Transportation Fund				0	1,144,483	1,144,483	1,153,658
Education Fund				0	0	0	776,280
Special Fund				0	1,605,536	1,605,536	1,629,198
Federal Revenue Fund				0	1,823,726	1,823,726	1,894,710
Internal Service Fund				0	3,330,142	3,330,142	3,123,012
Interdepartmental Transfer				0	758,503	758,503	575,066
TOTAL				0	105,513,592	108,182,384	112,211,771



Appropriation Key Budget Issues

The Commissioner's Office faces a myriad of fiscal and programmatic challenges this year. These challenges include dealing with increasing caseload pressures, offender safety issues and investigations.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	2,154,223	2,154,223	2,109,825
Operating Expenses	0	322,087	322,087	322,087
TOTAL	0	2,476,310	2,476,310	2,431,912
FUND TYPE				
General Fund	0	2,199,440	2,199,440	2,270,042
Federal Revenue Fund	0	180,000	180,000	65,000
Interdepartmental Transfer	0	96,870	96,870	96,870
TOTAL	0	2,476,310	2,476,310	2,431,912

Appropriation Key Budget Issues

There are no new budget issues facing the Vermont Parole Board in FY2006. The parole board is an autonomous body, included 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. The parole board also reviews the status of an increasing number of offenders on parole after serving a supervised community sentence.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Corrections - Parole Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	218,562	218,562	232,722
Operating Expenses	0	65,555	65,555	65,555
TOTAL	0	284,117	284,117	298,277
FUND TYPE				
General Fund	0	284,117	284,117	298,277
TOTAL	0	284,117	284,117	298,277

Appropriation Key Budget Issues

The major budget issue for FY06 is the change in the way Special Education in the nine facilities is being funded this year. In the past, these Special Education costs were funded by the general fund. For instance, in SFY 2005, approximately $347,000 in general fund was spent with $184,000 coming from Department of Corrections and $163,000 coming from the Department of Education. The need for basic Special Education is almost double the current general fund allocations. It has been decided that this base cost in the nine facilities should be covered with Education Fund through an interdepartmental transfer.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	3,237,375	3,237,375	3,735,854
Operating Expenses	0	437,210	437,210	465,312
TOTAL	0	3,674,585	3,674,585	4,201,166
FUND TYPE				
General Fund	0	3,113,998	3,113,998	3,027,736
Education Fund	0	0	0	776,280
Interdepartmental Transfer	0	560,587	560,587	397,150
TOTAL	0	3,674,585	3,674,585	4,201,166

Appropriation Key Budget Issues

The largest budget pressures include caseload pressures, payroll, and the medical contract increase. Over the past eight to ten years the number of inmates housed by corrections has grown by an average of 10 a month. Some years the growth has been dramatic while in others it has been fairly flat. This year, however, due largely to a dramatic decrease in the numbers held in detention prior to trial, that rate of growth has slowed significantly. In the last legislative session the Vermont General Assembly changed the definitions of facility capacity by removing the beds designed to house mentally ill inmates, physically ill and other inmates needing segregation from the number of beds counted in prison base capacity. This resulted in limiting the number of beds available to house prisoners in-state, and increasing the number of prisoners housed out-of-state.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	65,321,030	65,591,030	67,705,162
Operating Expenses	0	27,864,372	30,263,164	31,405,544
Grants	0	1,644,500	1,644,500	2,054,500
TOTAL	0	94,829,902	97,498,694	101,165,206
FUND TYPE				
General Fund	0	91,253,647	93,922,439	97,463,792
Transportation Fund	0	1,144,483	1,144,483	1,153,658
Special Fund	0	687,000	687,000	637,000
Federal Revenue Fund	0	1,643,726	1,643,726	1,829,710
Interdepartmental Transfer	0	101,046	101,046	81,046
TOTAL	0	94,829,902	97,498,694	101,165,206

Appropriation Key Budget Issues

The recreation fund revenues are from inmate commissary and telephone system receipts. There are no new key budget issues in FY06.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	0	507,620	507,620	518,212
Operating Expenses	0	410,916	410,916	473,986
TOTAL	0	918,536	918,536	992,198
FUND TYPE				
Special Fund	0	918,536	918,536	992,198
TOTAL	0	918,536	918,536	992,198

Appropriation Key Budget Issues

As such, there are no key budget issues for the Vermont Offender Work Programs. VOWP is a self-funded operation, providing offender work and vocational training at no cost to the general fund. In fact, the VOWP produces a modest revenue to the State General Fund through the Prison Industry Enhancement Certification Program (PIECP).

Service Impacts

In addition to the programmatic value of preparing offenders for the work force, the VOWP adds value in several other ways. VOWP puts money back into the Vermont economy by buying its raw materials and services locally. In FY03 these purchases amounted to roughly $1.4 million.

Through PIECP partnerships there is additional value added. By Department of Corrections directive and inmate agreement, deductions are made to inmate wages. These deductions total up to 80% of the inmates' gross earnings. Deductions are made for taxes, restitution to the victim or payment to the victim restitution fund, family support, and room and board. The room and board deduction goes directly to the General Fund.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	1,598,402	1,598,402	1,391,272
Operating Expenses	0	1,731,740	1,731,740	1,731,740
TOTAL	0	3,330,142	3,330,142	3,123,012
FUND TYPE				
Internal Service Fund	0	3,330,142	3,330,142	3,123,012
TOTAL	0	3,330,142	3,330,142	3,123,012

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
GF Approp to Health Access Trust Fd

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	69,065,572	69,065,572	56,905,572
TOTAL	0	69,065,572	69,065,572	56,905,572
FUND TYPE				
General Fund	0	69,065,572	69,065,572	56,905,572
TOTAL	0	69,065,572	69,065,572	56,905,572

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Tobacco Approp to Health Access Trust Fd

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	17,250,000	17,250,000	17,250,000
TOTAL	0	17,250,000	17,250,000	17,250,000
FUND TYPE				
Special Fund	0	17,250,000	17,250,000	17,250,000
TOTAL	0	17,250,000	17,250,000	17,250,000

Department Mission Statement

The mission of the Vermont Children's Trust Fund (CTF), established in 1986 by amendment to 33 V. S. A., Chapter 33, Section 3306, is to promote the health, self-reliance, and overall well-being of children and families and to prevent abuse and neglect or other socially destructive behaviors.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Children's Trust Fund

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Children's Trust Fund	0	0	0	0	310,651	310,651	340,891
TOTAL	0	0	0	0	310,651	310,651	340,891
FUND TYPE							
General Fund				0	100,651	100,651	100,651
Special Fund				0	70,000	70,000	70,000
Federal Revenue Fund				0	140,000	140,000	170,240
TOTAL				0	310,651	310,651	340,891

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Children's Trust Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	0	310,651	310,651	340,891
TOTAL	0	310,651	310,651	340,891
FUND TYPE				
General Fund	0	100,651	100,651	100,651
Special Fund	0	70,000	70,000	70,000
Federal Revenue Fund	0	140,000	140,000	170,240
TOTAL	0	310,651	310,651	340,891

Department Mission Statement

The Vermont Commission on Women (VCW) 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 believes 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. The VCW strives to ensure that all women live with justice, equity, freedom, dignity, privacy, and equality and in economic self-sufficiency, mental and physical health, and well-being. The Commission will listen respectfully, assess, speak, and be pro-active.

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. Staff includes an Executive Director, a part-time Communications Coordinator, and an Office and Program Manager.

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. Overall Commission work is guided by the 2000-2005 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.

PRIORITY AREA #2: LEADERSHIP & PUBLIC LIFE
Goal: Women will be influential leaders.
Goal: More women will vote.

PRIORITY AREA #3: HEALTH, SAFETY, & CIVIL RIGHTS
Goal: Women will live free of violence and have access to the health care they need.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Commission on Women

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Commission on Women	3	3	3	219,659	236,777	266,572	255,421
TOTAL	3	3	3	219,659	236,777	266,572	255,421
FUND TYPE							
General Fund				219,659	231,777	261,572	250,421
Special Fund				0	5,000	5,000	5,000
TOTAL				219,659	236,777	266,572	255,421

Appropriation Key Budget Issues

Seventy-seven percent of the Commission's budget is for personal services, providing for 2.75 FTE staff positions.

Twelve percent of the budget covers allocated expenses as determined by the Administration, which includes costs for VISION/HRMS and Fee-for-Space Internal Service fund.

The remaining eleven percent ($26,976) covers all other operating expenses, such as commissioner and staff travel, phone, publications, and postage.

The Vermont Commission on Women operates as efficiently and effectively as it can within its appropriation. Staff shares 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. The Commission's operation reflects the State's desire for fiscal responsibility.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Commission on Women

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	176,787	182,561	201,437	194,319
Operating Expenses	42,872	54,216	65,135	61,102
TOTAL	219,659	236,777	266,572	255,421
FUND TYPE				
General Fund	219,659	231,777	261,572	250,421
Special Fund	0	5,000	5,000	5,000
TOTAL	219,659	236,777	266,572	255,421

Department Mission Statement

State funding to RSVP, which amounts to 10%-15% of the project's 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 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 3,588 volunteers who, in grant year 2003, gave 394,758 hours of service to over 750 community non-profit organizations. These organizations include schools, aging programs, cultural organizations, libraries, hospitals, social service agencies, health care organizations, and many others.

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 who 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 Chapter of American Red Cross, Grantee for Bennington County RSVP
- Central VT Council on Aging, Grantee for RSVP for Central Vermont (Washington, Orange, Lamoille Counties) and Northeast Kingdom (Orleans, Essex & Caledonia Counties).
- Health Care Rehabilitation Services, Inc., Grantee for Windham & Windsor Counties RSVP.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Retired Senior Volunteer Program	0	0	0	132,689	131,096	131,096	131,096
TOTAL	0	0	0	132,689	131,096	131,096	131,096
FUND TYPE							
General Fund				132,689	131,096	131,096	131,096
TOTAL				132,689	131,096	131,096	131,096

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	132,689	131,096	131,096	131,096
TOTAL	132,689	131,096	131,096	131,096
FUND TYPE				
General Fund	132,689	131,096	131,096	131,096
TOTAL	132,689	131,096	131,096	131,096

Department Mission Statement

The Vermont Veterans Home shall have as its primary purpose the creation and maintenance of a program of residential care administered with a view to providing the highest quality medical and nursing care, pain management, emotional and psychological support to eligible veterans, spouses of veterans, and eligible parents of veterans.

The Vermont Veterans Home shall also provide domiciliary services and a rehabilitative program to eligible veterans.

The focus of the Vermont Veterans Home will be the each individual residents of the Home, recognizing that each resident is unique and deserves a safe and caring environment that promotes a sense of dignity, self-respect, and choice. This goal will be reached using resident-centered teams of highly motivated staff and delivering to each resident a program of high-quality physical and psychological services that address each resident's individual needs.

To achieve the highest level of care possible for residents, the administration of the Vermont Veterans Home will strive to:

- Hire and retain high-quality health care professionals,
- Pursue programs that offer best medical and nursing practices; and
- Maximize participation of each resident in making and carrying out procedures and processes that are intended to benefit the medical, emotional, and psychological well being of the resident.

In order to maintain an atmosphere conducive to the well being of each resident, the Vermont Veterans Home will maintain an environment that is characterized by:

- Continuity of care;
- Emotional support;
- Spiritual guidance;
- Daily social and recreational activities that serve to maintain vigor, reduce anxiety and enhance feelings of self-worth;
- Aesthetically pleasing surroundings;
- And procedures that maximize the personal safety of each resident.

Description of Appropriations, Divisions, & Programs

Appropriations:

The Vermont Veterans Home is a State of Vermont facility that provides care to Veterans, spouses of Veterans and Gold Star Mothers of Veterans. The home generated over $15 million of revenue in SFY '04 and provided over 60,000 days of patient care. Sources of funding were Medicare, Vermont and New York Medicaid, Private funds, and the Veterans Administration. The SYF '06 budget figures are based upon a General Fund Appropriation of $952,495. This appropriation may be transferred, with the approval of the Secretary of Administration, to the Office of Vermont Health Access, for the purposes of maximizing the Medicaid rate paid to the facility and reducing the need for an additional infusion of general fund. The budget revenue is based on a census of 166 residents per day, which represents our average year-to-date census and fills the nursing home to 94% of available beds.

Programs:

The Vermont Veterans Home takes pride in delivering the highest quality of care to all the residents. In addition to a promise to care for each of our residents with the dignity and respect they deserve, we have developed some specialized programs that further enhance the quality of life for each of our residents.

1) Dementia Care - As the need for dementia care has increased, the Vermont Veterans Home has met that need by increasing the number of dementia beds available. VVH has further developed activity based programming that has been very successful. The activities programming havsenhanced the quality of life for many dementia residents and served as a comfort to resident families.

2) Palliative Care - The home allows families of residents to be comfortable and near their loved one during the end stage of life. Guest accommodations are available for those that are in need, particularly those who live a distance from the home. Grant monies enabled the home to open a palliative care library that serves as both a quiet place to go and a resource for end of life issues.

3) Pain Management - Pain management is an utmost priority to the staff at the Vermont Veterans Home. Ongoing education in this area allows the staff through observation, such as a change in behavior patterns, increased agitation, changes in appetite, and body language, to identify pain and seek treatment for even the totally dependent resident. VVH will continue to focus on a delivery of care that includes the management of pain.

4) Wound Care - The Vermont Veterans Home has a knowledgeable team that has met with great success in preventing, identifying, reducing or eliminating wounds. VVH is expanding its staff of wound care professionals by providing wound care training.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Care and Support Services	219	219	219	13,711,549	14,647,791	15,379,920	16,002,190
TOTAL	219	219	219	13,711,549	14,647,791	15,379,920	16,002,190
FUND TYPE							
General Fund				920,910	969,037	969,037	952,495
Special Fund				8,199,892	8,855,527	9,587,656	10,239,126
Federal Revenue Fund				4,590,747	4,823,227	4,823,227	4,810,569
TOTAL				13,711,549	14,647,791	15,379,920	16,002,190

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	10,846,394	11,886,014	11,811,178	12,833,472
Operating Expenses	2,865,155	2,761,777	3,568,742	3,168,718
TOTAL	13,711,549	14,647,791	15,379,920	16,002,190
FUND TYPE				
General Fund	920,910	969,037	969,037	952,495
Special Fund	8,199,892	8,855,527	9,587,656	10,239,126
Federal Revenue Fund	4,590,747	4,823,227	4,823,227	4,810,569
TOTAL	13,711,549	14,647,791	15,379,920	16,002,190

Department Mission Statement

In partnership with others, the Department of Employment and Training provides individuals with services, information and support to obtain and keep good jobs and provides employers with services, information and support to recruit and maintain a productive workforce.

PRIMARY OBJECTIVES:
* To provide income security for Vermont workers, and economic stability for Vermont through the Unemployment Insurance Program;
* To develop and maintain professional employment services and job training programs accessible to all Vermont job seekers and employers by Internet, phone, and regional One-Stop Career Resource Centers;
* To collect and publish comprehensive and highly useful labor market information centering on Vermont economic activity;
* To work in close alliance with the Human Resources Investment Council (HRIC) and its regional Workforce Investment Boards (WIBs) in partnership with public and private employers to build the most effective workforce development system with special attention to disadvantaged populations and youth.

GOALS/OBJECTIVES BEYOND THOSE LISTED IN MISSION STATEMENT:

*To continue to develop ways to realize cost efficiencies while maintaining comprehensive automated and personalized services to all Vermonters.
* To help employers meet their human resource needs by providing comprehensive automated labor exchange services, comprehensive labor market information, and a training brokering service for their workforce.
* To enhance and maintain a viable workforce through job training programs and job placement activities designed to assist economically disadvantaged youth and adults, people with disabilities, dislocated workers, ex-offenders, veterans and the elderly. These activities require close working relationships with employers, community-based organizations, schools, and other state agencies.
* To coordinate with the Vermont Agency of Commerce and Community Development in activities that relate to business expansions and closures, and to meet the training needs relating to existing and prospective employees.
* To work closely with the Department of Education regarding youth and adult vocational and essential skills education, and the on-going integration of school to career activities in K-12 curricula; and the Agency of Human Services to train and provide a full array of reemployment services to low income Vermonters with special attention to offenders and ex-offenders.

* To work collaboratively with the Department for Children and Families to provide training and job placement services to TANF recipients participating in welfare employment activities.
* To coordinate services with the Vermont Student Assistance Corporation to assure DET customers have access to educational and financial aid counseling at the one-stop Career Resource Centers.
* To provide career guidance, job information, and job search activities to Community College of Vermont students through our one-stop Career Resource Centers.
* To assure the one-stop Career Resource Centers and all DET services are handicapped accessible and provide extensive services to individuals with disabilities through a close working relationship with the Department of Vocational Rehabilitation.
* To continue development and expansion of the Registered Apprenticeship program which meets the needs of employers and workers by developing the skills necessary for a high-wage, high-skills workforce.
* To continue to support innovative incumbent worker skills training leading to increased wages for Vermont workers through the Workforce Education & Training Fund (WETF).

Description of Appropriations, Divisions, & Programs

With the proposed changes in service delivery, DET will be even better positioned to address the challenges of Vermont's economy. Its unemployment insurance system is effective and rests on a healthy Trust Fund and its comprehensive labor exchange capacity is melded with a broad array of training options. Both the local and regional "one-stop" and outreach concepts for employment and training services will also serve Vermont's employers well by providing many approaches in the effort to establish a skilled workforce. Apprenticeship, federally-funded job training programs, Workforce Education & Training Fund, Veteran's employment programs, federal tax credits, unemployment insurance protection, and access to TANF resources are all critical tools used by DET staff to help individuals become skilled workers for Vermont employers. DET, in partnership with many diverse service providers, has been very successful in helping many Vermonters gain economic independence.

In the past year, the department served nearly 20,000 new job seekers and over 1,800 employers through its Career Resource Centers. DET helps to enhance the job specific skills of approximately 2,000 youth and adults annually through a variety of job and classroom training programs and offers priority employment services to veterans. In addition, DET has processed over 27,000 initial unemployment compensation claims and paid almost 280,000 continued claims through its UI Claim Center through the first three quarters of calendar year 2004.

All Vermonters are provided access to a comprehensive array of self-help and staff assisted services through a network of one-stop career resource centers statewide. The One-Stop Career Resource Centers offer a variety of job training programs for the economically disadvantaged, youth and dislocated workers, a comprehensive automated labor exchange system, and re-employment services for unemployment program claimants. In addition, the Centers offer user-friendly labor market and occupational information, assessment services, and career guidance. DET works in partnership with Vermont's employers to streamline employee recruitment and directly assist them in developing skilled workers.

In order to attract, retain and grow good jobs, it is imperative that DET be able to offer employers a well trained, educated and highly skilled workforce. In order to be successful, DET needs to work more closely with employers and understand the industries it serves. DET needs to offer programs that are flexible and meet the immediate needs of both employers and the market. In SFY 2006 DET plans to implement a new model of service delivery whereby a DET staff person assigned to a Career Resource Center would not only bring employment services to centers of commerce currently underserved by DET but would also work more directly with area employers. As an example a DET staff person assigned to the Burlington Career Resource Center would provide scheduled services in Middlebury two mornings a week and then be available the third day in Vergennes and the fourth day in Bristol. The staff person would also schedule meetings with area employers during those days. It is anticipated that DET would be able to procure inexpensive or no-cost sites for this service.

MAJOR DEPARTMENTAL ACTIVITIES:

*Administration of all Employment Service Activities
* Administration of the Unemployment Insurance Program
* Administration of the Workforce Investment Act
* Administration of Trade Act, NAFTA, and Veterans Programs
* Administration of Programs related to the Bureau of Labor Statistics
* Administration of the State Registered Apprenticeship Program
* Administration of the Workforce Education and Training Fund
* Administration of employment and training programs contracted to DET by the Department for Children and Families
* Administration of numerous one-time grants designed to enhance workforce education and training in Vermont

CUSTOMER ACCESS:

* Six (6) regional One-Stop Career Resource Centers statewide
* Internet access to DET services; labor market and occupational information; a resume directory; and local, regional, and national job listings through DET's Homepage on the World Wide Web with links to:

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* America's Job Bank/America's Workforce Network
* Phone access for all claims for Unemployment Insurance benefits
* The U.S. Bureau of Labor Statistics
* Vermont Educational Institutions
* Vermont Student Assistance Corporation (educational and financial aid information)
* Other Federal and State agencies.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Employment and Training	345	307	305	27,121,484	25,623,969	25,401,422	24,501,579
TOTAL	345	307	305	27,121,484	25,623,969	25,401,422	24,501,579
FUND TYPE							
General Fund				1,347,053	1,086,261	1,126,209	1,395,248
Special Fund				78,516	166,000	331,605	266,000
Federal Revenue Fund				22,845,083	20,618,541	20,788,246	19,472,969
Enterprise Fund				0	0	0	600,000
Interdepartmental Transfer				2,850,832	3,753,167	3,155,362	2,767,362
TOTAL				27,121,484	25,623,969	25,401,422	24,501,579

Appropriation Key Budget Issues

Vermont and the Nation continue to experience a slow economic recovery. During the next year Vermont will likely see an improving unemployment scenario with continued skill shortages. In 2003, the number of individuals filing claims for unemployment insurance grew by 2% over calendar year 2002. For the first three quarters of 2004, however, the number of claimants dropped by 22% over 2003. The underlying economic and labor market forces such as globalization, advancing technology and the pressures from the recovery will continue to place a premium on higher skilled workers. These forces combine to create a steady demand for the department's unemployment insurance, employment and training services.

Changing federal priorities and demands on the national budget have meant federal funding of major employment and training programs has not been increased or adjusted for inflation for several years. Rather the funding has been reduced through decreased appropriations, or rescissions, or has remained static. Faced with this continuing reality, and the need to be more responsive to the changing business climate, the Department of Employment and Training (DET) has been rethinking the need to change its service delivery approach. Through various outreach efforts, the department has recognized the need for consolidation, collaboration, and the need to pursue a different service model as well as expanding its business relations while operating within declining federal funding.

The Department has proposed numerous action steps to be implemented in advance of FY06 that will change DET's service delivery approach while being responsive to budget constraints. For example:

- Explore stronger outreach efforts to be delivered directly to the customer, both job seekers and employers.
- Consolidate staffing into six locations to create fully staffed, viable career resource centers with a regional focus.
- Assign Career Resource staff to work more closely with employers to identify both employee recruitment and training needs and to work towards filling those needs.
- Explore the feasibility of bringing employment and training services to satellite sites on a scheduled basis.
- Working with the employers and the HRIC, develop a list of occupations in demand and preferred training programs to assist workers obtain good, stable jobs.
- Work jointly with other job and training related entities such as the HRIC, Economic Development, Department for Children and Families, all technical centers, and Vocational Rehabilitation to ensure a coordinated jobs and training effort.
- Provide more flexible and responsive training support; streamline the process for employers to receive training program assistance.
- Expand the use of training vouchers for WIA eligible adults with preferred training programs.

- Expand the use of Internet-based services for both job seekers and employers.
- Provide jobs and training applicant interviews by appointment to ensure the delivery of focused and quality effort; make an 800 number available for scheduling.
- Create a statewide rapid response team to handle large layoffs and plant closings.

In the face of ongoing federal funding reductions for formula programs, it is critical that the State continue to support the Vermont Registered Apprenticeship Program and the Workforce Education and Training Fund, both of which help improve the skills of the Vermont workforce. In addition, DET will continue to work closely with Vermont's congressional delegation to obtain funding for special projects and compete for national grants that target specific needs and populations. Currently, DET is administering approximately $8 million dollars in these one-time, special project grants, which include programs for individuals with disabilities and young offenders as well as high-skilled training in the health care and IT fields, and a recently won grant to aid career development in K-12 education. DET closely monitors opportunities to apply for these grants, which come from discretionary federal funding sources, and often include several partners such as other State agencies, educational institutions, and businesses.

Federal law requires the Governor to establish a State Workforce Investment Board in order to receive Workforce Investment Act monies. The Human Resources Investment Council (HRIC) fulfills that role in Vermont. Federal law requires that the HRIC include various public and private sector members and assist the Governor in a state plan. Such a state plan includes, but is not limited to: a description of the needs of Vermont with regard to current and projected employment opportunities; the job skills necessary to obtain such employment opportunities; the skills and economic development needs of Vermont; and the type and availability of workforce investment activities in the state. In addition, federal law requires at least one local Workforce Investment Board (WIB) and the HRIC also serves as the local board in Vermont. In its capacity as the local WIB, the HRIC is required to develop a comprehensive five-year local plan. Such a plan includes, but is not limited to: a description of the one-stop delivery system established in the local area (Vermont); a description of the performance measures used to measure the effectiveness of the one-stop delivery system; a description and assessment of the type and availability of adult and dislocated workers employment and training activities; a description of how the board will coordinate workforce investment activities carried out with statewide rapid response activities; and a description and assessment of the type and availability of youth activities in Vermont. In short, through its members and responsibilities, the HRIC provides a forum for public and private sector organizations and educational institutions to assess and coordinate workforce development for the state.

The Department of Employment and Training is deeply committed to Vermont's workforce education and training system. As technology continues to improve and new working relationships with public and private sector entities grow, the department will aggressively adopt new tools and methodologies to advance the employment potential for all Vermonters. To this end, DET's One-Stop Career Resource Centers serve as the hub of workforce development services at both the local and regional levels in Vermont. This role was established with the passage of the Workforce Investment Act in 1998, and

enhanced by State funding of the Workforce Education and Training Fund, and the receipt of several federal training grants. The department, working in collaboration with several other states, has implemented an internet-based job matching and case management system known as Vermont Job Link. This new system will give Vermont workers and employers greater access to employment and training services and will give the department and its in-state partners a means to more efficiently assist workers entering the labor market.

Merger of DET and Labor and Industry: As reflected in a number of public announcements, the Administration is proposing a merger between the Departments of Employment & Training and Labor and Industry. The Governor will present an Executive Order to the Legislature in January 2005 making the merger effective July 1, 2005. The new department, to be named the Department of Labor, will result in one administrative umbrella for numerous programs such as unemployment insurance, workers' compensation, labor market information, job skills training, workforce development and occupational safety. It is anticipated the new department will provide a better service delivery model for employers and individuals and will in the long-term provide for a strong organizational structure and efficiencies.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	19,726,182	19,992,849	18,354,427	18,317,440
Operating Expenses	4,476,772	3,962,858	4,564,179	4,568,929
Grants	2,918,530	1,668,262	2,482,816	1,615,210
TOTAL	27,121,484	25,623,969	25,401,422	24,501,579
FUND TYPE				
General Fund	1,347,053	1,086,261	1,126,209	1,395,248
Special Fund	78,516	166,000	331,605	266,000
Federal Revenue Fund	22,845,083	20,618,541	20,788,246	19,472,969
Enterprise Fund	0	0	0	600,000
Interdepartmental Transfer	2,850,832	3,753,167	3,155,362	2,767,362
TOTAL	27,121,484	25,623,969	25,401,422	24,501,579

Department Mission Statement

Mission
Provide leadership and support to help all Vermont students achieve excellence.

Vision
The State Board of Education and the Department of Education shall sustain a vision of high skills, creative thinking, and love of knowledge and learning for every student while ensuring student achievement in a safe and healthy learning environment.

In January 2004, the Board and Commissioner Cate began to develop a strategic plan. At the same time, a group composed of the Board chair, the commissioner and eight department staff members was convened to help draft the plan. The group brought the results of their work to the Board each month to support and inform the Board's strategic planning process. This process continued through May, and the Board adopted the Strategic Plan at its meeting on June 9, 2004. The five-year plan is expressed in the five goals listed below, which are based on the respective Board and department roles and responsibilities.

I. Support high-quality, innovative instruction to improve student achievement
II. Provide and promote high-quality educational leadership
III. Promote safe and positive learning environments
IV. Build department capacity to best support external needs
V. Practice and promote effective use of all resources

Description of Appropriations, Divisions, & Programs

As a result of the strategic plan recently adopted by the State Board of Education, the department's programs have been consolidated from three to two.

Finance and Administration: Provides operations 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 six major areas comprising education programs are Educator Quality,

Independent School and Federal Programs, Lifelong Learning, Safe and Healthy Schools, Standards and Assessment, and Student Support. 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 Agenciy'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.

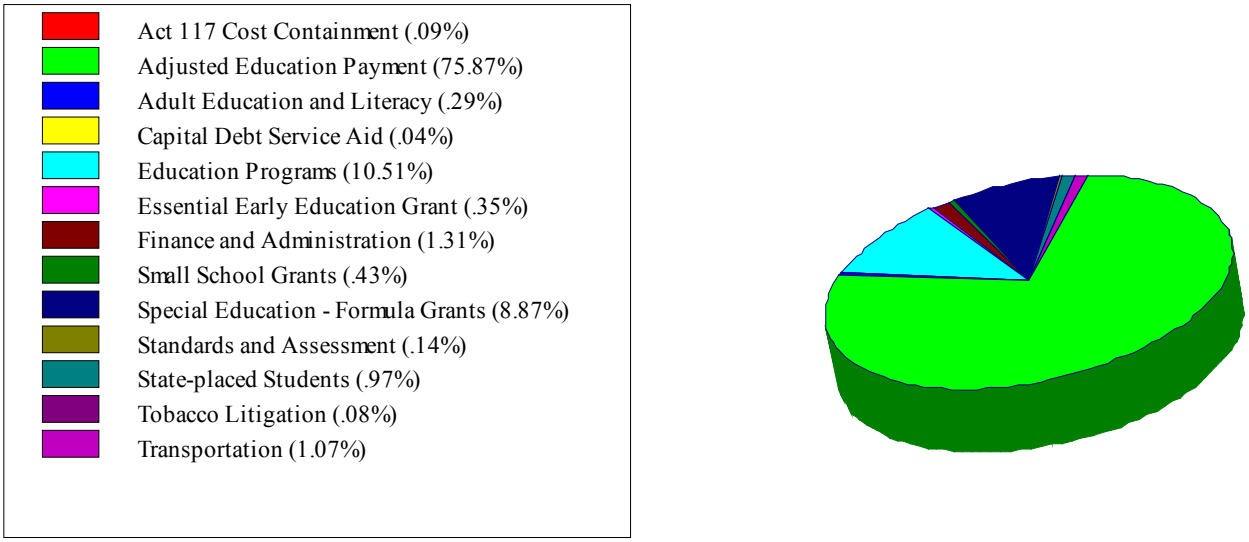
Capital Debt Service Aid: Formula grants to eligible school districts for principal and interest on capital construction projects. This aid has dramatically been reduced by the higher funding levels of Act 68.

Transportation: Funds used for formula reimbursement for a portion of school transportation expenses.

Education Grant: Funding for education spending under Act 68 being implemented for the first time in FY 2005. The education spending amount makes up about 80 percent of school budgets statewide.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Finance and Administration	56	57	64	14,765,070	15,769,337	17,033,049	16,511,573
Education Programs	134	128	131	119,971,877	127,306,305	128,115,217	132,544,135
Special Education - Formula Grants	0	0	0	74,705,694	105,256,030	105,256,030	111,945,257
State-placed Students	0	0	0	10,489,916	10,842,880	10,842,880	12,225,024
Adult Education and Literacy	0	0	0	3,623,838	4,201,017	4,201,017	3,646,670
Adjusted Education Payment	0	0	0	619,624,418	906,562,829	910,801,994	957,243,078
Transportation	0	0	0	12,915,219	13,190,788	13,190,788	13,496,399
Small School Grants	0	0	0	5,011,147	5,229,837	5,080,383	5,421,588
Capital Debt Service Aid	0	0	0	1,994,955	565,240	459,546	450,355
Local Share Property Tax	0	0	0	40,843,046	0	0	0
Fiscal Review Panel	0	0	0	1,595	0	0	0
Tobacco Litigation	4	4	2	774,457	878,980	851,223	952,041
Essential Early Education Grant	0	0	0	0	4,273,279	4,273,279	4,379,337
Act 117 Cost Containment	19	17	14	965,368	1,128,017	1,116,723	1,139,176
TOTAL	213	206	211	905,686,600	1,195,204,539	1,201,222,129	1,259,954,633
FUND TYPE							
General Fund				12,514,215	13,113,425	14,039,707	12,958,154
Transportation Fund				640,078	520,672	560,334	524,846
Education Fund				773,960,465	1,055,742,280	1,060,061,822	1,115,277,937
Special Fund				2,008,275	2,538,799	2,292,497	2,154,926
Federal Revenue Fund				104,032,134	109,684,625	110,799,260	115,413,832
Interdepartmental Transfer				12,531,433	13,604,738	13,468,509	13,624,938
TOTAL				905,686,600	1,195,204,539	1,201,222,129	1,259,954,633


Act 117 Cost Containment (.09%)
Adjusted Education Payment (75.87%)
Adult Education and Literacy (.29%)
Capital Debt Service Aid (.04%)
Education Programs (10.51%)
Essential Early Education Grant (.35%)
Finance and Administration (1.31%)
Small School Grants (.43%)
Special Education - Formula Grants (8.87%)
Standards and Assessment (.14%)
State-placed Students (.97%)
Tobacco Litigation (.08%)
Transportation (1.07%)

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	3,626,160	3,914,851	4,505,091	4,533,633
Operating Expenses	1,243,272	1,254,486	1,311,892	1,377,940
Grants	9,895,638	10,600,000	11,216,066	10,600,000
TOTAL	14,765,070	15,769,337	17,033,049	16,511,573
FUND TYPE				
General Fund	3,066,475	2,912,037	3,007,718	2,865,503
Education Fund	0	0	0	280,503
Special Fund	17,691	20,088	45,377	63,697
Federal Revenue Fund	1,261,674	1,717,098	2,645,406	1,968,752
Interdepartmental Transfer	10,419,230	11,120,114	11,334,548	11,333,118
TOTAL	14,765,070	15,769,337	17,033,049	16,511,573

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	11,012,202	11,519,292	12,053,859	12,107,019
Operating Expenses	1,601,473	2,217,297	1,995,641	1,981,112
Grants	107,358,202	113,569,716	114,065,717	118,456,004
TOTAL	119,971,877	127,306,305	128,115,217	132,544,135
FUND TYPE				
General Fund	6,686,876	7,483,989	8,314,590	7,429,600
Transportation Fund	640,078	520,672	560,334	524,846
Education Fund	8,376,070	9,321,398	9,656,923	9,836,396
Special Fund	1,216,127	1,639,731	1,395,897	1,139,188
Federal Revenue Fund	101,864,021	106,983,908	107,170,235	112,461,461
Interdepartmental Transfer	1,188,705	1,356,607	1,017,238	1,152,644
TOTAL	119,971,877	127,306,305	128,115,217	132,544,135

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Special Education - Formula Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	74,705,694	105,256,030	105,256,030	111,945,257
TOTAL	74,705,694	105,256,030	105,256,030	111,945,257
FUND TYPE				
Education Fund	74,705,694	105,256,030	105,256,030	111,945,257
TOTAL	74,705,694	105,256,030	105,256,030	111,945,257

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State-placed Students

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	10,489,916	10,842,880	10,842,880	12,225,024
TOTAL	10,489,916	10,842,880	10,842,880	12,225,024
FUND TYPE				
Education Fund	10,489,916	10,842,880	10,842,880	12,225,024
TOTAL	10,489,916	10,842,880	10,842,880	12,225,024

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Adult Education and Literacy

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	3,623,838	4,201,017	4,201,017	3,646,670
TOTAL	3,623,838	4,201,017	4,201,017	3,646,670
FUND TYPE				
General Fund	2,717,399	2,717,399	2,717,399	2,663,051
Education Fund	0	499,999	499,999	0
Federal Revenue Fund	906,439	983,619	983,619	983,619
TOTAL	3,623,838	4,201,017	4,201,017	3,646,670

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Adjusted Education Payment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	619,624,418	906,562,829	910,801,994	957,243,078
TOTAL	619,624,418	906,562,829	910,801,994	957,243,078
FUND TYPE				
Education Fund	619,624,418	906,562,829	910,801,994	957,243,078
TOTAL	619,624,418	906,562,829	910,801,994	957,243,078

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	12,915,219	13,190,788	13,190,788	13,496,399
TOTAL	12,915,219	13,190,788	13,190,788	13,496,399
FUND TYPE				
Education Fund	12,915,219	13,190,788	13,190,788	13,496,399
TOTAL	12,915,219	13,190,788	13,190,788	13,496,399

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Small School Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	5,011,147	5,229,837	5,080,383	5,421,588
TOTAL	5,011,147	5,229,837	5,080,383	5,421,588
FUND TYPE				
Education Fund	5,011,147	5,229,837	5,080,383	5,421,588
TOTAL	5,011,147	5,229,837	5,080,383	5,421,588

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Capital Debt Service Aid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	1,994,955	565,240	459,546	450,355
TOTAL	1,994,955	565,240	459,546	450,355
FUND TYPE				
Education Fund	1,994,955	565,240	459,546	450,355
TOTAL	1,994,955	565,240	459,546	450,355

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Local Share Property Tax

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	40,843,046	0	0	0
TOTAL	40,843,046	0	0	0
FUND TYPE				
Education Fund	40,843,046	0	0	0
TOTAL	40,843,046	0	0	0

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Operating Expenses	1,595	0	0	0
TOTAL	1,595	0	0	0
FUND TYPE				
General Fund	1,595	0	0	0
TOTAL	1,595	0	0	0

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Tobacco Litigation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	140,940	156,690	115,333	116,151
Operating Expenses	25,082	26,360	25,073	25,073
Grants	608,435	695,930	710,817	810,817
TOTAL	774,457	878,980	851,223	952,041
FUND TYPE				
Special Fund	774,457	878,980	851,223	952,041
TOTAL	774,457	878,980	851,223	952,041

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Essential Early Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	0	4,273,279	4,273,279	4,379,337
TOTAL	0	4,273,279	4,273,279	4,379,337
FUND TYPE				
Education Fund	0	4,273,279	4,273,279	4,379,337
TOTAL	0	4,273,279	4,273,279	4,379,337

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Act 117 Cost Containment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	710,195	973,780	949,008	969,605
Operating Expenses	102,673	89,237	102,715	104,571
Grants	152,500	65,000	65,000	65,000
TOTAL	965,368	1,128,017	1,116,723	1,139,176
FUND TYPE				
General Fund	41,870	0	0	0
Interdepartmental Transfer	923,498	1,128,017	1,116,723	1,139,176
TOTAL	965,368	1,128,017	1,116,723	1,139,176

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	268,400,000	249,300,000	249,300,000	259,300,000
TOTAL	268,400,000	249,300,000	249,300,000	259,300,000
FUND TYPE				
General Fund	268,400,000	249,300,000	249,300,000	259,300,000
TOTAL	268,400,000	249,300,000	249,300,000	259,300,000

Department Mission Statement

The State Teachers' Retirement System of Vermont 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.

The system consists of approximately 10,355 active members, 560 vested terminated members and approximately 4,386 retirees and beneficiaries.

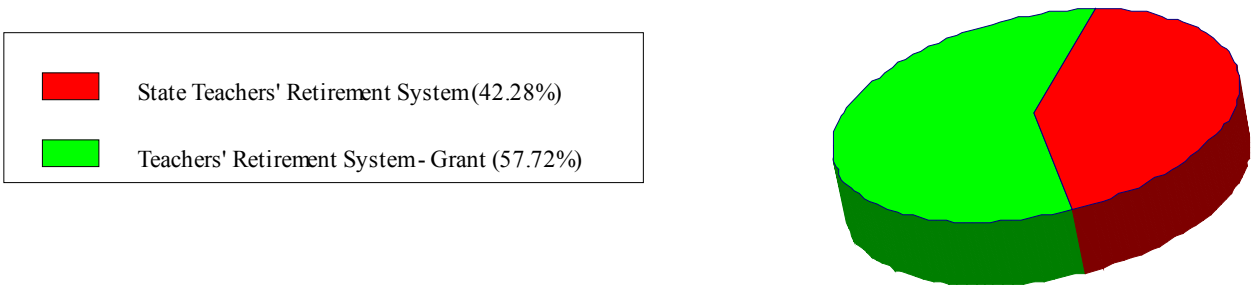
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The market value of the fund was about $1,245 million as of June 30, 2004, compared with about $1,099 million as of June 30, 2003. The system paid $55.5 million in retirement benefits during fiscal year 2004.

A Retirement 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 State Employees' and Municipal Retirement Systems.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Teachers' Retirement System - Grant	0	0	0	24,446,282	20,446,282	20,446,282	24,446,282
State Teachers' Retirement System	0	0	0	14,266,047	16,695,946	16,695,946	17,903,869
TOTAL	0	0	0	38,712,329	37,142,228	37,142,228	42,350,151
FUND TYPE							
General Fund				24,446,282	20,446,282	20,446,282	24,446,282
Pension Trust Fund				14,266,047	16,695,946	16,695,946	17,903,869
TOTAL				38,712,329	37,142,228	37,142,228	42,350,151



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	24,446,282	20,446,282	20,446,282	24,446,282
TOTAL	24,446,282	20,446,282	20,446,282	24,446,282
FUND TYPE				
General Fund	24,446,282	20,446,282	20,446,282	24,446,282
TOTAL	24,446,282	20,446,282	20,446,282	24,446,282

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	13,539,083	15,889,873	15,889,873	17,061,408
Operating Expenses	726,964	806,073	806,073	842,461
TOTAL	14,266,047	16,695,946	16,695,946	17,903,869
FUND TYPE				
Pension Trust Fund	14,266,047	16,695,946	16,695,946	17,903,869
TOTAL	14,266,047	16,695,946	16,695,946	17,903,869

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. Since 1998 all municipalities have received $7 per grand list parcel per year to help with the cost of reappraisals and maintenance of their grand lists. To help municipalities deal with inflationary pressures since that time, the Governor is this year recommending a $1 increase at a cost to the Education Fund of $315,000. This program is administered by the Property Valuation and Review Division within the Tax Department.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Reappraisal and Listing Payments	0	0	0	2,268,980	2,266,000	2,266,000	2,715,000
TOTAL	0	0	0	2,268,980	2,266,000	2,266,000	2,715,000
FUND TYPE							
Education Fund				2,268,980	2,266,000	2,266,000	2,715,000
TOTAL				2,268,980	2,266,000	2,266,000	2,715,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	2,268,980	2,266,000	2,266,000	2,715,000
TOTAL	2,268,980	2,266,000	2,266,000	2,715,000
FUND TYPE				
Education Fund	2,268,980	2,266,000	2,266,000	2,715,000
TOTAL	2,268,980	2,266,000	2,266,000	2,715,000

Department Mission Statement

The University of Vermont's mission is to prepare students to lead productive, responsible, creative lives and to create, interpret, and share knowledge, applying it for the benefit of Vermont and society as a whole. 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 Mathematics, the School of Business Administration, the College of Nursing and Health Sciences, the Rubenstein School of Environment and Natural Resources), a graduate college, a college of medicine**,** an honors college, an extension system, and a division of continuing education that operates 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 tripartite 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.

OUTCOMES

Currently, the purpose of the state appropriation is to:

- Support the College of Medicine's education of medical students, and the medical profession;
- 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).

Funding the University of Vermont's 3.0% state appropriation increase will allow the university to continue to provide these services. The University stresses the importance of educating individuals in order to provide 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 43% (Fall 2004 4,739 students) of the University's student body.
- The University is attracting academically stronger Vermont students.
- 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 high school; and,
    - Vermont Merit Scholarships for high-achieving Vermonters who qualify as National Merit Scholars.
- The University is committed to access for financially needy Vermonters.
- About 72% of Vermont undergraduates received some form of financial aid this year. Over $7.4 million in financial aid from the University's own funds went to Vermonters in FY 2004.
- The University provides continuing education to more than 6,000 adults annually.

The University of Vermont: A Research Enterprise to the State

- In FY 2004, UVM was granted a record $124.7 million in grants and contracts.
- Over 90% of University research funding comes from out-of-state sources.
- University spin-off companies include Bio-Tek Instruments, Ergomedics,

HaematologicTechnologies, Green Mountain Antibodies, and MicroStrain.

- The Vermont Center for Emerging Technologies (VCET), a new business development program located at the University, will link new, high-technology companies to University laboratory facilities and equipment, private investment capital resources, and a network of faculty, staff, and student interns. VCET will be part of the Vermont Innovation Alliance (VIA), a complementary program to create infrastructure to facilitate innovation and support new businesses throughout the state.
- 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 Northeast Dairy Foods Research Center, Proctor Maple Laboratory, Northeast Center for Food Entrepreneurship, and the Center for Sustainable Agriculture.

The University of Vermont: Service to Vermont

- UVM students perform more than 150,000 hours of community and internship service annually.
- Fifty percent of teachers recently chosen by their districts as Vermont Outstanding Teachers had taken education courses at the University.
- Medical, nursing, and allied health students provide health care services to help meet community needs. Thirty-seven percent of the state's physicians received medical training at the University.
- The University's Agricultural Extension programs made over 90,000 statewide contacts to assist Vermonters with agricultural and land use issues. The Extension's 4-H Program serves over 9,000 Vermont youth.
- The University's George Bishop Lane Series, among Vermont's premier presenters of performing arts, entertained over 10,000 patrons last year.

The University of Vermont: A Major Vermont Industry

- More than 25,000 alumni -- 30% of all alums -- reside in Vermont and contribute to their communities.
- The University of Vermont is the fourth largest employer in the state. Over 3,400 employees will receive wages and benefits of $240 million this year.
- The direct economic impact of University, faculty, staff, student, and visitor spending in Vermont is estimated to be $289 million/year. Using a conservative multiplier of 2.0, the University's total economic benefit to Vermont is estimated to be over a half billion dollars annually.

The competition for high quality students is fierce. The University's tuition remains among the highest in the nation for public institutions. In order to remain competitive, the University must make additional

strategic investments to:

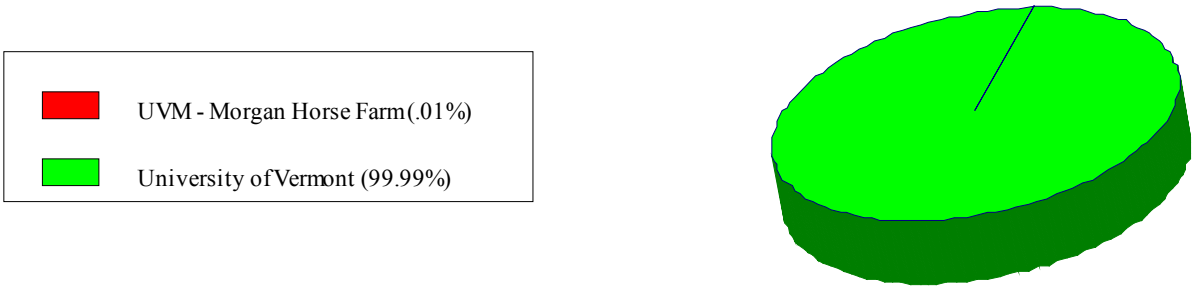
- Nurture and promote a reputation for academic excellence
- Recruit and retain high quality faculty and staff
- Construct and maintain excellent facilities
- Invest in state-of-the art technology
- Provide adequate financial aid for students who need it

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 2006 BUDGET RECOMMENDATIONS
University of Vermont

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
University of Vermont	0	0	0	36,922,056	37,937,512	37,937,512	39,075,787
UVM - Morgan Horse Farm	0	0	0	5,000	5,000	5,000	5,000
TOTAL	0	0	0	36,927,056	37,942,512	37,942,512	39,080,787
FUND TYPE							
General Fund				36,927,056	37,942,512	37,942,512	39,080,787
TOTAL				36,927,056	37,942,512	37,942,512	39,080,787



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
University of Vermont

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	36,922,056	37,937,512	37,937,512	39,075,787
TOTAL	36,922,056	37,937,512	37,937,512	39,075,787
FUND TYPE				
General Fund	36,922,056	37,937,512	37,937,512	39,075,787
TOTAL	36,922,056	37,937,512	37,937,512	39,075,787

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	5,000	5,000	5,000	5,000
TOTAL	5,000	5,000	5,000	5,000
FUND TYPE				
General Fund	5,000	5,000	5,000	5,000
TOTAL	5,000	5,000	5,000	5,000

Department Mission Statement

Vermont Public Television, Vermont's statewide PBS television network, educates, informs, entertains and inspires lifelong learning and community engagement through broadcast programming and outreach services. The state's investment helps VPT serve all Vermonters. State funding is critical to everything VPT does, from buying and producing programs to transmitting them statewide to community outreach.

In recent research by RoperASW, PBS received the number one ranking for trustworthiness on a list of national institutions that included courts of law, the federal government, Congress, newspaper publishers and commercial television

VPT broadcasts a 24-hour schedule for children and adults that includes national PBS programs like Nova, The NewsHour, Great Performances, American Experience and Ken Burns' films as well as local productions made for Vermonters like Vermont This Week, Report From Montpelier, Outdoor Journal, Profile and documentaries about Vermont's history. Educational outreach services like Ready to Learn extend VPT's value beyond the TV screen.

Vermont Public Television's distinctive local programming, based on listening to and understanding the needs and interests of Vermonters, sets VPT apart from other broadcasters in a world of increasing media consolidation.

Description of Appropriations, Divisions, & Programs

Vermont Public Television is a free, non-commercial and locally owned service funded by state appropriations, federal appropriations and community giving.

While VPT continues the service it has provided to Vermonters since 1967, it is also engaged in converting its transmission system to digital broadcasting. Thanks to state and federal capital funding, VPT is partway through this federally mandated project. In 2004, VPT built digital microwave interconnections around the state, continuing the transition to digital broadcasting. The Rutland channel will begin broadcasting in digital early in the 2005 construction season.

Here are some highlights of services on air and in the community that the state supported in FY 2004 through its investment in Vermont Public Television.

Programming and Services That Educate:

Vermont's children are at the heart of VPT’s mission. The commercial-free PBS programs on VPT inspire children to ask questions, solve problems, read books and explore science, nature, history and

other fields. As Vermont's PBS affiliate, VPT offered educational programming and outreach services to help preschoolers be ready to learn and to keep them engaged as they grow.

Ready to Learn is a national public television outreach project that VPT brings to Vermont. Workshops given around the state help adults use the power of educational television to help preschoolers develop the basic language and literacy skills they need to succeed in school. More than 700 adult caregivers and educators participated in the 59 workshops held in FY 04. Partners in this project were the Vermont Dept. of Education's HeadStart and EvenStart programs, The Vermont Refugee Resettlement Program and the Dept. of Corrections. VPT's workshops at corrections facilities include training incarcerated parents to tape-record quality books for their children.

For the past two years, educators have named PBS their number one video resource for classroom use. Besides offering nationally produced educational programs, VPT produces and acquires instructional programming about Vermont -- programs on Lake Champlain, the Abenaki, the granite industry and the 1927 flood, for example. VPT's programs and services help parents and teachers provide the quality education Vermont's children deserve.

Outreach activities like the annual Reading Rainbow Young Writers & Illustrators contest, educational station tours, family days, teacher guides, the vast Scholastic media library, hundreds of free grant-supported videos of VPT documentaries given to schools and libraries and an annual Red Cross blood drawing bring Vermonters to VPT and VPT to Vermonters in ways that go far beyond broadcasting. The VPT website received more than 150,000 page hits a month in FY 04. Vermonters benefit from VPT and are involved with VPT in ways that make it more than just a TV station. This year, VPT is beginning to expand its community outreach with new media services, educational materials and collaborative activities.

Programming and Services That Promote Lifelong Learning:

VPT gives lifelong learners both inspiration and information to explore history, arts, culture, science and public affairs. In FY 04, Nova, Great Performances, Live From Lincoln Center, American Experience and Ken Burns' documentaries were among the most-watched from PBS. VPT's local productions also inspired and informed. Fran Stoddard's weekly Profile interviews with some of Vermont's writers, artists, performers, thinkers and leaders; the documentaries Discovering Lake Champlain and Vermont's Great Flood; Vermont Vital Signs (with Fletcher Allen Health Care); and concerts with the Montreal Chamber Orchestra and the Vermont Youth Orchestra were key productions. VPT's crews traveled the state to produce programming that reveals Vermont to Vermonters -- and to viewers in neighboring New York, New Hampshire and Canada.

Programming and Services That Promote Community Engagement:

VPT gives Vermonters information and encouragement to participate in national and local civic affairs, with news, analysis and public affairs programming like the NewsHour With Jim Lehrer, NOW,

Washington Week and Frontline from PBS. In its own productions like Vermont This Week, Report From Montpelier, Report From Washington, Call the Governor, live coverage of legislative hearings and election forums, VPT addresses issues that matter to Vermonters, giving them information that helps them be active citizens. Many of the local public affairs programs are call-in shows where viewers speak to the state's leaders directly. Among the liveliest call-in topics in FY 04 were wind energy and value-added agriculture. VPT furthers understanding of various points of view with its diversity of voices and opinions, and viewers say VPT helps them feel connected to their state.

Programming and Services That Foster Appreciation for the Environment and Working Landscape:

In FY 04, VPT's Outdoor Journal completed its third season of celebrating the state's rich traditions of recreation and conservation. The series was honored with two Emmy nominations and two Outdoor Writers Assn. of America awards.

Use of VPT Facilities for Community and Government Services:

VPT offers public safety information with weather advisories, school closings and emergency information and is an Amber Alert station. Vermont Public Television makes its transmission facilities available to public service organizations including the National Weather Service/NOAA, FBI, FAA, Rutland County Sheriffs Dept., Vermont Dept. of Public Safety and numerous ham radio groups.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Public Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Public Television	0	0	0	563,832	563,832	563,832	573,832
TOTAL	0	0	0	563,832	563,832	563,832	573,832
FUND TYPE							
General Fund				563,832	563,832	563,832	573,832
TOTAL				563,832	563,832	563,832	573,832

Appropriation Key Budget Issues

Although most of Vermont Public Television's funding comes from the local community in voluntary contributions, the annual state appropriation that represents about 10 percent of revenue provides an essential base of support. It demonstrates to individual and business funders the state's confidence in VPT. The state appropriation is the largest single source of the local support that enables VPT to claim federal matching dollars. Federal funding is about 14 percent of operating revenue. For every dollar VPT gets from the state, it raises about $9 from other sources, including about 28,000 member households and hundreds of businesses.

The state's investment in VPT helps provide Vermonters of all ages and backgrounds a service they treasure -- and use -- every day. About 90,000 U.S. households tune in each week.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Public Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	563,832	563,832	563,832	573,832
TOTAL	563,832	563,832	563,832	573,832
FUND TYPE				
General Fund	563,832	563,832	563,832	573,832
TOTAL	563,832	563,832	563,832	573,832

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 has no campus, in lieu of providing delivery of education at twelve leased sites around the state. 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 is **Allied Health**, which the State transferred from the Vermont Department of Education beginning FY1995. The Allied Health program teaches students to become nurses, pharmacy technicians, respiratory therapists and dental hygienists. The Allied Health program is key to helping meet Vermont's critical shortage of trained nurses, and educates students at its Thompson School in Brattleboro, Putnam School in Bennington, Fanny Allen School in Williston, on the VTC campus in Randolph Center, and via Vermont Interactive Television where the nursing program is offered at five locations throughout the State.

Yet another addition to VSC Board oversight that is also separately tracked within the VSC's State operating appropriation is **Vermont Manufacturing Extension Center** (VMEC), which the State

transferred from the Vermont Department of Economic Development beginning FY2002. VMEC offices are based centrally within the State on the VTC campus, while its outreach services assist business evolution and success of Vermont manufacturers situated throughout the State at multiple locations.

In fact, activities of the VSC extend far beyond the five colleges, Practical Nursing, and VMEC plus separately appropriated Vermont Interactive Television--to include endeavors of the Vermont Small Business Development Center, customized business & industry programs, student apprenticeships, workforce training delivered to major employers including IBM, General Dynamics, IDX, Central Vermont Hospital, National Life, and many more. All told the VSC addresses an extensive range of Vermont needs through over 60 different sites statewide, with every Vermonter being within 25 miles or less from some VSC location. An appreciable indicator of VSC impact upon Vermont is that during the past year, VSC services benefited around 200,000 Vermonters, or nearly one out of every three residents of the State. Furthermore, as the fifth largest employer in Vermont, the VSC, including all its ancillary programs, provides over 2,600 jobs for Vermonters, whose employment contributes greatly to the economy of communities across the State.

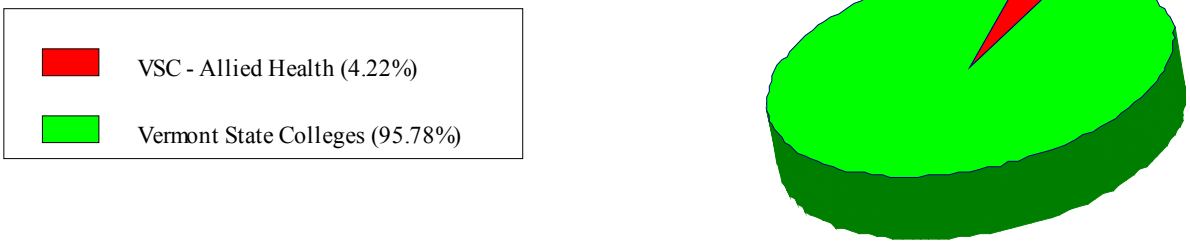
Specific to higher education, colleges within the VSC are this year enrolling record numbers that, for the overall System, total 12,040 students, of which fully 84% are Vermonters--in fact that more than half of all Vermont residents attending college in state do so at one of the VSC institutions. Also notable is the sizable number of VSC students who are the first generation in their families to go to college. It’s regrettable that the majority of all VSC students require some financial aid to afford VSC's highest in the nation public college tuitions and fees. Finally, more than half of those in the VSC are considered "non-traditional" students aged 22 or older, with many of these adult learners pursuing college education while maintaining full-time jobs to support their families.

The range of academic services within the VSC includes credit and non-credit bearing, on-site as well as distance learning, remedial coursework, certificate training, plus associates, bachelors, and masters degree programs. Consistent with its mission, the VSC does strive to provide professional and career-oriented education supported by an appropriate foundation in the liberal arts. Examples of the many VSC offerings contributing to meaningful employment are teacher 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.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont State Colleges

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont State Colleges	0	0	0	21,185,150	21,867,742	21,867,742	22,420,774
VSC - Allied Health	0	0	0	883,750	620,661	620,661	988,584
TOTAL	0	0	0	22,068,900	22,488,403	22,488,403	23,409,358
FUND TYPE							
General Fund				22,068,900	22,488,403	22,488,403	23,409,358
TOTAL				22,068,900	22,488,403	22,488,403	23,409,358



STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont State Colleges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	21,185,150	21,867,742	21,867,742	22,420,774
TOTAL	21,185,150	21,867,742	21,867,742	22,420,774
FUND TYPE				
General Fund	21,185,150	21,867,742	21,867,742	22,420,774
TOTAL	21,185,150	21,867,742	21,867,742	22,420,774

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
VSC - Allied Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	883,750	620,661	620,661	988,584
TOTAL	883,750	620,661	620,661	988,584
FUND TYPE				
General Fund	883,750	620,661	620,661	988,584
TOTAL	883,750	620,661	620,661	988,584

Department Mission Statement

Vermont Interactive Television's mission is to support the economic health and development of the state and its citizens by providing the technical infrastructure and operational expertise necessary to deliver education, training and information equally to all areas of the state. In addition VIT provides worldwide videoconferencing that is part of the economic development infrastructure supporting Vermont business.

Policies for development and use of the network will be based on the fundamental principle that VIT should serve the education, training, and information needs of Vermont's people, communities, and workplaces. Decisions on network expansion and program offerings will be based on significant impact, while decisions on allocation of network time will be based on the following programming priorities:

1. Courses that are part of established degree or certificate programs,
2. Training and skill-building courses designed to improve the quality of the Vermont workforce,
3. Courses or programs supporting continuing education needs of various professions in the state,
4. Training and information programs necessary for effective functioning of government agencies, non-profit organizations, and business.

Description of Appropriations, Divisions, & Programs

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:

- an integrated video, voice, and data telecommunications network be developed to meet the needs of education, government, and business; and
- the telecommunications system be accessible within 25 miles of 90 percent of all Vermonters.

VIT has entered its second decade of service to Vermonters, making it possible for hundreds of organizations to provide education, training, and information to people in all areas of the state. VIT currently operates **14 sites** in Vermont (Bennington, Brattleboro, Castleton, Johnson, Lyndonville, Middlebury, Newport, Randolph Center, Rutland, Springfield, St. Albans, Waterbury, White River Junction & Williston), and in addition to statewide services offers worldwide videoconferencing from all sites. VIT also has satellite downlinking capabilities, a direct connection to UVM's Distance Learning Network, connections to CCV's internet protocol based network, a working relationship with K-12 Vermont Interactive Learning Network, and consulting services.

VIT serves Education, Nonprofit, Government and Business categories. This past year, VIT focused much of its work on the Government sector for two main reasons:

1. Education, Nonprofit and Business sectors are already using VIT extensively for workforce retraining, continuing education, meetings, candidate interviews, legal depositions and more. VIT makes it possible **for education and workforce development** programs to be offered all over the state so that it is **cost effective** for the organizations and so that citizens in all communities can have **convenient access** to education and training.

Funding and Governance Partnership

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. To further assure operational and policy guidance, the Governor established the VIT Coordinating Council--an eight-member group comprised of representatives from education, government, and business that meets on a monthly basis.

Federal funding approximating $1.5 million over four years was provided to VIT through the U.S. Department of Agriculture, as a match to State capital appropriation for new sites and development of technical infrastructure. Federal funding was also used to partially cover operational expenses during the period of FY1992 - FY1996, and a grant from the U.S. Department of Commerce in 1998 funded VIT efforts to explore ways Vermont organizations involved in distance learning and telemedicine could productively work together.

Community funding: All VIT sites are hosted without charge by an institution or business in each VIT community. This in-kind contribution is valued annually at $350,000 and is critical to VIT's ongoing operations.

Specialized grants and private sector contributions have made it possible for VIT to acquire the equipment necessary to provide closed-captioning services, to upgrade its scheduling and invoicing hardware and software, and to support the relocation of sites in Caledonia and Windham Counties.

Sales and services make up the final component of VIT funding. For FY2006 VIT expects to bring in an estimated $257,729 in participant fees, derived from rates charged to clients to use the system as well as from consulting services.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Interactive Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Interactive Television	0	0	0	795,331	795,331	795,331	805,331
TOTAL	0	0	0	795,331	795,331	795,331	805,331
FUND TYPE							
General Fund				795,331	795,331	795,331	805,331
TOTAL				795,331	795,331	795,331	805,331

Appropriation Key Budget Issues

The "VIT state agency initiative" has been a moderate success. More agencies are now booking meetings via VIT. However, in order to make this initiative a complete success, a Montpelier VIT site is needed to serve the Montpelier area agencies. Agencies repeatedly note that the biggest obstacle to VIT use is the absence of a Montpelier studio. With this in mind, VIT has established the following **strategic priorities**:

a) Establish a Montpelier VIT site for use by state agencies, the Legislature, the Governor's Office and other interested users
b) Continue to work intensively with state agencies to help them convert in- person meetings to VIT meetings
d) Strengthen and maintain strategic alliances
e) Implement Phase III of Corrections Consulting Contract
f) Maintain technical excellence of the VIT system, and complete major technical upgrade to the system
g) Maintain and improve operational excellence and financial stability
h) Develop a marketing and public relations plan to further all strategic goals

VIT continues to serve a broad cross-section of Vermont's institutions and organizations, including higher education, K-12, non-profits, State agencies, and businesses. Programs range in content from public hearings to workforce training, to graduate programs, to updates on State and federal legislation and regulations for State employees, to international videoconferencing. Last year's figures provide some dimension to evolving use of VIT over the last sixteen years:

Total online hours -153,293
Total participants (turnstile count) -261,038
Total clients served this past year- 500+

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Interactive Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	795,331	795,331	795,331	805,331
TOTAL	795,331	795,331	795,331	805,331
FUND TYPE				
General Fund	795,331	795,331	795,331	805,331
TOTAL	795,331	795,331	795,331	805,331

Department Mission Statement

VSAC was created by the Legislature in 1965 as a public nonprofit corporation with an eleven member board of directors; its mission is to ensure that all Vermonters have the necessary financial and informational resources to pursue their postsecondary goals. To achieve this mission, VSAC provides the following**:** (1) career and college planning services, (2) information on financial aid and postsecondary educational programs, (3) financial aid in the form of grants, loans, scholarships, and work opportunities for qualified Vermonters, 4) early intervention and outreach to needy students, and 5) the Vermont Higher Education Investment Plan. VSAC is unique in that it provides "one-stop" delivery of postsecondary financial aid and counseling. VSAC acts as the financial aid office for nine Vermont postsecondary institutions and provides complete service of student loans, from origination through repayment. VSAC continues to support welfare initiatives, including the Postsecondary Education Program administered through the Department for Children and Families, as well as vocational education for Reach Up participants.

Description of Appropriations, Divisions, & Programs

Grant Program Descriptions
One hundred percent of the Vermont State appropriation, plus any accrued interest earned, goes to Vermont students based on financial need. The grant programs include the Incentive Grants for full-time students, the Part-time Grants for students taking fewer than 12 credits per semester, Non-Degree Grants for students taking up to three individual courses to improve employability and Student Employment Grants for students in rural areas without employment options.

Vermont Incentive Grants
Incentive Grants are the major source of need-based grant assistance to full-time Vermont students. They are available to residents who attend an approved post-high school degree program 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:	FY94	FY96	FY98	FY00	FY01	FY02	FY03	FY04	Change: FY94–FY04 #	%
Number of Applicants	14,826	15,740	16,055	16,260	15,843	16,242	16,799	17,793	2967	20.0%
Number of Recipients	8,869	9,449	9,312	9,078	8,919	8,961	9,245	10,054	1185	13.4%
Amount Awarded	$9,496,797	$10,583,802	$10,891,823	$12,379,526	$12,928,055	$14,219,107	$15,078,021	$15,945,062	$6,448,265	67.9%
Average Grant	$1,071	$1,120	$1,170	$1,364	$1,449	$1,587	$1,631	$1,586	$515	48.1%

Vermont Non-Degree Grants

Non-Degree Grants are available to students for courses that will improve employability or encourage further study. These grants are used for a wide variety of courses at a wide variety of institutions including technical centers. Many students begin a course of study by using a Non-Degree Grant and then become matriculating students. This particular grant is unique to Vermont, and is particularly useful for non-traditional students.

The Non-Degree Grant was created by the Legislature in 1983; Act 95 established the purpose of the grant as "assisting unemployed Vermonters seeking retraining in courses not leading to a degree, certificate, or diploma." In 1987, the appropriations act included the following language: "Funds are included in the above appropriation for the purpose of providing information services and grant aid to needy Vermonters seeking to improve their employment skills by enrolling in a course or program not necessarily leading to a degree, certificate, or diploma." The goal of the Non-Degree Grant is to help individuals get, keep, or improve their jobs.

NON-DEGREE GRANT PROGRAM:	FY94	FY96	FY98	FY00	FY01	FY02	FY03	FY04	Change: FY94-FY04 #	%
Number of Applicants	2,489	2,109	2,230	1,679	1,803	1,551	1,693	1,792	-697	-28.0%
Number of Recipients	1,444	1,263	1,333	936	1,045	932	921	962	-482	-33.4%
Amount Awarded	$452,305	$431,692	$501,493	$412,143	$643,815	$663,459	$668,727	$720,909	$268,604	59.4%
Average Grant	$313	$342	$376	$440	$616	$712	$726	$749	$436	139.1%

Vermont Part-Time Grants

Part-Time Grants are available to degree students taking fewer than 12 credits per semester. Many working Vermonters receive part-time grants.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

PART-TIME GRANT PROGRAM:	FY94	FY96	FY98	FY00	FY01	FY02	FY03	FY04	Change: FY94–FY04 #	%
Number of Applicants	4,771	5,110	4,935	4,593	4,509	4,382	4,141	4,846	75	1.6%
Number of Recipients	2,658	2,864	2,646	2,364	2,323	2,108	2,025	2,408	-250	-9.4%
Amount Awarded	$874,162	$1,010,575	$931,459	$958,392	$980,780	$987,122	$965,221	$1,025,923	$151,761	17.4%
Average Grant	$329	$353	$352	$405	$422	$468	$477	$426	$97	29.5%

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vt Student Assistance Corp	0	0	0	16,683,804	17,142,609	17,142,609	17,682,637
TOTAL	0	0	0	16,683,804	17,142,609	17,142,609	17,682,637
FUND TYPE							
General Fund				16,683,804	17,142,609	17,142,609	17,682,637
TOTAL				16,683,804	17,142,609	17,142,609	17,682,637

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	16,683,804	17,142,609	17,142,609	17,682,637
TOTAL	16,683,804	17,142,609	17,142,609	17,682,637
FUND TYPE				
General Fund	16,683,804	17,142,609	17,142,609	17,682,637
TOTAL	16,683,804	17,142,609	17,142,609	17,682,637

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 2006 BUDGET RECOMMENDATIONS
NE Higher Education Compact

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
NE Higher Education Compact	0	0	0	88,840	88,840	88,840	80,000
TOTAL	0	0	0	88,840	88,840	88,840	80,000
FUND TYPE							
General Fund				88,840	88,840	88,840	80,000
TOTAL				88,840	88,840	88,840	80,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
NE Higher Education Compact

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Operating Expenses	0	88,840	88,840	0
Grants	88,840	0	0	80,000
TOTAL	88,840	88,840	88,840	80,000
FUND TYPE				
General Fund	88,840	88,840	88,840	80,000
TOTAL	88,840	88,840	88,840	80,000

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 agency programs, financial management, personnel management, information system management, legal services, and enforcement of laws and regulations related to agency programs, other than Fish and Wildlife laws and regulations.

Clean and Clear Action Plan

Last year, the State of Vermont adopted an aggressive plan for reducing pollution and protecting Vermont's waters, statewide, including controlling algae-feeding phosphorus discharges to Lake Champlain. For FY06, the Governor’s proposed budget provides ongoing support for the Clean and Clear Action Plan programs established last year in the Agency of Natural Resources, and recommends substantial statewide enhancement of those programs.

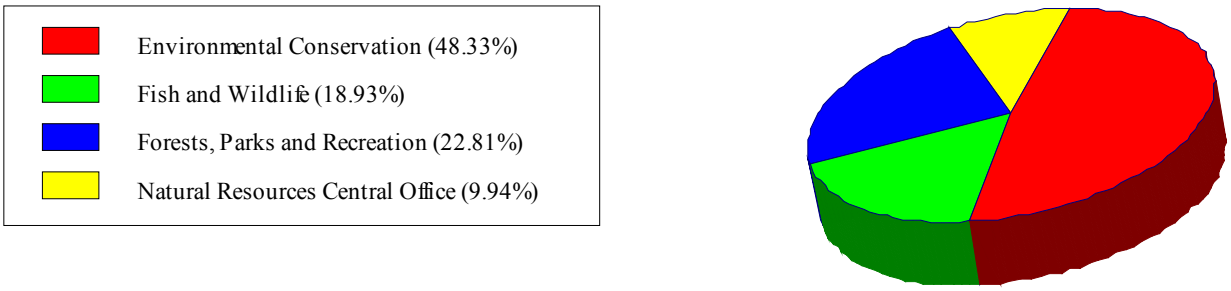
For FY06, the ANR general fund budget proposes: additional support for community based watershed action planning, further strengthening the stream stability program, updated forestry management practices, better control of erosion at construction sites, additional support for stormwater management, improved wetlands protection and restoration, and increased regionalization of ANR programs.

The capital budget also includes funding for enhancing wastewater treatment, wetlands protection, increased grants for stream stability, and assistance to towns for stormwater management, that complements the proposed general fund budget.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Agency of Natural Resources

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Natural Resources Central Office	54	54	55	6,395,913	7,420,442	7,486,248	7,491,050
Fish and Wildlife	131	131	131	13,709,194	14,368,159	15,195,308	14,268,499
Forests, Parks and Recreation	123	124	126	17,376,172	17,411,645	18,740,973	17,199,412
Environmental Conservation	276	285	301	28,737,742	32,607,974	35,364,955	36,435,001
TOTAL	584	594	613	66,219,021	71,808,220	76,787,484	75,393,962
FUND TYPE							
General Fund				14,096,055	17,928,032	20,475,476	21,182,878
Transportation Fund				1,096,499	1,264,345	1,623,166	1,274,482
Fish & Wildlife Fund				13,361,625	12,753,058	12,862,312	12,188,720
Special Fund				21,085,877	22,319,137	24,407,467	24,576,936
Federal Revenue Fund				11,834,357	13,410,187	13,386,707	13,616,796
Permanent Trust Fund				2,895	5,000	2,895	0
Interdepartmental Transfer				4,741,713	4,128,461	4,029,461	2,554,150
TOTAL				66,219,021	71,808,220	76,787,484	75,393,962



Department Mission Statement

It is the mission of the Agency of Natural Resources Central Office 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: the Secretary's Office, the Planning Division, the Enforcement Division, the Management Services Division, the Human Resources Division, the Information Technology Division and Regional Office Support.

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 public information and education.

Planning Division - The Planning Division is responsible for development and implementation of the Agency's strategic plan, coordinating the state's regulatory review for the Act 250 process and other state and federal regulatory processes, reviewing and revising Agency policies and procedures, directing and coordinating the Agency's Emergency Response Plan, and supporting the Lake Champlain Basin Program and Connecticut River Watershed Council.

Enforcement Division - The Enforcement Division is responsible for the enforcement of all laws and regulations administered by the Agency, except for those programs managed by the Department of Fish and Wildlife. 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.

Management Services Division - The Management 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, management of Agency offices and other facilities, and logistical support of the Agency's six regional offices.

Human Resources Division - The Human Resources Division provides personnel management services for the entire Agency, including recruiting, training, employee recognition and discipline, classification, employee orientation, employee assistance, performance evaluation, employee records, and coordination with the state Department of Human Resources.

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 Act 250 program.

Other Central Office appropriations include:

A pass-through appropriation for the Connecticut River Watershed Council, 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 appropriation 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.

An appropriation for payment in lieu of property taxes on lands owned by the Agency.

A pass-through appropriation to the Green Up Day Committee for implementation of the Green Up Day Program.

Department Key Budget Issues

The Administration budget is essentially level funded with operational expense adjustments to offset increased salary costs.

General Fund base from the Agency's Departments has been moved to the Central Office Administration budget to eliminate the internal transfer between Departments for administrative and IT support. This change will eliminate the double-counting effect of transfers within the Agency, providing a clearer picture of the total Agency budget.

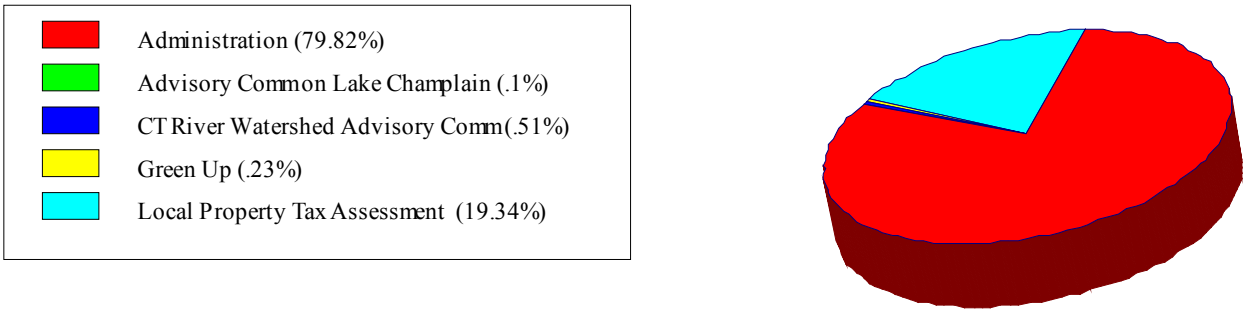
One position is added to the Information Technology Division in support of the watershed action planning and website development aspects of the Clean and Clear Action Plan.

The payment in lieu of taxes budget for FY06 has been increased by $220,000 due to reappraisals of Agency-owned properties.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration	54	54	55	5,118,446	6,131,356	6,197,162	5,979,354
CT River Watershed Advisory Comm	0	0	0	38,000	38,000	38,000	38,000
Advisory Comm on Lake Champlain	0	0	0	13,816	7,500	7,500	7,500
Local Property Tax Assessment	0	0	0	1,217,101	1,229,000	1,229,000	1,449,000
Green Up	0	0	0	8,550	14,586	14,586	17,196
TOTAL	54	54	55	6,395,913	7,420,442	7,486,248	7,491,050
FUND TYPE							
General Fund				3,135,301	3,706,813	3,930,099	5,436,273
Transportation Fund				262,908	211,123	211,123	212,816
Special Fund				805,976	975,514	975,514	1,052,700
Federal Revenue Fund				328,159	439,400	415,920	353,855
Interdepartmental Transfer				1,863,569	2,087,592	1,953,592	435,406
TOTAL				6,395,913	7,420,442	7,486,248	7,491,050



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	3,397,611	3,946,209	4,130,745	4,188,173
Operating Expenses	1,652,335	1,874,447	1,922,397	1,701,001
Grants	68,500	310,700	144,020	90,180
TOTAL	5,118,446	6,131,356	6,197,162	5,979,354
FUND TYPE				
General Fund	2,406,292	2,914,400	3,137,686	4,424,943
Special Fund	797,426	966,964	966,964	1,042,150
Federal Revenue Fund	312,659	423,900	400,420	338,355
Interdepartmental Transfer	1,602,069	1,826,092	1,692,092	173,906
TOTAL	5,118,446	6,131,356	6,197,162	5,979,354

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	38,000	38,000	38,000	38,000
TOTAL	38,000	38,000	38,000	38,000
FUND TYPE				
General Fund	22,500	22,500	22,500	22,500
Federal Revenue Fund	15,500	15,500	15,500	15,500
TOTAL	38,000	38,000	38,000	38,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	6,772	2,300	2,300	3,800
Operating Expenses	7,044	5,200	5,200	3,700
TOTAL	13,816	7,500	7,500	7,500
FUND TYPE				
General Fund	13,816	7,500	7,500	7,500
TOTAL	13,816	7,500	7,500	7,500

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Local Property Tax Assessment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Operating Expenses	1,217,101	1,229,000	1,229,000	1,449,000
TOTAL	1,217,101	1,229,000	1,229,000	1,449,000
FUND TYPE				
General Fund	692,693	756,377	756,377	974,684
Transportation Fund	262,908	211,123	211,123	212,816
Interdepartmental Transfer	261,500	261,500	261,500	261,500
TOTAL	1,217,101	1,229,000	1,229,000	1,449,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Green Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Operating Expenses	0	6,036	0	0
Grants	8,550	8,550	14,586	17,196
TOTAL	8,550	14,586	14,586	17,196
FUND TYPE				
General Fund	0	6,036	6,036	6,646
Special Fund	8,550	8,550	8,550	10,550
TOTAL	8,550	14,586	14,586	17,196

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. In order to accomplish this mission, the integrity, diversity, and vitality of all natural systems must be protected.

Description of Appropriations, Divisions, & Programs

The Support & Field Services appropriation provides the funding for the department's core services. In FY06 these core services include: protecting the state's fish and wildlife resources by protecting habitat; supporting wildlife conservation; conserving, restoring and enhancing natural communities and high-value habitats such as deer wintering areas, and wetlands; inventorying, monitoring and managing game species of conservation concern to ensure sustainable population levels are maintained; promoting and providing a diversity of hunting and angling opportunities; increasing the public's support and understanding of land conservation issues; promoting and facilitating a land stewardship ethic in Vermont; providing viewing and photographing opportunities of fish, wildlife and natural communities consistent with resource management goals while ensuring the protection of the observed species; limiting the number of human injuries and fatalities that result from encounters with wildlife or while participating in fish and wildlife based recreational activities; maintaining full response to requests from citizens and agencies regarding threats to human life or safety; informing and educating the public; and performing basic research.

The Watershed Improvement appropriation provides the funding to support watershed education efforts and projects that protect, restore, or enhance Vermont's watershed resources.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Fish and Wildlife

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Support & Field Services	131	131	131	13,651,307	14,317,498	15,144,647	14,217,838
Watershed Improvement	0	0	0	57,887	50,661	50,661	50,661
TOTAL	131	131	131	13,709,194	14,368,159	15,195,308	14,268,499
FUND TYPE							
General Fund				0	1,250,101	1,930,101	1,711,853
Transportation Fund				0	365,000	365,000	367,926
Fish & Wildlife Fund				13,361,625	12,753,058	12,862,312	12,188,720
Special Fund				44,674	0	0	0
Permanent Trust Fund				2,895	0	2,895	0
Interdepartmental Transfer				300,000	0	35,000	0
TOTAL				13,709,194	14,368,159	15,195,308	14,268,499

Appropriation Key Budget Issues

Support and Field Services is the Fish and Wildlife Department's primary appropriation.

Revenues from the sale of hunting, fishing and trapping licenses continue to decline (down 6% through November 2004). Decline in license revenue, coupled with flat federal funding and steadily increasing base costs and demands for service, continue to present a significant fiscal challenge.

The department has 131 full time positions; this budget includes 12 vacancies, which will not be filled. Ten of these vacant positions are carried over from FY05. In an effort to reduce costs, Fish & Wildlife will work with its partners, including the United States Fish and Wildlife Service and interested non-government organizations, to determine the most effective way to consolidate fish culture operations, and to develop a plan for implementation in FY07.

The general fund budget reflects the movement of the administrative support and information technology funds to the Agency budget.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	9,202,353	9,505,940	9,932,611	9,556,015
Operating Expenses	3,946,208	4,238,558	4,511,856	4,004,370
Grants	502,746	573,000	700,180	657,453
TOTAL	13,651,307	14,317,498	15,144,647	14,217,838
FUND TYPE				
General Fund	0	1,250,101	1,930,101	1,711,853
Transportation Fund	0	365,000	365,000	367,926
Fish & Wildlife Fund	13,303,738	12,702,397	12,811,651	12,138,059
Special Fund	44,674	0	0	0
Permanent Trust Fund	2,895	0	2,895	0
Interdepartmental Transfer	300,000	0	35,000	0
TOTAL	13,651,307	14,317,498	15,144,647	14,217,838

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Watershed Improvement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Operating Expenses	232	661	0	0
Grants	57,655	50,000	50,661	50,661
TOTAL	57,887	50,661	50,661	50,661
FUND TYPE				
Fish & Wildlife Fund	57,887	50,661	50,661	50,661
TOTAL	57,887	50,661	50,661	50,661

Department Mission Statement

The mission of the Department of Forests, Parks and Recreation is to practice stewardship of Vermont's environment by:

- Monitoring and maintaining the health, integrity, and diversity of important species, natural communities, and ecological processes.
- Managing forests for sustainable use.
- Providing and promoting opportunities for compatible outdoor recreation.
- Furnishing related information, education, and service.

Description of Appropriations, Divisions, & Programs

Department Administration - The Administration Division is responsible for leadership and oversight of all Department programs, financial management, personnel management, information system management and legal service as well as administering several recreation grant programs.

Forestry - Forestry programs impact a broad and expanding constituency concerned with the sustainable use, management, protection and future condition of Vermont's forest landscape, representing 78% of the state. These forests provide the basis for biological diversity, natural communities, wildlife habitats, scenic landscapes tourism, recreation, and an important economic base supporting a diverse forest products industry. The Division has responsibility for administration and oversight of the 1.3 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 342,000 acres of Agency land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the wood-using industry and the administration of forestry regulatory programs.

State Parks - The State Park Division is responsible for the construction, maintenance and operation of the state park system and the protection of the natural resources in the system. The State Park system includes 50 developed parks.

Land Administration - This Division has Agency-wide responsibility for the administration and real estate activity of all lands held by the three ANR Departments (approximately 342,000 acres). The Division has responsibility for maintenance of ANR property records and maps; administration of leases, licenses and special use permits; carrying out ANR land acquisition and transactions; oversight of long-range management planning; statewide comprehensive outdoor recreation planning; and survey and mapping of ANR lands.

Vermont Youth Conservation Corps - This program administers pass through monies from state parks, AOT, and donations. This program educates youth in good conservation ethics through meaningful

employment in natural resource related projects.

Forest Highway Maintenance - This program uses state funds to repair and maintain the ANR forest highway network on its 342,000 acres.

Department Key Budget Issues

The fiscal year 2006 budget appropriation will allow for the Department to continue on-going operations and base programs. One new forester position will be created for water quality protection under the Clean & Clear Action Plan. In addition a new specialized position for wetlands acquisition and restoration under the Clean & Clear Action Plan will be added to the Lands Division.

In a department of 126 positions, this budget includes 10 vacancies, which will not be filled.

The general fund budget reflects the movement of the administrative support and information technology funds to the Agency budget.

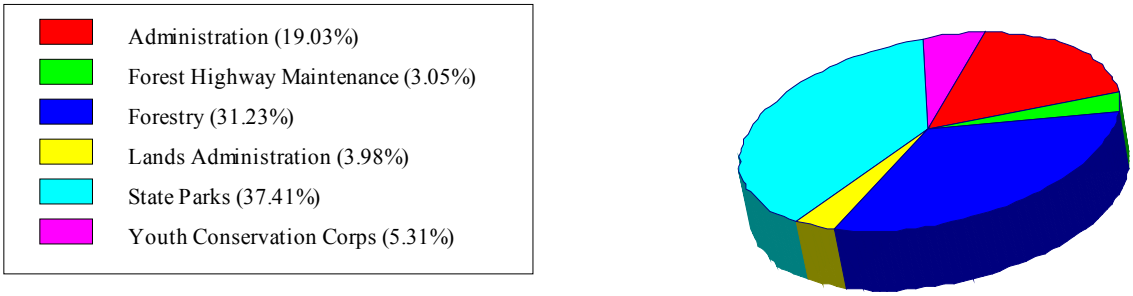
Parks special fund receipts have declined due to a rainy summer camping season and extreme cold weather during the winter ski season.

Cost savings measures will be implemented in an incremental process that will allow for the continued operation of all developed parks. The parks system will continue to contribute to Vermont's outdoor recreation-based economy across the state. A fee increase for prime sites at selected parks will help to address diminished revenues in recent years. With newly constructed rental cabins available and an on-line reservation system in place, we expect revenues to improve.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration	11	12	14	3,515,531	3,298,958	3,721,686	3,272,533
Forestry	68	68	69	5,077,586	5,270,854	5,335,854	5,370,880
State Parks	38	38	36	6,437,179	6,684,226	6,615,035	6,434,932
Lands Administration	6	6	7	884,152	664,054	1,219,054	684,599
Youth Conservation Corps	0	0	0	878,323	919,575	919,575	912,490
Forest Highway Maintenance	0	0	0	583,401	573,978	929,769	523,978
TOTAL	123	124	126	17,376,172	17,411,645	18,740,973	17,199,412
FUND TYPE							
General Fund				4,590,629	5,182,878	5,893,085	5,515,064
Transportation Fund				604,902	504,513	860,304	508,558
Special Fund				8,355,292	8,442,174	8,710,504	7,992,790
Federal Revenue Fund				2,629,213	2,783,080	2,783,080	2,679,000
Permanent Trust Fund				0	5,000	0	0
Interdepartmental Transfer				1,196,136	494,000	494,000	504,000
TOTAL				17,376,172	17,411,645	18,740,973	17,199,412

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	714,381	748,075	770,803	799,194
Operating Expenses	839,467	614,383	614,383	475,239
Grants	1,961,683	1,936,500	2,336,500	1,998,100
TOTAL	3,515,531	3,298,958	3,721,686	3,272,533
FUND TYPE				
General Fund	1,002,519	1,136,958	1,159,686	933,533
Special Fund	1,304,250	890,000	1,290,000	1,046,000
Federal Revenue Fund	1,208,762	1,272,000	1,272,000	1,293,000
TOTAL	3,515,531	3,298,958	3,721,686	3,272,533

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	4,278,521	4,458,479	4,528,479	4,514,728
Operating Expenses	500,145	449,375	449,375	503,152
Grants	298,920	363,000	358,000	353,000
TOTAL	5,077,586	5,270,854	5,335,854	5,370,880
FUND TYPE				
General Fund	2,969,255	3,217,274	3,287,274	3,484,380
Transportation Fund	21,501	21,500	21,500	21,500
Special Fund	362,380	375,000	375,000	360,000
Federal Revenue Fund	1,420,451	1,438,080	1,438,080	1,291,000
Permanent Trust Fund	0	5,000	0	0
Interdepartmental Transfer	303,999	214,000	214,000	214,000
TOTAL	5,077,586	5,270,854	5,335,854	5,370,880

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	4,425,992	4,706,026	4,776,735	4,538,235
Operating Expenses	1,989,432	1,973,200	1,828,300	1,891,697
Grants	21,755	5,000	10,000	5,000
TOTAL	6,437,179	6,684,226	6,615,035	6,434,932
FUND TYPE				
General Fund	301,794	298,627	916,106	610,632
Special Fund	6,101,142	6,385,599	5,698,929	5,824,300
Interdepartmental Transfer	34,243	0	0	0
TOTAL	6,437,179	6,684,226	6,615,035	6,434,932

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Lands Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	415,804	434,554	434,554	446,610
Operating Expenses	449,186	229,500	784,500	237,989
Grants	19,162	0	0	0
TOTAL	884,152	664,054	1,219,054	684,599
FUND TYPE				
General Fund	317,061	439,054	439,054	449,599
Special Fund	0	195,000	750,000	195,000
Interdepartmental Transfer	567,091	30,000	30,000	40,000
TOTAL	884,152	664,054	1,219,054	684,599

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Youth Conservation Corps

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	370,452	391,775	391,775	387,133
Operating Expenses	21,835	27,800	27,800	25,357
Grants	486,036	500,000	500,000	500,000
TOTAL	878,323	919,575	919,575	912,490
FUND TYPE				
Special Fund	587,520	596,575	596,575	567,490
Federal Revenue Fund	0	73,000	73,000	95,000
Interdepartmental Transfer	290,803	250,000	250,000	250,000
TOTAL	878,323	919,575	919,575	912,490

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	227,206	247,978	403,769	222,978
Operating Expenses	356,195	326,000	526,000	301,000
TOTAL	583,401	573,978	929,769	523,978
FUND TYPE				
General Fund	0	90,965	90,965	36,920
Transportation Fund	583,401	483,013	838,804	487,058
TOTAL	583,401	573,978	929,769	523,978

Department Mission Statement

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 is charged with the protection of public health and the environment. The department meets this challenge through: (1) public education and technical assistance; (2) financial assistance in the form of grants and loans; (3) 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; and (4) monitoring the environment and completing 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 regulatory programs, mandated by the state and /or federal governments, which oversee the discharge of pollutants in the air, water and soil. In most instances, the policy decision was made over three decades ago that DEC should accept the federal delegations of the environmental regulatory program from the U.S. Environmental Protection Agency (EPA), so Vermonters could deal with the permit process locally rather than with EPA in Boston.

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 Valley Flood Control Compact.

Management and Support Services Appropriation

Commissioner's Office

The Commissioner's Office provides leadership, management, business, legal, 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 and DEC through research, assistance, and information. This office administers programs providing permitting assistance, compliance assistance, business assistance and recognition, pollution prevention planning and assistance, department-level continuous quality improvement for permitting and compliance, department-level information system design and oversight, coordination of departmental public communications, mercury education and reduction, geologic research and mapping, low level radioactive waste oversight, and scientific studies management. Permit 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.

The Geological Survey is part of the EAO and conducts mapping, research and provides aid and advice about the state's geology, mineral resources and topography. Geological information plays a significant role in locating groundwater supplies, arranging waste disposal, understanding the movement of contaminants, and addressing natural hazards such as landslides, radioactivity, erosion, and earthquakes. Geological research helps locate the source of groundwater and earth materials upon which ecosystems are rooted and provides valuable information about the soil that supports agricultural production. The extraction of mineral resources includes dimension stone, crushed rock, and sand and gravel. The survey also includes the Radioactive Waste Management Program.

Reginald A. LaRosa Environmental Laboratory

The R. A. LaRosa Laboratory provides analytical services to the science-based programs of the Department of Environmental Conservation, the Department of Forest, Parks and Recreation, other units of Vermont state government and federal agencies needing environmental analysis. These analytical services provide 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. Data generated by the DEC Laboratory forms part of the technical underpinning of fact-based decisions made by the DEC.

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 the impact of midwestern power plants on the environment of Vermont and other eastern states. 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

Through a combination of assistance, planning, regulation, permitting, and inspections, the Waste Management 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. The division also 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 promotes and assists in the clean-up and reuse of contaminated properties. The division maintains a 24-hour Spill Response Team to provide assistance in the control and clean-up of spills.

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 Program, which involves safety inspections of non-power generating dams and review and permitting for dam alteration or construction projects.

Wastewater Management Division

The Wastewater Management Division administers the permitting programs for municipal and industrial wastewater, indirect discharges, residuals management, and underground injection control. All but the residuals and indirect discharge programs are federally delegated programs. Ancillary to the permitting programs are the compliance review, enforcement, and licensing of treatment plant operators as well as wastewater facility inspections and technical assistance. Particular attention is given to assistance for small communities. These programs regulate the pollutants contained in the approximately 150 million gallons of wastewater being discharged to Vermont waters each day.

The division staff located in five regional offices administer the wastewater system and potable water supply rules. These rules regulate soil-based wastewater systems with a design capacity of less than 6,500 gallons per day as well as connections of any size to municipal water and wastewater systems. This includes most residential and commercial development (including single family residences), public buildings, mobile home parks, and campgrounds. The division issues approximately 3,000 of these permits annually. The division also administers the program that licenses the designers of these systems.

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.

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.

The division's regulatory programs implement state Wetland and Stormwater Rules, federal Erosion Control and Stormwater General Permits, the Vermont Water Quality Standards and

state permits for aquatic nuisance control, lakeshore encroachment and stream alteration. The division assures that stream flows below dams, water withdrawals and hydropower reservoirs meet minimum standards. The division issues grants and provides technical assistance for local nonpoint source pollution management activities in lake and river watersheds. The division also administers aquatic nuisance management, river management and flood hazard mitigation programs, and sponsors Project WET (Water Education for Teachers).

Connecticut Valley Flood Control Compact Appropriation

The Connecticut Valley Flood Control Compact appropriation facilitates the management of receipts from the Connecticut Valley and Massachusetts for tax losses in Vermont towns where the U.S. Corps of Engineers has built flood control projects.

Department Key Budget Issues

The Department of Environmental Conservation (DEC) general fund budget reflects an increase in funds for the Clean and Clear Action Plan, movement of administrative support and information technology funds to the Agency budget, general fund increases to address inflationary pressures and savings required to meet fiscal targets. The proposed budget enables the DEC to maintain essential base programs in addition to funding the Clean and Clear Action Plan. The department relies on revenues from over one hundred individual sources to make up its budget. These funding sources are primarily federal funds, general funds, and fees from different types of permits and registrations.

In a department of 301 positions, this budget includes 5 vacancies, which will not be filled.

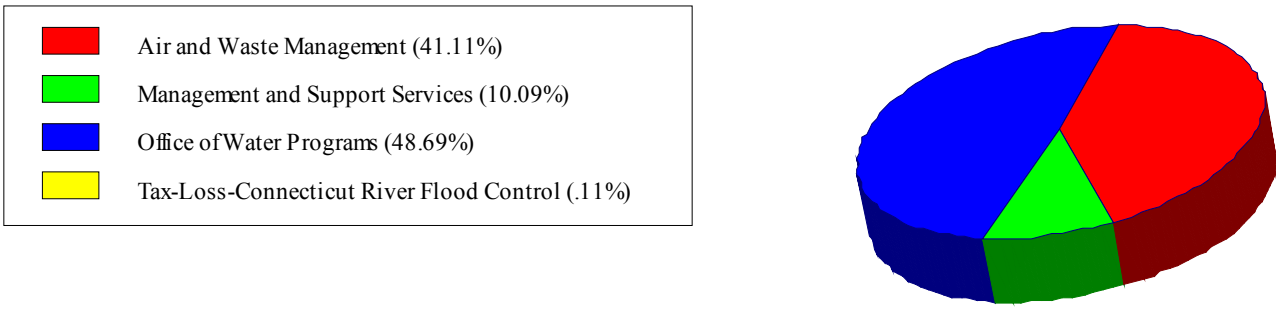
The Office of Management and Support Services appropriation includes 1 new position for the Clean and Clear Action Plan. The new position will manage multiple smaller Clean and Clear grants provided for river and watershed improvements.

The Clean & Clear Action Plan also includes aggressive strategies to clean up waters throughout Vermont and to accelerate to the extent possible the deadlines established in the Phosphorus Total Maximum Daily Load (TMDL) for Lake Champlain. Eight new positions in the Office of Water will help the Clean and Clear Action Plan through enhanced watershed action planning and public involvement, increased emphasis on stream stability and riparian corridor protection, improved erosion control at construction sites, financial management of stormwater grants and offset projects and support for existing and new program efforts in regional offices. Program efforts moved to regional offices include wetland and river encroachment permitting, and watershed planning.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Environmental Conservation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Management and Support Services	41	40	40	3,313,662	3,602,073	3,727,073	3,676,969
Air and Waste Management	77	78	82	11,603,354	12,663,992	13,863,992	14,978,363
Office of Water Programs	158	167	179	13,772,146	16,301,909	17,733,890	17,739,669
Tax-Loss-Connecticut River Flood Control	0	0	0	48,580	40,000	40,000	40,000
TOTAL	276	285	301	28,737,742	32,607,974	35,364,955	36,435,001
FUND TYPE							
General Fund				6,370,125	7,788,240	8,722,191	8,519,688
Transportation Fund				228,689	183,709	186,739	185,182
Special Fund				11,879,935	12,901,449	14,721,449	15,531,446
Federal Revenue Fund				8,876,985	10,187,707	10,187,707	10,583,941
Interdepartmental Transfer				1,382,008	1,546,869	1,546,869	1,614,744
TOTAL				28,737,742	32,607,974	35,364,955	36,435,001



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,452,630	2,751,124	2,811,124	2,760,084
Operating Expenses	786,067	753,419	818,419	823,118
Grants	74,965	97,530	97,530	93,767
TOTAL	3,313,662	3,602,073	3,727,073	3,676,969
FUND TYPE				
General Fund	1,187,691	1,166,778	1,291,778	1,121,101
Special Fund	514,663	604,073	604,073	626,255
Federal Revenue Fund	873,320	1,036,410	1,036,410	1,023,119
Interdepartmental Transfer	737,988	794,812	794,812	906,494
TOTAL	3,313,662	3,602,073	3,727,073	3,676,969

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	5,014,861	5,579,941	6,129,941	6,944,360
Operating Expenses	5,671,689	5,900,551	6,550,551	6,328,003
Grants	916,804	1,183,500	1,183,500	1,706,000
TOTAL	11,603,354	12,663,992	13,863,992	14,978,363
FUND TYPE				
General Fund	496,704	592,246	842,246	715,896
Transportation Fund	39,278	0	0	0
Special Fund	8,593,606	9,072,141	10,022,141	11,147,684
Federal Revenue Fund	2,312,212	2,829,605	2,829,605	2,944,783
Interdepartmental Transfer	161,554	170,000	170,000	170,000
TOTAL	11,603,354	12,663,992	13,863,992	14,978,363

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Office of Water Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	9,732,453	11,708,110	12,520,091	12,686,776
Operating Expenses	1,996,120	2,397,137	2,397,137	2,099,391
Grants	2,043,573	2,196,662	2,816,662	2,953,502
TOTAL	13,772,146	16,301,909	17,733,890	17,739,669
FUND TYPE				
General Fund	4,685,730	6,029,216	6,588,167	6,682,691
Transportation Fund	189,411	183,709	186,739	185,182
Special Fund	2,723,086	3,185,235	4,055,235	3,717,507
Federal Revenue Fund	5,691,453	6,321,692	6,321,692	6,616,039
Interdepartmental Transfer	482,466	582,057	582,057	538,250
TOTAL	13,772,146	16,301,909	17,733,890	17,739,669

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Operating Expenses	48,580	40,000	40,000	40,000
TOTAL	48,580	40,000	40,000	40,000
FUND TYPE				
Special Fund	48,580	40,000	40,000	40,000
TOTAL	48,580	40,000	40,000	40,000

Department Mission Statement

The Environmental Board and the Water Resources Board will be statutorily eliminated effective January 31, 2005. The Natural Resources Board will take the place of both Boards and will commence operations on February 1, 2005. The new Board will be composed of two panels, the Land Use Panel and the Water Resources Panel.

A primary mission of the Land Use Panel of the Natural Resources Board is to administer a public regulatory, quasi-judicial process (Act 250) at the district environmental commission level for reviewing and managing the environmental and fiscal consequences of major subdivisions and developments in Vermont. Specific objectives of Act 250 program include: 1) assuring thorough review of each Act 250 permit application under the requirements of statutory criteria; 2) performing permit review as expeditiously as possible; 3) providing assistance to applicants and other parties in preparation for their participation in Act 250 proceedings; 4) assisting permittees in maintaining compliance with permit terms and conditions; 5) enforcing the requirements of Act 250 permits and the statute; 6) creating environmental and land use policy through the promulgation of substantive and procedural rules to fully implement the Act 250 regulatory process.

The mission of the Water Resources Panel of the Natural Resources Board is to ensure that rules which guide the management of Vermont's water resources and wetlands are adopted by a citizen panel independent of the Agency of Natural Resources (ANR). The Water Resources Panel provides meaningful citizen involvement and oversight in the adoption and implementation of Vermont's water resource management and wetland protection policies and may participate in administrative appeals from related regulatory decisions of the ANR to the Environmental Court. The protection of water quality, resolution of conflicting uses of public waters, the designation and protection of significant wetlands and the designation of outstanding resource waters in a manner consistent with the public interest and applicable state and federal law are the major results toward which the Panel's activities are directed.

Description of Appropriations, Divisions, & Programs

Coming into existence in February of 2005, the Natural Resources Board is comprised of nine members appointed by the Governor including a full time Chair of the Board. The Board consists of two separate panels; the Land Use Panel and the Water Resources Panel with distinct functions and responsibilities. Both Panels will be chaired by the Chair of the Board. On a statewide basis, the Land Use Panel oversees and administers the Act 250 process served by nine district environmental commissions. Each commission is comprised of three members with up to four alternates also appointed by the Governor. The Chair of the Board, as a full time salaried employee, has responsibility for the administration of the

entire Act 250 program and all substantive and procedural rulemaking of the Natural Resources Board.

Created in 1970, the District Environmental Commissions provide a public regulatory, quasi-judicial process (Act 250) for reviewing and managing the environmental and fiscal consequences of major subdivisions and developments in Vermont. Specific program objectives of Act 250 include: 1) assuring thorough review of each Act 250 permit application under the requirements of statutory criteria; 2) performing permit review as expeditiously as possible; 3) providing assistance to applicants and other parties in preparation for their participation in Act 250 proceedings; 4) assisting permittees in maintaining compliance with permit terms and conditions; 5) enforcing the requirements of Act 250 permits and the statute.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Natural Resources Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Natural Resources Board	35	35	32	2,785,545	2,871,684	2,961,903	2,714,344
TOTAL	35	35	32	2,785,545	2,871,684	2,961,903	2,714,344
FUND TYPE							
General Fund				1,087,097	1,205,507	1,295,726	1,065,127
Special Fund				1,698,448	1,641,177	1,641,177	1,649,217
Interdepartmental Transfer				0	25,000	25,000	0
TOTAL				2,785,545	2,871,684	2,961,903	2,714,344

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Natural Resources Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	2,346,350	2,450,741	2,540,960	2,320,080
Operating Expenses	439,195	420,943	420,943	394,264
TOTAL	2,785,545	2,871,684	2,961,903	2,714,344
FUND TYPE				
General Fund	1,087,097	1,205,507	1,295,726	1,065,127
Special Fund	1,698,448	1,641,177	1,641,177	1,649,217
Interdepartmental Transfer	0	25,000	25,000	0
TOTAL	2,785,545	2,871,684	2,961,903	2,714,344

Agency Mission Statement

The mission for the Agency of Commerce and Community Development is to support job creation and a strong and diverse economy, to promote the development of housing affordable to all Vermonters, and to preserve Vermont's heritage and promote vibrant communities.

Description of Departments in Agency

The Agency of Commerce and Community Development encompasses three major departments and many programs that serve the Vermont public by enhancing the Vermont business climate, marketing Vermont and Vermont products to tourists and others, and strengthening Vermont communities in a wide variety of ways. The Agency is comprised of the Departments of Economic Development, Tourism and Marketing, and Housing and Community Affairs. Vermont Life Magazine is part of Tourism and Marketing, and the Vermont Downtown Program and the Division for Historic Preservation are part of Housing and Community Affairs.

DIVISION OF ADMINISTRATION:
Administration consists of the Office of the Agency Secretary, the Administrative Services Division, and Legal Counsel. Together they provide managerial direction, coordination, and support services to the agency. The division is also responsible for coordinating the marketing activities of 20 state agencies and departments through the work of the Marketing and Promotional Partnership (M.A.P.) group.

HOUSING AND COMMUNITY AFFAIRS:
The Department of Housing and Community Affairs serves Vermont's regions, municipalities, housing development organizations and historic preservation through six principal functions: 1) administration of state and federal grant programs; 2) provision of technical assistance; 3) implementation of state and federal housing, planning and community development policy and statutes; 4) identification, protection, interpretation, promotion, and enhancement of the economic and educational value of historic, architectural, and archeological resources for the people and communities of Vermont; 5) 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; 6) provision of funds that support local and regional planning efforts through the Municipal Planning grants program and Regional Planning Commissions.

ECONOMIC DEVELOPMENT
The Department of Economic Development 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

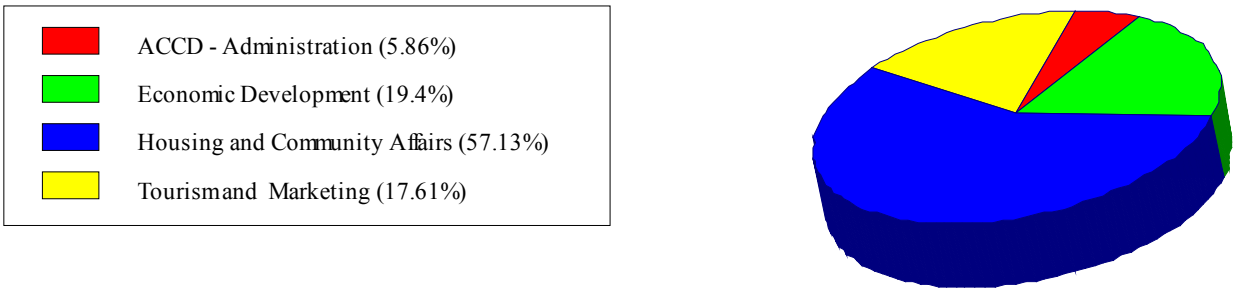
VT Economic Progress Council is an arm of the department. The department also funds and supports regional economic development efforts through the Regional Development Corporations and general business development through other partners.

TOURISM AND MARKETING
The Department of Tourism and Marketing (VDTM) promotes Vermont as a travel destination in order to maintain a diverse and healthy economy. The VDTM mission is accomplished through the development and implementation of a comprehensive marketing plan that integrates programs for public and trade relations, advertising, research and evaluation, and support of the Vermont travel industry. Vermont Life Magazine promotes Vermont as a beautiful and interesting place to travel, work and live. The department also funds and supports statewide initiatives including 5-1-1 travel information, Low Powered FM Radio (LPFM), VT/NH/ME Tri-State organization (TRIO), Discover New England (DNE), regional marketing initiatives, travel and trade shows and familiarization trips. Informative and effective communication with the industry through newsletters, meetings, conferences and other means is also a priority of the Department.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
ACCD - Administration	17	16	15	2,010,764	1,874,906	2,118,951	1,847,819
Housing and Community Affairs	39	40	40	15,451,877	17,402,771	18,782,753	18,030,050
Economic Development	17	21	22	4,699,029	5,243,777	6,399,679	6,123,354
Tourism and Marketing	28	27	27	5,877,061	5,803,637	6,200,920	5,557,228
TOTAL	101	104	104	28,038,731	30,325,091	33,502,303	31,558,451
FUND TYPE							
General Fund				13,013,176	13,046,186	14,873,839	14,002,701
Special Fund				4,562,341	5,281,740	7,292,949	5,223,237
Federal Revenue Fund				9,399,947	10,316,638	9,594,777	10,882,067
Enterprise Fund				704,455	825,000	825,000	847,770
Interdepartmental Transfer				358,812	855,527	915,738	602,676
TOTAL				28,038,731	30,325,091	33,502,303	31,558,451



Department Mission Statement

The mission of the Division of Administration is to coordinate agency wide efforts to implement policy and statutory objectives in the areas of economic development and job creation, housing, planning, archeological research, preservation of historic buildings and sites, and the Regional Block Grant program. Administration has the lead responsibility for supporting the Governor's legislative programs as they pertain to the subject areas.

Description of Appropriations, Divisions, & Programs

Administration is made up of the Secretary's Office, Administrative Services, and legal staff. The division is responsible for overall agency human resources, budget, and information technology management, as well as legislative initiatives.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Administration	17	16	15	2,010,764	1,874,906	2,118,951	1,847,819
TOTAL	17	16	15	2,010,764	1,874,906	2,118,951	1,847,819
FUND TYPE							
General Fund				2,010,764	1,874,906	2,118,951	1,847,819
TOTAL				2,010,764	1,874,906	2,118,951	1,847,819

Appropriation Key Budget Issues

The Department's FY 06 budget has increased slightly over FY 2005 due to a new grant to the VT Council on Rural Development. The aggregate effect of the inflationary increases for rent, compensation and benefits, is a 2.1% overall funding reduction. All administrative functions are being evaluated for consolidation opportunity.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,176,580	1,230,130	1,225,435	1,170,218
Operating Expenses	487,918	458,576	508,583	441,401
Grants	346,266	186,200	384,933	236,200
TOTAL	2,010,764	1,874,906	2,118,951	1,847,819
FUND TYPE				
General Fund	2,010,764	1,874,906	2,118,951	1,847,819
TOTAL	2,010,764	1,874,906	2,118,951	1,847,819

Department Mission Statement

To promote the production of housing that is affordable to all Vermonters, to preserve Vermont's heritage and promote vibrant communities.

Description of Appropriations, Divisions, & Programs

The Department of Housing & Community Affairs offers a wide range of programs to support sustainable development of Vermont Communities: preservation of Vermont's historic downtowns and village centers; State-owned historic sites and archeological resources; Vermont Community Development Program; local and regional land use planning; and state housing policy, including the mobile home park program.

The Vermont Downtown Program (VDP) supports community efforts to strengthen downtowns and village centers through training and technical assistance. In the 2002 Downtown Development Act, the Legislature added a new process to designate village centers and new town centers. They also created tax credit incentives for historic buildings within the village centers.

There are 18 designated downtowns in the state, with almost 33% of the state's population living in those communities. The newer Village Center designation has become very popular with smaller communities. The Department designated 15 village centers in 2004, bringing the total to 34. The legislature has also strongly supported the VDP through the creation of the Downtown Transportation and Related Capital Improvement Fund, and the tax credits for rehabilitation of historic buildings. 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.

The Division for Historic Preservation also conducts environmental reviews of developments which impact the state's historic resources, administers the state's historic preservation grant programs, maintains the National Register of Historic Places, and administers the federal historic tax credit. Vermont is a national leader in its use of this federal tax incentive.

State-Owned Historic Sites now total 26 sites with 95 buildings, bridges and underwater shipwrecks. Three of the sites have been designated as National Historic Landmarks: President Calvin Coolidge Historic Site; the Justin S. Morrill State Historic Site; and Mt. Independence. Ten sites are open to the public attracting over 100,000 visitors each year. Revenues from gift shop sales, donations and rentals provide 43% of the operating support for these sites.

Applications from municipalities to the Vermont Community Development Program (VCDP) greatly outstrip the available grant resources each year. VCDP has been funded at a level of $8.5M annually through the Federal Community Development Block Grant program. Grants are made directly to municipalities for vital community development projects, such as affordable housing, economic development, and public facilities such as daycare centers. The Department established a fast track option this year to fund projects that need a more timely response. The Department has not yet used this system, but expects the first expedited application this winter.

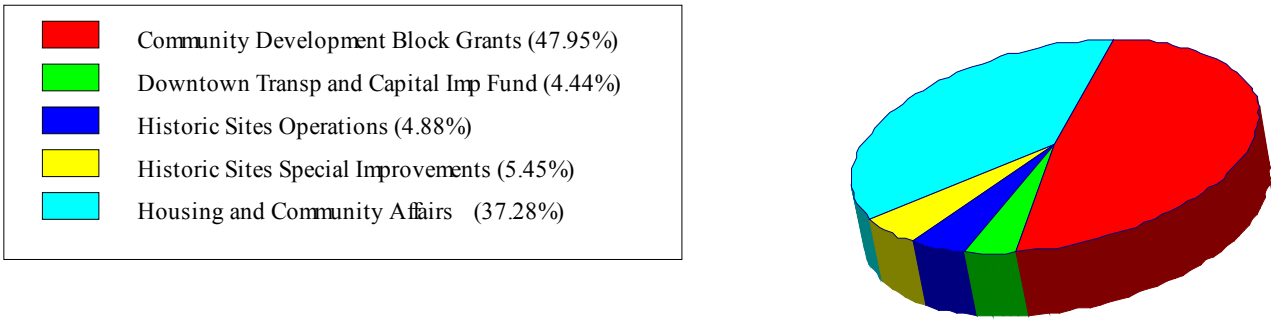
The lack of housing stock in many regions of the state has led to escalating home prices and rents. A Vermont family must earn almost $14.00 an hour to afford a typical two bedroom apartment. The Upper Valley Housing Needs Analysis, released in November 2001, showed a serious shortage of both rental and ownership units in the region over the next ten years, similar to the results of the six-county Northwestern Housing Study. The Housing Division is working diligently to steer all available resources to address the state's housing crisis. Additionally, the division administers the state's mobile home park program. The Department completed the process of updating its Housing Division Rules that deal with mobile home parks. The Governor appointed a special committee in July 2004 to look at many of the problems that affect mobile home parks, their owners and the tenants. The committee is already coming up with suggestions for 2005 legislative action.

The Planning Division provides technical assistance to local and regional officials on smart growth planning tools and administers the Municipal Planning Grant Program and state funding for the 11 Regional Planning Commissions (RPCs). In 2004, the 3 towns that were part of the Upper Valley Lake Sunapee Regional Planning Commission, which also includes 27 New Hampshire towns, became members of the Two Rivers Ottauquechee Regional Planning Commission. The FY 04 Municipal Planning Grants went to 91 Vermont towns. In 2004, the Department was successful in changing the law to allow towns that did not have approved plans to qualify for grants to implement a plan. This has led to several towns starting a planning process.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Housing and Community Affairs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Housing and Community Affairs	34	35	35	6,437,276	6,509,152	7,839,097	6,720,764
Historic Sites Operations	5	5	5	1,022,207	1,907,879	2,011,999	880,352
Historic Sites Special Improvements	0	0	0	0	0	0	982,816
Community Development Block Grants	0	0	0	7,767,116	8,185,740	7,463,692	8,646,118
Downtown Transp and Capital Imp Fund	0	0	0	225,278	800,000	1,467,965	800,000
TOTAL	39	40	40	15,451,877	17,402,771	18,782,753	18,030,050
FUND TYPE							
General Fund				1,979,700	1,940,540	2,053,596	2,010,540
Special Fund				4,119,149	4,758,740	6,687,531	4,733,237
Federal Revenue Fund				9,279,407	10,147,964	9,426,103	10,683,597
Interdepartmental Transfer				73,621	555,527	615,523	602,676
TOTAL				15,451,877	17,402,771	18,782,753	18,030,050



Appropriation Key Budget Issues

The Department is very dependent on federal funds, with the federal budget constraints over the next few years there may be a decline in these funds. Federal money now covers 50% of the Historic Preservation budget, down from 60%.

The Department is working with other agencies to provide services that can help generate revenue for the department. One example is its efforts to help the Human Rights Commission (HRC) reduce housing discrimination. The Department has the staff and the expertise to help develop a public information campaign, perform outreach to landlords and tenants and update materials to try to solve this problem. The HRC is reimbursing the Department with federal HUD monies for its efforts.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Housing and Community Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	2,237,906	2,217,796	2,570,411	2,492,749
Operating Expenses	243,941	326,342	337,415	301,356
Grants	3,955,429	3,965,014	4,931,271	3,926,659
TOTAL	6,437,276	6,509,152	7,839,097	6,720,764
FUND TYPE				
General Fund	1,495,288	1,531,188	1,580,024	1,531,188
Special Fund	3,497,416	3,468,740	4,689,666	3,511,237
Federal Revenue Fund	1,426,297	1,509,224	1,509,411	1,639,339
Interdepartmental Transfer	18,275	0	59,996	39,000
TOTAL	6,437,276	6,509,152	7,839,097	6,720,764

Appropriation Key Budget Issues

Attendance and income at the State Historic Sites have been declining the past several years. Historic Sites received a $75,000 budget adjustment in FY 04 and is requesting $56,365 for FY 05 to cover the anticipated shortfall in special fund receipts. The poor weather in July and August 2004 contributed to lower than anticipated special fund revenues in FY 05. In the past 12 months, the State Historic Sites Division has taken steps to improve its budget situation by working with the Small Business Development Center on a business plan for each of the sites, as well as, for the sites system as a whole. This plan will be completed by December 31, 2004. The State Historic Sites has hired a cheesemaker for Plymouth, its largest site. The historic cheese factory has been idle for 6 years. It reopened in November 2004. It has always been a major attraction at the site and attendance is expected to increase starting next season.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Historic Sites Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	665,010	563,114	816,717	604,583
Operating Expenses	357,197	1,344,765	1,195,282	275,769
TOTAL	1,022,207	1,907,879	2,011,999	880,352
FUND TYPE				
General Fund	484,412	409,352	473,572	479,352
Special Fund	396,455	490,000	529,900	372,000
Federal Revenue Fund	85,994	453,000	453,000	0
Interdepartmental Transfer	55,346	555,527	555,527	29,000
TOTAL	1,022,207	1,907,879	2,011,999	880,352

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Historic Sites Special Improvements

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	0	0	71,408
Operating Expenses	0	0	0	911,408
TOTAL	0	0	0	982,816
FUND TYPE				
Special Fund	0	0	0	50,000
Federal Revenue Fund	0	0	0	398,140
Interdepartmental Transfer	0	0	0	534,676
TOTAL	0	0	0	982,816

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	4,800	0	0	0
Grants	7,762,316	8,185,740	7,463,692	8,646,118
TOTAL	7,767,116	8,185,740	7,463,692	8,646,118
FUND TYPE				
Federal Revenue Fund	7,767,116	8,185,740	7,463,692	8,646,118
TOTAL	7,767,116	8,185,740	7,463,692	8,646,118

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Downtown Transp and Capital Imp Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	0	0	40,000	40,000
Grants	225,278	800,000	1,427,965	760,000
TOTAL	225,278	800,000	1,467,965	800,000
FUND TYPE				
Special Fund	225,278	800,000	1,467,965	800,000
TOTAL	225,278	800,000	1,467,965	800,000

Department Mission Statement

To lead and coordinate statewide efforts to foster the growth of higher quality jobs and a more vital and diverse economy through supporting existing businesses and attracting new businesses to the state.

Department Goal:
Support creation and retention of quality jobs and strengthen competitiveness of Vermont's businesses and overall economy.

Description of Appropriations, Divisions, & Programs

Programs:
Retention & Expansion: the Department of Economic Development (DED) assists new or expanding companies to operate in Vermont through locating facilities, financing, entrepreneurship, and permit expedition by direct client interaction and partnership with the Regional Development Corporations.

A. Government Marketing Assistance Center (GMAC): GMAC is responsible for generating contract bid opportunities from federal, state, and local governments, and private sector organizations for Vermont service and manufacturing firms. GMAC maintains an electronic bulletin board to promote Vermont business networking and to provide informational resources. GMAC maintains the government bid board.

B. Vermont Training Program (VTP): VTP assists firms in the training of new and existing employees. ISO 9000 training classes are also offered to Vermont employers.

C. International Trade: The Vermont Global Trade Partnership, consisting of a broadly based group of organizations and institutions that provide international trade programs and services has been formed under the leadership of the Vermont Department of Economic Development to help Vermont businesses expand markets. The partnership includes representatives from the twelve Regional Development Corporations, Vermont Chamber of Commerce, Lake Champlain Regional Chamber of Commerce, Champlain College, the U.S. Department of Commerce, and the Vermont Congressional delegation. The Vermont World Trade Office Board of Directors acts as strategic advisors to the partnership.

D. Entrepreneurship: DED develops, and supports focused approaches that optimize the realization of Vermont's scarce resources in its efforts to grow and retain highly successful start-up businesses - both technology-based as well as general business - through coherent and inter-related strategies for incubation and access to risk capital.

Recruitment: DED supports business relocation and expansion to Vermont and develops focused marketing packages to reach specific industries/businesses in a geographic region generally bounded by a line from Virginia to Ohio, along the Canadian border to Maine and back down the east coast. Opportunities outside of the target geographic market area will be exploited as they arise and are not normally the focus of the marketing effort. The program is divided into two parts: 1) broad market awareness with general recruiting, and 2) identifying and leveraging industry clusters that maximize connections and assets in Vermont.

Financial Services: DED promotes Vermont's top position as a U.S. captive domicile, and seeks out new and diversified opportunities within financial services.

Telecommunications: DED works in concert with the Agency's Administration Division to further telecommunications infrastructure development throughout the state of Vermont.

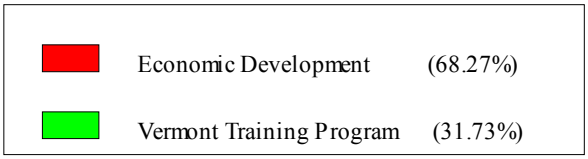
Administration: The division oversees the human, technical, and financial resources of the department; administers the grant programs and Regional Development Corporations; provides public outreach via media, partnerships, seminars, and direct client contact.

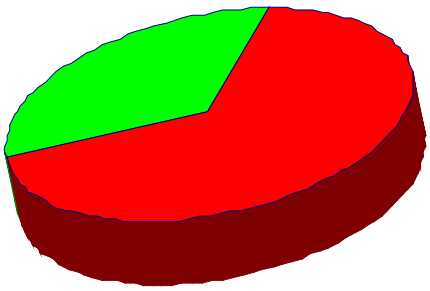
VT Economic Progress Council (VEPC): VEPC is an independent body that includes a nine-member board appointed by the Governor and 24 regional representatives (non-voting) designated by the regional development corporations and planning commissions. VEPC was originally created by the legislature in 1993 to provide a forum for the private and public sectors to work together to create a long-range economic plan and agenda for the state, which is updated biannually. Since 1998, VEPC has also administered the Economic Advancement Tax Incentive Program, which offers tax incentives for companies to locate or expand in Vermont.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Economic Development

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Economic Development	16	20	21	3,681,296	3,785,077	4,102,867	4,180,654
Vermont Training Program	1	1	1	965,218	1,458,700	2,296,812	1,942,700
Job Development Zones	0	0	0	52,515	0	0	0
TOTAL	17	21	22	4,699,029	5,243,777	6,399,679	6,123,354
FUND TYPE							
General Fund				4,135,297	4,552,103	5,625,587	5,434,884
Special Fund				443,192	523,000	605,418	490,000
Federal Revenue Fund				120,540	168,674	168,674	198,470
TOTAL				4,699,029	5,243,777	6,399,679	6,123,354





Appropriation Key Budget Issues

Economic Development's FY06 overall budget is increased by $150,000 for the Regional Development Corporations. These critical partners to the state's economic development effort have come under various financial pressures. The RDC's are the state's "feet on the street" that keep in contact with Vermont's existing business base, particularly its small businesses.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Economic Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,270,111	1,648,204	1,600,175	1,744,654
Operating Expenses	496,197	534,099	779,149	726,057
Grants	1,914,988	1,602,774	1,723,543	1,709,943
TOTAL	3,681,296	3,785,077	4,102,867	4,180,654
FUND TYPE				
General Fund	3,147,318	3,144,403	3,358,775	3,527,184
Special Fund	413,438	472,000	575,418	455,000
Federal Revenue Fund	120,540	168,674	168,674	198,470
TOTAL	3,681,296	3,785,077	4,102,867	4,180,654

Appropriation Key Budget Issues

The Administration is requesting $500,000 for the Jobs Initiative to use in the Vermont Training Program. The training program is one of the state's most cost efficient and effective economic development tools. The improvements in the Vermont economy over the last two years have resulted in greater demand for training new employees and upgrading the skills of existing employees.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Training Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	92,482	107,531	154,586	67,050
Operating Expenses	17,629	26,599	26,596	26,637
Grants	855,107	1,324,570	2,115,630	1,849,013
TOTAL	965,218	1,458,700	2,296,812	1,942,700
FUND TYPE				
General Fund	935,464	1,407,700	2,266,812	1,907,700
Special Fund	29,754	51,000	30,000	35,000
TOTAL	965,218	1,458,700	2,296,812	1,942,700

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Job Development Zones

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Grants	52,515	0	0	0
TOTAL	52,515	0	0	0
FUND TYPE				
General Fund	52,515	0	0	0
TOTAL	52,515	0	0	0

Department Mission Statement

To promote Vermont's strong brand identity including travel, recreation and cultural attractions, as well as the state's goods and services to a global audience, in coordination with public and private sector members, and in a manner consistent with the values and traditions of the state for the economic benefit of all Vermonters.

Description of Appropriations, Divisions, & Programs

The Department of Tourism and Marketing's (VDTM) key objective is to increase awareness of the Vermont brand with the goals of increasing visitors to the state and encouraging the purchase of Vermont products and services. This is accomplished through an aggressive media campaign, public relations, *Vermont Life* magazine, a strong Internet presence, and utilization of other emerging technologies. Many of the Department's efforts focus on the key drive/fly markets in the Northeast. The Vermont brand is also becoming increasingly well represented in both distant domestic and international markets.

Research: VDTM continually measures the impact of tourism on the Vermont economy, the source of visitors to the state and their characteristics. In FY 2004, the Department launched a major study into the impact of the travel and recreation industry on Vermont's economy. The study provides a better picture of the income derived by both wage earners and proprietors of tourism-related businesses and provides new benchmarks for the travel and recreation industry in Vermont. In addition, a new monthly online occupancy study was created in July 2003 to provide a vehicle to track the statewide and regional occupancy rates.

Advertising: The Fiscal 2006 media strategy includes a proven combination of television, magazine, newspaper, radio and online advertising. Creative campaigns show the Vermont experience and reflect Vermont's key brand attributes (natural beauty, year round fun, exceptional quality, etc.) identified through extensive research conducted over the last several years. The call to action on all advertising campaigns - and all printed materials - directs consumers to VermontVacation.com, and 1-800-VERMONT.

Web/Technology: VermontVacation.com remains the primary delivery vehicle for Vermont visitor information. Traffic to the site continues to grow at a double-digit pace annually and will exceed 7 million page views by the end of 2004, a 22% increase over 2003. In FY 2004, 53,434 of the 78,656 information packet requests came via the website. Listings in the Vermont Travel Planner are free to all Vermont tourism businesses and the searchable database allows visitors to locate lodging, dining, events and attractions. In partnership with the Agency of Transportation, VDTM is now testing Low Power FM

in Randolph and Derby to supplement signage. Travelers can tune into a station for information about attractions, events and road conditions. 5-1-1 is a national automated telephone system for travel and road conditions. Vermont is the only state to have enhanced the system by linking to live operators for tourism information.

Sales: The Domestic and International sales programs include trade and consumer shows, in-market representation and sales missions. The Tourism Commissioner has been named Chair of the Discover New England (DNE) Board of Directors, a joint effort of the six New England states that promotes this region internationally. The Department continues to partner with the private sector, and maintains strong relationships with other travel professionals, tourism groups and trade associations to enhance each other's efforts and extend the reach of individually limited resources.

Public Relations: On a weekly basis, the Department fields between 5-10 inquiries from various media outlets seeking information about Vermont, high-resolution images and other assistance. The Department also appeared at 5 different media marketplace events in 2004, took part in in-market deskside visits and hosted journalists here in Vermont. The Department's first formal online pressroom was launched in 2004.

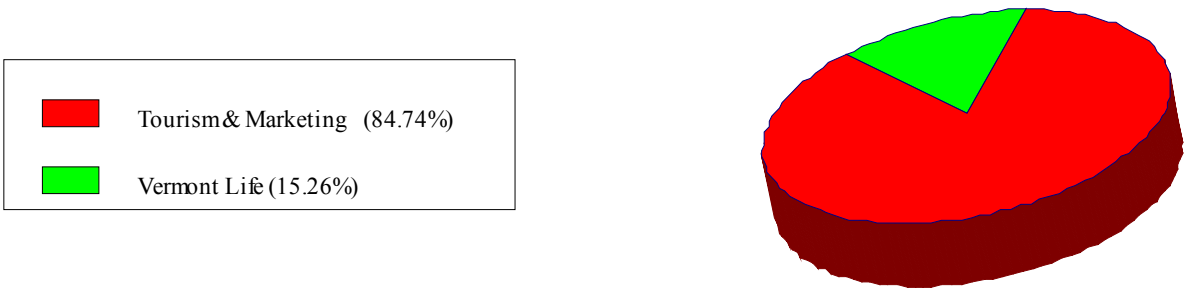
Outreach: In 2004, the Department hosted a series of regional tourism forums around the state and greatly refined the format and increased the frequency of its industry newsletter. The Department expects to grow and enhance both of these efforts in 2005 and to utilize other opportunities like the Vermont Travel Industry Conference to maintain its links to the travel industry and the Department's marketing partners.

Cultural Heritage: In 2004, the position of Cultural Heritage Tourism Coordinator was created to enhance the opportunities for creative partnerships with those in this critical segment of the tourism economy.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Tourism and Marketing

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Tourism & Marketing	16	15	15	5,172,606	4,978,637	5,375,920	4,709,458
Vermont Life	12	12	12	704,455	825,000	825,000	847,770
TOTAL	28	27	27	5,877,061	5,803,637	6,200,920	5,557,228
FUND TYPE							
General Fund				4,887,415	4,678,637	5,075,705	4,709,458
Enterprise Fund				704,455	825,000	825,000	847,770
Interdepartmental Transfer				285,191	300,000	300,215	0
TOTAL				5,877,061	5,803,637	6,200,920	5,557,228



Appropriation Key Budget Issues

The Department of Tourism and Marketing generates a measurable return on the investment of public dollars. State tax dollars are heavily leveraged with private sector dollars to promote the Vermont brand. The financial return to travel businesses, Vermont product sales, and other businesses has increased along with tax revenues.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Tourism & Marketing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	1,948,603	2,372,840	2,139,317	1,804,143
Operating Expenses	2,043,199	1,816,797	2,301,353	2,068,315
Grants	1,180,804	789,000	935,250	837,000
TOTAL	5,172,606	4,978,637	5,375,920	4,709,458
FUND TYPE				
General Fund	4,887,415	4,678,637	5,075,705	4,709,458
Interdepartmental Transfer	285,191	300,000	300,215	0
TOTAL	5,172,606	4,978,637	5,375,920	4,709,458

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Life

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	638,025	690,000	703,475	719,770
Operating Expenses	66,430	135,000	121,525	128,000
TOTAL	704,455	825,000	825,000	847,770
FUND TYPE				
Enterprise Fund	704,455	825,000	825,000	847,770
TOTAL	704,455	825,000	825,000	847,770

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Department Mission Statement

The mission of the Vermont Arts Council is to support artists and strengthen the role of the arts in the lives of people and communities. The Arts Council's three-fold purpose is to promote excellence in the creation and presentation of the arts, support arts education, and strengthen Vermont communities through the arts.

The Vermont Council on the Arts, Inc. d/b/a the Vermont Arts Council was organized as a 501(c)(3) public benefit 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 Arts Council provides services to it constituents, collaborates with state and local agencies on projects of mutual interest, and serves as the largest single financial resource to the state's creative sector. As a granting agency, it three funding areas are designed to:

- Support the development of artists and arts organizations and provide them with greater opportunities for the creation and presentation of excellent work
- Promote high quality arts education and lifelong learning in and through the arts
- Support the development of healthy communities through strategic investments in the arts that enable local artists and arts organizations to develop a critical role in decisions that have an impact on 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 promote the products and services of the "creative sector" of Vermont's economy. Examples of the Council's collaborative activities are:

- 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;
- 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;

· 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;

The major objectives the Council is pursuing to achieve its goals are:

1) To stabilize the cultural infrastructure of the state by
   - *Increasing grant funds* to organizations, including schools, that hire artists to perform or present quality arts programs
   - *Strengthening partnerships* that make Vermont artists and arts organizations key community and economic development resources
   - *Maintaining and improving the physical condition of cultural facilities* in collaboration with other statewide agencies/organizations
   - *Upgrading access to cultural facilities*, both physically and programmatically, to improve the quality of Vermonters' (and visitors') enjoyment of their Vermont cultural experience
2) To recognize/reward exemplary creative work by individuals or organizations that work alone or in collaboration with others
3) To strengthen and develop services that support those working in arts education or in the local communities they serve by
   - *Identifying collaborative opportunities* with organizations and agencies that foster life-long learning in the arts, or that result in more arts integrated curricula
   - *Developing an effective public awareness plan* to increase private-sector support
   - *Developing an effective advocacy plan* consistent with and complementary to the New England Council's *Creative Economy Initiative* that communicates the central role of the arts in community life

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Council on the Arts	0	0	0	521,618	519,618	519,618	494,618
TOTAL	0	0	0	521,618	519,618	519,618	494,618
FUND TYPE							
General Fund				491,618	519,618	519,618	494,618
Special Fund				30,000	0	0	0
TOTAL				521,618	519,618	519,618	494,618

Appropriation Key Budget Issues

The Council will continue to provide services with respect to grants, information management, marketing, public relations, and technical assistance. In the area of Arts Education the Council is devoting considerable resources to the Arts Integration initiative which, community by community, will help all Vermonters develop a critical understanding of the importance of exposure to and learning in the arts for our student populations.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	521,618	519,618	519,618	494,618
TOTAL	521,618	519,618	519,618	494,618
FUND TYPE				
General Fund	491,618	519,618	519,618	494,618
Special Fund	30,000	0	0	0
TOTAL	521,618	519,618	519,618	494,618

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) receives a single appropriation 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, 2003 - August 31, 2004), the VSO presented 37 major programs in 21 Vermont towns plus Hanover, NH.

The VSO presented a total of 327 concerts and programs during its 2003/2004 season, reaching 66,030 people statewide. 289 of the events were offered free of charge to audience members totaling 37,124.

The VSO looks to expand fulfillment of its statewide mission by taking Masterworks concerts presented at the Flynn Center in Burlington to other communities where appropriate concert venues are available. This occurred twice during both the 2002/2003 and 2003/2004 seasons, with presentations at two recently revived facilities: the Latchis Theatre in Brattleboro and Rutland's Paramount Center. This will occur again during 2005/2006. The VSO hopes to build on these anticipated successes and increase the number of full-orchestra performances at other communities around the state in future seasons.

Market

The Vermont Symphony Orchestra was organized 70 years ago to serve all of the communities of Vermont. As its name implies, the orchestra is a state orchestra that provides services and programs throughout Vermont. Out of hundreds of 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. According to the American Symphony Orchestra League, the average U.S. orchestra in the VSO's budget class serves a metropolitan area population of 636,725 people. While the VSO market constitutes roughly the same population, this market covers an entire state, one with great economic and demographic diversity as well as geographic features that isolate areas of the state from each other. The League's statistical data includes no record of the number of communities served each year by the reporting orchestras, 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 unusual 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 66,000+ individuals who use VSO programs, nearly one-half 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 recent study from the National Center for Education Statistics 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 been shown to have an enhanced mathematical ability over their classmates. These 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. Within the limit of available resources, 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 2006 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Symphony Orchestra	0	0	0	101,960	101,960	101,960	101,960
TOTAL	0	0	0	101,960	101,960	101,960	101,960
FUND TYPE							
General Fund				101,960	101,960	101,960	101,960
TOTAL				101,960	101,960	101,960	101,960

Appropriation Key Budget Issues

Among the major indicators measuring the results and impact of VSO programs each fiscal year, the most important are:

Even with difficult economic times, the VSO has been able to steadily increase individual support. Special fund raising efforts during FY02 and FY03 assisted in this growth. Meanwhile, corporate support has grown consistently since FY02. These increases are primarily due to expanded efforts on the part of staff and volunteer leadership.

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 for FY04 totaled $211,740 (from 1,206 gifts).

The funding trend from the National Endowment for the Arts and the Vermont Arts Council has remained relatively stable. Support from the state arts agency is an ongoing concern for the VSO. Likewise, foundation support for FY04 was reduced by 54%, due to some one-time grants. Because of this and the negative market impact on foundation portfolios this trend will persist for a while. The challenge will be to find more stable sources of contributed revenues that will remain available during future downturns in the economy.

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 review of performances and from periodic review by outside agencies, many of which fund the VSO in a highly competitive environment. Annual indicators include the Vermont Arts Council, the National Endowment for the Arts and several private foundations. Senior administrative staff continuity during the past four years and increasingly active governing and regional boards have played a role in the financial turnaround of the organization.

The VSO enjoyed two consecutive years of operating surpluses during FY02 and FY03 which followed annual deficits from FY97 through FY01. The VSO eliminated its external debt during FY03, paying back its line of credit completely for the first time since July 2000. In FY04, the VSO slipped slightly, with a $29,860 operating deficit (representing less than a 2% variance). The FY05 budget was crafted under the same principles as have been employed since FY02: conservative (in most cases, zero-based) revenue projections, tight expense controls, and elimination of unnecessarily risky activities. The VSO's Governing Board of Directors and its five Regional Boards of Trustees have committed to raising additional funds to help reduce the accumulated deficit and improve the cash position. Success in these efforts will be required for several more years to completely eliminate the accumulated deficit, which remains at <$493,072> as of August 31, 2004.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	101,960	101,960	101,960	101,960
TOTAL	101,960	101,960	101,960	101,960
FUND TYPE				
General Fund	101,960	101,960	101,960	101,960
TOTAL	101,960	101,960	101,960	101,960

Department Mission Statement

At the December 13, 2002, meeting of the Board of Trustees, the following mission statement was reviewed and approved: The Vermont Historical Society collects, preserves, and interprets Vermont history for the use, education, and enjoyment of present and future generations. A membership organization, the Society offers public access to its collections and comprehensive library; promotes the Vermont story in schools, local historical societies, and the media; and encourages as well as publishes scholarly research. In addition, the Board adopted a vision statement for the Society, which reads: The Vermont Historical Society explores and celebrates the past while serving as a bridge to the 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.

In 1996 VHS revisited its 1992 long-range plan, Building Bridges to the Future: Vermont Historical Society Long-Range Plan, 1993-2000, and both board and staff endorsed a new and challenging vision for VHS-committing it to "a statewide leadership role in promoting an understanding of Vermont history by improving and expanding public access to its collections and by expanding its interpretive and educational efforts." This commitment was reviewed and endorsed once again by the Board of Trustees of the Society at a meeting of the full board on December 7, 2001.

Description of Appropriations, Divisions, & Programs

The Society possesses many resources designed to educate diverse audiences about the state's history. It operates a museum that creates exhibits and lends and borrows objects for display; sponsors public programs throughout the State of Vermont; provides services, training, and resources for educators, students, and local historical societies; runs a research library; publishes periodicals and books that promote research and the dissemination of information about Vermont history; and collaborates with other educational and cultural organizations to gather, preserve, and make available to the public resources and information about Vermont's past.

To accomplish its overall mission, VHS has identified the following objectives as top priorities:

- facilitate the teaching of Vermont history by producing the educational materials and outreach programs necessary to teach Vermont history in schools statewide;
- support the work of local historical societies by providing technical assistance and forums that encourage collaboration among these public history venues;

- develop the internet as an educational and outreach tool;
- make the resources of VHS more accessible to wider audiences by producing exhibitions, publications, and programming that interpret the collections and utilize new research;
- promote Vermont history through heritage tourism initiatives;
- strengthen and encourage humanities scholarship statewide by cultivating and drawing upon the expertise of the state's academic community to create public programs, long-distance learning opportunities, internships, and fellowships; and

- pursue collaborative ventures (with statewide and regional organizations as well as other state historical societies) designed to promote humanities education, place Vermont within the national historical framework, and contribute to the creation of a better future for our state.

To support these expanded outreach activities and services, VHS has resolved to:

- provide adequate space to accommodate these activities;
- protect and expand core collections by establishing environmentally superior storage areas and acquiring additional space for acquisitions;
- increase public awareness and improve the public image of VHS by developing an aggressive and creative public relations initiative; and
- generate the financial resources needed to pay for expanded personnel needs and programmatic expenses by increasing the funds raised by the development program; increasing membership participation; strengthening the relationship with Vermont state government; evaluating and improving current as well as creating new earned income opportunities, particularly as they relate to electronic media; and building endowment.

The Society's history kits continued to be a popular resource for teachers around the state, providing hands-on experience with Vermont's past to school kids in dozens of communities.

The Society's pilot program, the Community History Project, continued, teaming up local historical societies and schools on projects designed to heighten student awareness of their local heritage, their sense of place, and the rights and responsibilities of citizenship in the Green Mountain State. Fourteen Vermont towns (Craftsbury, Hardwick, Lyndon Center, Jay/Westfield, Montgomery, Milton, Williston, Barre, Brookfield, Elmore, Worcester, Chester, Cornwall, and Marlboro) began new CHP projects in FY2004. Like Vermont History Expo, the Community History Project is building a success story that will serve as a national model for other state historical societies to emulate.

As in the past, the Society continued to produce its quarterly newsletter, *InContext*, and its biannual scholarly journal, *Vermont History*, and to upgrade its website for use by the general public as well as school students and teachers.

FY2004 ended with a balanced budget. The Society's FY2004 annual fund income grew by more than

358% (more than $115,000) from FY2003, and total private-sector support of the Society operating budget in FY2004 was $832,644. Over the past five years (FY2000 to FY2004), the total development effort has more than doubled the Society's income from unrestricted and restricted sources.

Throughout FY2002 and FY2003, the Society's energies focused on our capital campaign efforts to raise $9.5 million for the Phase I renovation of the Vermont History Center and the renovation of the Pavilion Building space. As of November 2004 the Society has raised $7.5 million of the $9.5 million goal.

During FY2004, the Society also worked to fine-tune operations at the new Vermont History Center. The Center, which opened officially to the public on July 20, 2002, now provides space for the Society's research library, environmentally stable storage space for all of its collections, and new administrative offices. In October 2003, the Society received The Preservation Trust of Vermont's highest award "for outstanding work in preserving Vermont's architecture" for restoring Barre's Spaulding Graded School as the History Center.

In March 2004, the Society opened the 5,000-square-foot *Freedom and Unity* exhibit in the Pavilion to an overwhelmingly positive public reaction and high visitation numbers. This exhibit, the only one of its kind in Vermont, presents a chronological overview of Vermont's human history, featuring artifacts, audio/visual components, recreated period rooms and installations, a 15-minute movie on Vermont's tradition of civil discourse on controversial issues, and many other features to help Vermonters and out-of-state visitors alike learn about and appreciate our state's history. The Society's Pavilion space also includes a new hands-on classroom and an expanded museum store.

Also in March 2004, the Society published Freedom and Unity: A History of Vermont, a 730-page overview of the state's past. Written by Michael Sherman, Gene Sessions and Jeff Potash, this book will remain the definitive history of Vermont for decades to come.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Historical Society

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Historical Society	0	0	0	637,690	527,660	597,660	630,653
TOTAL	0	0	0	637,690	527,660	597,660	630,653
FUND TYPE							
General Fund				637,690	527,660	597,660	630,653
TOTAL				637,690	527,660	597,660	630,653

Appropriation Key Budget Issues

The proposed targets in general support and rental appropriation for the Pavilion space demonstrate the Douglas administration's support of both VHS and the general field of Vermont history. With the public/private partnership between the Society and state government now more than 150 years old, the commitment of the administration and the legislature to maintaining that balance is gratifying. The Society knows that we cannot rely solely on the state to balance the VHS budget, and we hope that the dramatic increase in our private-sector support since FY2000 demonstrates that VHS is ready and willing to do our part in securing the funds to keep our programs, services, activities, and facilities intact and thriving.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Historical Society

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	637,690	527,660	597,660	630,653
TOTAL	637,690	527,660	597,660	630,653
FUND TYPE				
General Fund	637,690	527,660	597,660	630,653
TOTAL	637,690	527,660	597,660	630,653

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 $3 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 generator 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, Farms for the Future, Farm Preservation Program, and an AmeriCorps program, all of which supplement the VHCB funds in projects.

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 just under $9.5 million from this program to date. The Agricultural Viability Program is now operating in conjunction with the Agency of Agriculture Food and Markets, and works closely with an advisory board. 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 separately presented component unit.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vt Housing and Conservation Board	0	0	0	23,113,714	23,898,112	24,667,529	25,678,856
TOTAL	0	0	0	23,113,714	23,898,112	24,667,529	25,678,856
FUND TYPE							
Special Fund				14,481,665	13,613,246	14,430,563	13,521,246
Federal Revenue Fund				8,632,049	10,284,866	10,236,966	12,157,610
TOTAL				23,113,714	23,898,112	24,667,529	25,678,856

Appropriation Key Budget Issues

Property Transfer Tax - The VHCB annual State appropriation comes mainly from Property Transfer Tax receipts. The budget recommendation is $12,604,000 for VHCB's portion of the Property Transfer Tax, the same level as in FY05.

The demand for VHCB funds continues to be greater than the resources available.

Leverage and Match
VHCB and its grantees raise more than $3 for each dollar appropriated by utilizing federal and private sources. This ability to leverage is a critical component in the success of the endeavors the Board supports. As an example, Vermont almost tripled available capital for housing when congress established a small state minimum for the Low Income Housing Tax Credit program in 2001. However, the Tax Credit program provides only 50-60% of the capital needed to build housing. Effectively utilizing this capital requires a state match, particularly outside the Chittenden MSA.

The Farmland Preservation Program provides its grants on a one-to-one match basis. The FY06 grant for Vermont should be in the range of $2.5 to $2.8 million.

Finally, VHCB has been awarded a variety of federal grants such as the Lead Paint Hazard Reduction award, Economic Development Initiative, AmeriCorps and VISTA grants, and a federal award to supplement the Agricultural Viability Program.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	23,113,714	23,898,112	24,667,529	25,678,856
TOTAL	23,113,714	23,898,112	24,667,529	25,678,856
FUND TYPE				
Special Fund	14,481,665	13,613,246	14,430,563	13,521,246
Federal Revenue Fund	8,632,049	10,284,866	10,236,966	12,157,610
TOTAL	23,113,714	23,898,112	24,667,529	25,678,856

Department Mission Statement

The Vermont Humanities Council (VHC) is dedicated to creating a state in which every individual reads, participates in public affairs, and continues to learn throughout life. The Council's mission is to achieve a fully literate society in Vermont, to strengthen the humanities in the educational system and in the discussion of public issues, and to foster an appreciation of the richness and diversity of our cultural heritage.

Description of Appropriations, Divisions, & Programs

The State of Vermont's allocation to VHC is essential to the continuation of our mission by complementing federal funds and enabling us to raise three times the state's allocation in private donations. These funds pay for the critical programs that contribute toward a literate and engaged citizenry.

In 2004 VHC supported 1,006 programs reaching Vermonters in every county. Program successes in 2004 were many:

1. In partnership with the Department of Education, the Department of Health, Department of Corrections, Adult Essential Skills Centers, local parent-child centers, and other service providers, we provided readers at all levels of ability with new skills, new books and new incentive to read. VHC did so through 42 *Connections* programs, and 12 week-long humanities camps for at-risk middle-school students. These programs serve low-income adults and families struggling with literacy. They foster a deeper appreciation for reading, ideas, and increase participants' abilities and insights in order to facilitate their personal and economic well-being.

2. The Council's grants program and literacy-based mini-grants provided over $136,000 to schools, museums, historical and community literacy organizations, adult basic education centers and other service organizations. These grants supported no fewer than 334 events and helped build community capacity for education, literacy, and citizen participation.

3. 176 lectures and performances throughout Vermont and VHC's annual autumn conference engaged participants in history, literature, heritage, the arts, and other humanities fields; fostered community building; and contributed to Vermont's "creative economy," cultural tourism and our state's attractive quality of life.

4. In 128 training sessions, our *Never Too Early* program furnished approximately 1,545 child care providers and parents with books and training on how to stimulate the love of reading in young children.

5. VHC sponsored nearly 455 book discussion programs for general audiences in libraries and other community centers throughout Vermont.

It is critical to Vermont's future that every citizen be able to read, to write and to discuss ideas. The Vermont Humanities Council will continue our commitment to literacy and to enriching the lives of all Vermonters through the humanities.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Humanities Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Vermont Humanities Council	0	0	0	130,599	150,599	150,599	160,599
TOTAL	0	0	0	130,599	150,599	150,599	160,599
FUND TYPE							
General Fund				130,599	150,599	150,599	160,599
TOTAL				130,599	150,599	150,599	160,599

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.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Vermont Humanities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	130,599	150,599	150,599	160,599
TOTAL	130,599	150,599	150,599	160,599
FUND TYPE				
General Fund	130,599	150,599	150,599	160,599
TOTAL	130,599	150,599	150,599	160,599

Agency Mission Statement

The Vermont Agency of Transportation's (VTrans') vision is to preserve, develop, and enhance an integrated transportation system to support Vermont's quality of life and economic well-being.

VTrans' mission is to work cooperatively to plan for and accommodate the need for movement of people and commerce in a safe, reliable, cost-effective, environmentally responsible, and equitable manner.

In support of its mission the Agency 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 an apparently seamless transition with minimal disruptions or delays. Establishing such integration across the state requires annual investment based on the optimal allocation of resources. Technologically and environmentally conscious, the Agency continually endeavors to build a transportation legacy for the State. 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.

Investment in transportation infrastructure brings lasting and substantial economic benefits by ensuring 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.

In preparing the FY2006 budget, a thorough review of the State's transportation needs was conducted to assure that the available resources are being best used in a manner that promotes the objectives found in the Long Range Transportation Plan and codified at 19 V.S.A. Section 10(i)(c). These are:

Managing, maintaining and improving the state's existing transportation infrastructure to provide capacity, safety, and flexibility in the most cost-effective and efficient manner.

Developing an integrated transportation system that provides Vermonters with transportation choices.

Strengthening the economy, protecting the quality of the natural environment, and improving Vermonters' quality of life.

In fiscal year 2006, the highest priorities for emphasis include pavement, bridges and culverts, continuing progress on selected large roadway projects, maintenance, and exploring modernization of

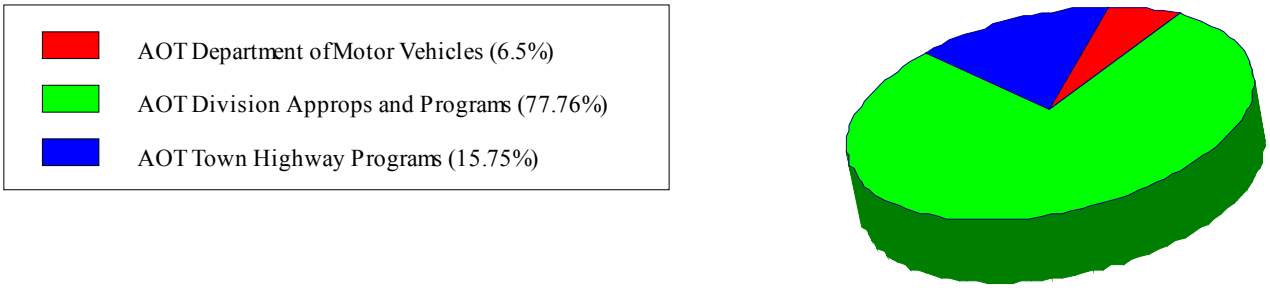
the computer systems for the department of motor vehicles.

The Agency is organized in four divisions and one department: Operations, Policy and Planning, Finance and Administration, Program Development, and the Department of Motor Vehicles. VTrans also provides assistance to Vermont municipalities through several Town Highway programs.

VTrans looks forward to working with all interested parties in accomplishing the goals of this budget.

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
AOT Division Approps and Programs	1,070	1,078	1,082	231,118,044	292,897,598	292,897,598	274,261,883
AOT Department of Motor Vehicles	241	251	251	19,040,971	20,080,885	20,080,885	22,919,752
AOT Town Highway Programs	0	0	0	49,485,210	54,663,342	54,663,342	55,543,872
TOTAL	1,311	1,329	1,333	299,644,225	367,641,825	367,641,825	352,725,507
FUND TYPE							
Transportation Fund				163,211,636	174,158,463	174,158,463	172,389,734
Local Fund				1,812,169	4,059,352	4,059,352	3,562,019
Federal Revenue Fund				122,162,992	178,434,065	178,434,065	164,341,904
Internal Service Fund				12,383,767	10,989,945	10,989,945	12,431,850
Interdepartmental Transfer				73,661	0	0	0
TOTAL				299,644,225	367,641,825	367,641,825	352,725,507



Department Mission Statement

Vermont is a rural state in which 251 towns, cities, and gores are connected by a network of roads, bridges, regional airports, rail lines, and public transit. Vermont's transportation system is critical to its economic vitality and environmental health.

The Vermont Agency of Transportation's (VTrans') vision is to preserve, develop, and enhance an integrated transportation system to support Vermont's quality of life and economic well-being.

VTrans' mission is to work cooperatively to plan for and accommodate the need for movement of people and commerce in a safe, reliable, cost-effective, environmentally responsible, and equitable manner.

To accomplish that mission, VTrans works toward the following goals:

External Goals:

Support and maintain Vermont's transportation system and promote efficient operations of that system;

Promote and support the use and connection of appropriate forms of transportation;

Support Vermont's economy by providing appropriate transportation access to all areas of the state;

Interact with Vermont residents, municipalities, regions, other state agencies, and interested parties in making transportation decisions that balance the needs of the human and natural environments;

Seek adequate, stable, but optimal funding and staffing to support mission requirements;

Internal Goals:

Provide employee training and skills enhancement to build a strong, professional work force;

Encourage and recognize innovation, flexibility, and excellence;

Foster communication and promote teamwork within agency programs;

Establish regular and effective communications between different agency divisions, leading to better mutual understanding of the role of each part of the agency;

Engage in a continuous improvement process for information technology and routine business practices; and

Streamline delivery of products and services, enhancing the overall efficiency of the agency.

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) is currently in the process of implementing asset management and creating performance measures which will evaluate the impact of asset management. Asset Management is a systematic process of maintaining, upgrading, and operating physical assets cost-effectively by combining engineering and mathematical analyses with sound business practices and economic theory. Like the traditional planning process, it includes components for data collection, strategy evaluation, program development, and feedback. It is a strategic approach which takes a global and long term view of infrastructure performance and cost. It is a tool which allows us to consider options in a comprehensive, well informed, 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 more cost efficient manner.
- To provide customers the best value for the public tax dollar spent.
- To enhance the credibility and accountability of the agency of transportation.

The Vermont Agency of Transportation provides a number of services through four divisions: Operations, Program Development, Policy and Planning, and Finance and Administration, plus the Department of Motor Vehicles. These five organizational areas play an integral role in supporting the VTrans mission.

OPERATIONS DIVISION

VTrans has a substantial public investment in its existing transportation infrastructure. The Agency recognizes the need to improve its management over all transportation modes. The primary objective of the Operations Division is to preserve, develop, and enhance an integrated and seamless transportation system that provides a connected and coordinated network, accommodates the level of service expected by all transportation customers, and provides a range of choice needed to support Vermont's future and economic growth.

The Operations Division, a division of over 560 employees, is responsible to operate and maintain Vermont's highways, railways, airports, and public transit systems. The Operations Division's primary mission is to keep Vermont State highways and airports open, safe, and aesthetically pleasing to the transportation network users, manage the system in a cost effective and environmentally sensitive manner, and insure efficient service through our rail and public transit systems.

The goal is to maintain a safe and reliable transportation system that facilitates the movement of people and goods to maximize Vermont's economic growth and development. The Aviation Program provides a safe environment for users of the system, preserving the aviation infrastructure, promoting aviation-related activities and education programs, and has expanded travel opportunities at the 17 public use airports located throughout Vermont. The Rail Program assists in the development of rail transportation options for shippers and passengers, and provides support to improve the freight and passenger infrastructure recognizing their social, economic, and environmental importance as components of the State's transportation systems. The Public Transit Program encourages and promotes statewide public transportation by coordinating transit services to make sure its programs support common sense transit solutions for the transit dependent 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 transit services and passenger air systems.

The Operations Division also oversees the Occupational Health and Safety Program, Hazardous Waste and Materials Program, Maintenance Programs, and Roadside Vegetation Management throughout the State. In addition to routine maintenance activities, Operations 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 and construction of all capital projects undertaken by VTrans.

The Paving Program is responsible for maintaining the surfaces of approximately 3,200 two-lane miles of 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 fully responsible for inspection of 2,656 long span bridges (greater than 20 foot spans) on both state and local highway systems. The program is also responsible for 1300 short structures (between six and 20 foot spans) on the State system. Inspections are performed on a two-year cycle for long structures and on a five-year cycle for short structures. The Structures Program is responsible for programming and design of bridge rehabilitation and reconstruction projects from project inception through the project development process to construction for any state or local bridge that qualifies for funding. The Structures Section also oversees the inspection, rehabilitation and reconstruction of bridges on the state

owned railroads.

The Roadway Program addresses those 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. Although other alternatives are always a first consideration, new highways or capacity additions to existing highways are also considered within this program.

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 which, for the most part, have development and construction managed by local municipalities.

The Traffic Operations Section implements operational and safety improvements on the highways. Projects include traffic signal, roundabouts, and flashing beacon installation, monitoring and replacement of signs and pavement markings, the identification, evaluation and correction of hazardous locations on the highway system and upgrades to rail-highway crossings.

The Engineering Services Section is 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, monitoring of highway system conditions, town mapping and maintenance of the GIS database, traffic monitoring and data analysis, utility coordination and highway access permitting, and pavement design support. This section also reviews all Act 250 applications for impacts on the transportation system and consistency with Agency plans or policies and compiles the Agency response or recommendations to the district environmental commissions.

The Environmental Section supports all agency activities and coordinates with resource agencies and other stakeholders to obtain state and federal permits and approvals for environmentally sensitive project designs in a timely manner. Field compliance is ensured through regular site visits by staff from various Program Development sections during project construction and maintenance activities.

The Right-of-Way Section is responsible for the acquisition of real property needed for transportation projects. The Section provides title abstracting, right-of-way plans, appraisals, appraisal reviews, legal documents, property owner negotiations, relocation of displaced families and businesses and coordination of the eminent domain process. Other key functions include court liaison support for compensation appeals, property management activities, and maintaining the existing highway right-of-way inventory.

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 in Burlington, St. Johnsbury, White River Junction and Rutland. The 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 verified before final payments are made to the contractor.

POLICY AND PLANNING

The Policy and Planning Division works with all of VTrans, 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 and 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 5 year intervals, and serves on various Inter-Agency Task Forces and Committees related to Smart Growth Initiatives, Intelligent Transportation Systems, and environmental policy.

The Planning Integration 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 Systems Planning Section provides systems analysis and planning, statewide transportation modeling, modal and intermodal operational planning.

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 the Agency and 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.

FINANCE AND ADMINISTRATION

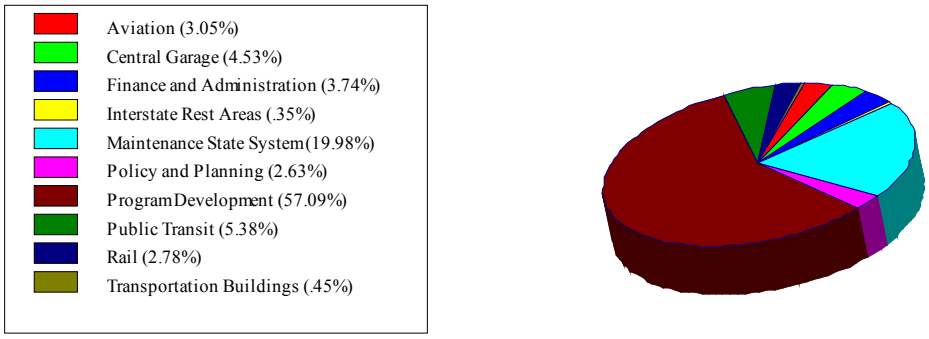
The mission of the Division of Finance and Administration is to provide support for and to communicate methods to achieve Vtrans' goal of a safe, effective, balanced transportation system for the State of Vermont. The division's goal is to maximize financial and human resources and improve business practices to meet the needs of internal and external customers. The division consists of the following sections: Audit, Contract Administration, Information Technology, Budget and Financial Operations, Human Resources, and Policy and Hearings.

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 the VTrans budget and processes all financial and related transactions. Human Resources provides all of VTrans' personnel related activities including training, recruitment, benefits administration, and labor relations. Policy and Hearings is responsible for holding Agency administrative hearings, testifying in court on Agency records, and administration of VTrans' internal policies.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Finance and Administration	133	136	138	9,419,431	10,081,306	10,081,306	10,263,348
Aviation	6	7	7	7,518,198	12,057,275	12,057,275	8,372,416
Transportation Buildings	0	0	0	1,889,674	1,304,000	1,304,000	1,247,548
Program Development	349	349	352	119,296,841	167,578,508	167,578,508	156,573,204
Interstate Rest Areas	0	0	0	833,901	5,254,282	5,254,282	971,100
Maintenance State System	500	500	500	50,839,473	53,438,959	53,438,959	54,787,086
Policy and Planning	29	31	30	6,756,883	7,820,573	7,820,573	7,225,347
Rail	6	7	7	9,110,103	10,650,236	10,650,236	7,626,091
Public Transit	6	7	7	13,069,773	13,722,514	13,722,514	14,763,893
Central Garage	41	41	41	12,383,767	10,989,945	10,989,945	12,431,850
TOTAL	1,070	1,078	1,082	231,118,044	292,897,598	292,897,598	274,261,883
FUND TYPE							
Transportation Fund				107,957,290	114,621,454	114,621,454	111,606,292
Local Fund				770,351	2,675,321	2,675,321	1,894,676
Federal Revenue Fund				109,932,975	164,610,878	164,610,878	148,329,065
Internal Service Fund				12,383,767	10,989,945	10,989,945	12,431,850
Interdepartmental Transfer				73,661	0	0	0
TOTAL				231,118,044	292,897,598	292,897,598	274,261,883



APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	7,933,548	8,285,296	8,285,296	8,199,420
Operating Expenses	1,485,883	1,796,010	1,796,010	2,063,928
TOTAL	9,419,431	10,081,306	10,081,306	10,263,348
FUND TYPE				
Transportation Fund	9,044,942	9,606,306	9,606,306	9,715,292
Federal Revenue Fund	374,489	475,000	475,000	548,056
TOTAL	9,419,431	10,081,306	10,081,306	10,263,348

Appropriation Key Budget Issues

For aviation, convenient air service is an integral component of the system for moving people and goods and has been determined to be among those criteria reviewed by businesses evaluating Vermont sites. As important as air facilities are for freight and passengers, their utility is only as good as the modal interconnectivity that is available to move arriving passengers and goods from our airports to other areas across the state.

Fortunately Vermont's aviation assets (essential infrastructure including runways) are in relatively stable, good condition. The focus needs to be on a continuing modest level of investment to maintain that condition, upgrading assets in the future where and when it makes sense for an economic development purpose. The proposed 2006 budget includes such a modest investment, as well as continuing to provide support for Vermont's major airport - Burlington - which is municipally owned.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	1,401,979	1,326,437	1,326,437	1,199,104
Operating Expenses	6,066,219	10,600,838	10,600,838	7,123,312
Grants	50,000	130,000	130,000	50,000
TOTAL	7,518,198	12,057,275	12,057,275	8,372,416
FUND TYPE				
Transportation Fund	2,664,675	3,024,775	3,024,775	1,992,416
Federal Revenue Fund	4,853,523	9,032,500	9,032,500	6,380,000
TOTAL	7,518,198	12,057,275	12,057,275	8,372,416

Appropriation Key Budget Issues

Transportation Buildings work includes:

- a systematic replacement cycle for facilities and facility components such as roofs and heating plants
- new salt and sand sheds (environmental)
- major renovations when required (heating, new bay for additional truck, municipal hook-ups, energy upgrades - meaning insulation and lighting - as examples)

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Transportation Buildings

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	247,500	202,000	202,000	210,000
Operating Expenses	1,642,174	1,102,000	1,102,000	1,037,548
TOTAL	1,889,674	1,304,000	1,304,000	1,247,548
FUND TYPE				
Transportation Fund	1,889,674	1,304,000	1,304,000	1,247,548
TOTAL	1,889,674	1,304,000	1,304,000	1,247,548

Appropriation Key Budget Issues

In the current environment of limited funding we must choose among competing needs based on proven asset management principles. As the Agency continues to focus on managing core businesses, it is natural that the Program Development FY2006 budget prioritizes maintaining and improving Vermont's infrastructure by funding paving and bridge programs to the greatest extent possible. Also of high priority is the continued construction of the Missisquoi Bay Bridge and several other existing large projects in the Roadway Program. While these priorities will limit the amount of funding available for other programs, VTrans' FY2006 budget is a proactive management strategy that best utilizes the available resources for the greatest benefit of most Vermonters.

Roadway projects generally fall into one of three categories: reconstruction, rehabilitation or restoration. New highways or capacity additions to existing highways are also contained within this program. The Roadway Program funds several large projects including the Shelburne-South Burlington reconstruction of US 7, the Winooski Downtown improvements project, rehabilitation projects on North Street and Riverside Avenue in Burlington, and the reconstruction and widening of Kennedy Drive in South Burlington.

Vermonters rely on their road system more than any other mode of transportation, with the overwhelming amount of traffic taking place on our highway system. The FY2006 Paving Program increases by more than $7 million (21.6%) over FY2005 because it is the foundation of VTrans' commitment to maintaining the state's existing infrastructure and improving Vermonters' safety and mobility.

Bridges and culverts are an integral part of Vermont's highway infrastructure. VTrans' Structures Program makes it a high priority to keep them in a safe and usable condition. The FY2006 State Bridge Program budget is increased by over $3 million (12.7%) over FY2005 which includes the continued construction of the Missisquoi Bay Bridge. The Interstate Bridge Program is up by over $1.3 million (31.4%) from FY2005 and the Town Highway Bridge Program budget is essentially level funded from FY2005. Overall FY2006 funding for bridge and culvert programs is increased by over $4.5 million (9.0%) over FY2005.

The FY2006 Bicycle and Pedestrian Facilities Program funds 25 projects throughout the state and also continues to fund the development of new projects. VTrans remains serious about planning and integrating these facilities into our overall transportation strategy. As population density increases in suburban areas we find more residents utilizing these facilities to travel to work or to conduct everyday business. In rural settings these facilities have developed into an important sector of the tourism economy by providing increased opportunities for bicycle based tourism. Since 1993, VTrans' Bicycle and Pedestrian program has funded the construction of 65.5 miles of bicycle and pedestrian facilities.

The FY2006 Park and Ride Program provides funding for 14 facilities overall and remains essentially level funded from FY2005.

The FY2006 budget proposal represents optimally utilizing all available funding consistent with our vision of preserving, developing, and enhancing an integrated transportation system that supports Vermont's quality of life and economic well-being.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	32,945,973	35,250,853	35,250,853	37,671,918
Operating Expenses	76,510,359	102,737,697	102,737,697	81,786,040
Grants	9,840,509	29,589,958	29,589,958	37,115,246
TOTAL	119,296,841	167,578,508	167,578,508	156,573,204
FUND TYPE				
Transportation Fund	30,266,363	33,473,081	33,473,081	30,567,341
Local Fund	753,647	2,607,821	2,607,821	1,894,676
Federal Revenue Fund	88,276,831	131,497,606	131,497,606	124,111,187
TOTAL	119,296,841	167,578,508	167,578,508	156,573,204

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Interstate Rest Areas

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	295,823	180,000	180,000	80,000
Operating Expenses	538,078	5,074,282	5,074,282	891,100
TOTAL	833,901	5,254,282	5,254,282	971,100
FUND TYPE				
Transportation Fund	83,398	0	0	0
Federal Revenue Fund	750,503	5,254,282	5,254,282	971,100
TOTAL	833,901	5,254,282	5,254,282	971,100

Appropriation Key Budget Issues

Despite the increases in use, age, complexity, and investment in the highway system, maintenance spending has increased slightly more than inflation over the last twenty years.

The more that can be done in maintenance to extend the life cycles of various highway assets, the more replacement needs can be focused on. Maintenance has a dedicated, committed work force that has the skills to maximize available resources. Since maintenance is staffed at an optimum level for efficiency, private contractors supplement maintenance forces to accomplish a number of projects during the construction season. In addition, the more that technology can be leveraged to help VTrans work "smarter", the further we can stretch dollars to accomplish the actions necessary to extend life cycle or address replacement needs. There are several areas within maintenance that are need to be prioritized to better contribute to the condition of the infrastructure and accomplishment of the mission.

Winter Maintenance - Revise and implement winter maintenance policies to provide a higher level of winter maintenance service, particularly at night, focusing on those routes that contribute most to economic development activities.

Preservation - Additional scheduled efforts for: crack filling, leveling, and ditching for pavement; minor bridge repairs; joint work for bridges

Technology Enhancement - Continue to work closely with all partners to enhance and improve the current ITS components and will do likewise in the development and implementation of new components. Enhancements include the deployment of enhanced Burlington area service for CARS and 511. New components include Road Weather Information Stations (RWIS) that will be of great benefit in making timely and efficient winter maintenance decisions, dynamic message signs that can be controlled from a transportation center or district office, and web cams that will provide motorists and maintenance forces with real-time visual information.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	27,335,776	29,175,042	29,175,042	29,352,669
Operating Expenses	22,280,994	23,681,617	23,681,617	24,446,617
Grants	1,222,703	582,300	582,300	987,800
TOTAL	50,839,473	53,438,959	53,438,959	54,787,086
FUND TYPE				
Transportation Fund	49,525,613	52,678,459	52,678,459	54,079,586
Federal Revenue Fund	1,313,860	760,500	760,500	707,500
TOTAL	50,839,473	53,438,959	53,438,959	54,787,086

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,178,342	3,185,021	3,185,021	2,641,670
Operating Expenses	500,291	504,783	504,783	492,908
Grants	4,078,250	4,130,769	4,130,769	4,090,769
TOTAL	6,756,883	7,820,573	7,820,573	7,225,347
FUND TYPE				
Transportation Fund	1,446,280	1,742,221	1,742,221	1,796,692
Federal Revenue Fund	5,310,603	6,078,352	6,078,352	5,428,655
TOTAL	6,756,883	7,820,573	7,820,573	7,225,347

Appropriation Key Budget Issues

Vermont is unusual in that about half of the active rail lines are state-owned, whereas most rail lines in the USA are privately owned. For rail the primary focus is on maintaining and improving our rail infrastructure and encouraging increased use of rail for moving freight efficiently in lieu of trucks. The infrastructure, especially bridges, must eventually meet the national standard of handling 286,000 pound rail cars in order for Vermont to compete and be accessible on a nationwide scale. This will be essential to support future economic growth and provide the means for decreased truck traffic on Vermont highways, where feasible. Maintaining and improving our rail infrastructure will likely also provide us with future opportunities for passenger and/or intercity rail transport that is economically feasible and optimizes the degree of service possible.

The biggest infrastructure challenge to meet standards is to upgrade our rail bridges so that they are capable of supporting car weights of at least 286,000 pounds. Major work needs to be done on a significant number of bridges and, in conjunction with the Rail Council, we are prioritizing those bridges in order of need.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,151,079	3,744,449	3,744,449	743,456
Operating Expenses	4,657,627	4,105,787	4,105,787	3,882,635
Grants	2,301,397	2,800,000	2,800,000	3,000,000
TOTAL	9,110,103	10,650,236	10,650,236	7,626,091
FUND TYPE				
Transportation Fund	7,102,576	6,413,236	6,413,236	6,535,818
Federal Revenue Fund	2,007,527	4,237,000	4,237,000	1,090,273
TOTAL	9,110,103	10,650,236	10,650,236	7,626,091

Appropriation Key Budget Issues

The FY 2006 Public Transit appropriation continues the efforts of creating a seamless integrated system while maintaining and increasing the coordination of all transit services.

To have a seamless integrated transportation network in Vermont, it is important to address the needs of those who cannot or prefer not to drive an automobile. This includes persons who are physically or developmentally challenged, too young to drive, or too old to drive safely. The primary transportation resource for these people is the public transit system. While it is difficult to provide the level of service that would be desirable in the more rural parts of the state, VTrans is committed to funding local transit service providers to the extent possible.

The other major group of transit users is commuters. Once certain levels of demand are reached, public transit can provide environmental and roadway operations benefits in major commuting corridors. The recent success of the Link Express bus service between Burlington and Montpelier is a case in point.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	599,710	471,074	471,074	470,313
Operating Expenses	514,145	742,112	742,112	130,240
Grants	11,955,918	12,509,328	12,509,328	14,163,340
TOTAL	13,069,773	13,722,514	13,722,514	14,763,893
FUND TYPE				
Transportation Fund	5,933,769	6,379,376	6,379,376	5,671,599
Local Fund	16,704	67,500	67,500	0
Federal Revenue Fund	7,045,639	7,275,638	7,275,638	9,092,294
Interdepartmental Transfer	73,661	0	0	0
TOTAL	13,069,773	13,722,514	13,722,514	14,763,893

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Central Garage

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Personal Services	2,903,982	2,994,408	2,994,408	3,183,942
Operating Expenses	9,479,785	7,995,537	7,995,537	9,247,908
TOTAL	12,383,767	10,989,945	10,989,945	12,431,850
FUND TYPE				
Internal Service Fund	12,383,767	10,989,945	10,989,945	12,431,850
TOTAL	12,383,767	10,989,945	10,989,945	12,431,850

Department Mission Statement

The Department of Motor Vehicles' mission is to administer motor vehicle and related laws, promote highway safety, and collect transportation revenues, while providing a high level of customer service and satisfaction and 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, and collecting motor fuel revenue for the State of Vermont, as well as managing several safety programs. To this end the department serves a resident population of over 619,000 as well as a significant number of nonresidents.

The Department's key performance indicators are:

- Wait time for counter services: within 30 minutes
- Telephone queue time: 3 minutes maximum
- Driver license exam schedule: within 2 weeks
- Internal processing time: within 11 workdays
- Recruitment period for vacancies: within 8 weeks
- Approval and setup of new inspection stations: within 30 calendar days
- Investigations initiated within priority standard by investigation type: High Priority - usually within 24 to 48 hours of receipt.

The Department is comprised of three divisions: Enforcement & Safety, Operations, and Support Services.

The Enforcement & Safety Division is primarily responsible for enforcing commercial trucking regulations, providing highway safety training and informational program, and regulatory and investigative functions concerning illegal or questionable activities relating to licensing, registration and title fraud, dealer and inspection regulations and general law enforcement support services. This Division manages the following programs within the Department:

Commercial Vehicle Enforcement Program: The Commercial Vehicle Enforcement Program is comprised of three programs: the federally sponsored Motor Carrier Safety Assistance program (MCSAP), the Size and Weight program, and the Commercial Vehicle Permit program. Over the past few years there has been a heightened interest in trucking related issues, as the need to promote

commerce and economic development are often at odds with the need to protect the State's highway infrastructure. To strike a balance between these two, the Department has taken on more of an educational role in the enforcement of trucking regulations. As an example, the Department has implemented the Federal Motor Carrier Safety's "New Entrant Program." As part of this initiative, a specially certified DMV Inspector will extensively review applicable safety regulations with new motor carriers in Vermont, as well as assess the carriers' current compliance with those regulations.

Inspection and Emissions Program: The Department of Motor Vehicles has worked closely with the Agency of Natural Resources (ANR) Air Quality Division to help develop and implement measures that will reduce the level of contaminants in the air. DMV has also worked closely with ANR to educate the inspection mechanics on the proper methods of conducting OBD II inspections. A pilot program for data collection and management for the OBD II and Vehicle Safety Inspection program is still in progress, testing various types of handheld electronic scanning devices and different PC based systems. When implemented, the system will enhance efforts to collect and massage useful inspection data and cut down on the amount of paper documentation that inspection stations are required to fill out and maintain. In addition, DMV has partnered with ANR, the VT Dealer's Association, the Vermont Inspection Station Association and various vocational-tech schools located throughout the state, to help train and certify vocational-tech students to conduct vehicle safety inspections.

Education & Safety Programs: The Education & Safety program encompasses the driver training schools and instructor program, the third party testing program, the Vermont Rider Education Program (VREP), the Vermont Motorcycle Awareness Program (VMAP) and Pupil Transportation Safety. The VREP and VMAP programs, which deal with safe motorcycle operation, continue to expand through the certification of additional program instructors and the acquisition of more training sites, enabling enhanced service delivery. The first training site for the central Vermont area was added during the 2004 training season.

New Motor Vehicle Arbitration Board: The Department provides administrative assistance to this Board, which under Vermont's Lemon Law provides a fast, efficient, and inexpensive remedy for consumers who purchase new cars that, despite numerous repair attempts by the dealer under the warranty, still have not been repaired.

The Operations Division is responsible for all license, registration, driver examination, size and weight permit, driver improvement, fuel tax collection, and mail services functions for the Department of Motor Vehicles and manages the following programs:

Registration and License Program: This is the Department's largest program, encompassing 70% of total resources, including 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, commercial vehicle operations, and all backroom operations (including data entry, quality control, and imaging and retrieval of departmental records functions).

Fuel Tax Collection Program: The goals of this program are to collect and distribute fuel taxes, maintain accurate and reliable records, track delinquent accounts, and initiate suspension on accounts that are in arrears.

The Support Services Division is responsible for DMV facility management, budget planning and financial services, human resources, training, and project management. This Division manages the following programs:

DMV Administration: The primary focus of the Department continues to be improving customer service. DMV Administration continues to monitor customer feedback closely and make improvements where feasible. During the fall of 2003 the Department undertook an extensive look at its operations to identify ways to improve its level of service. Primary objectives in this study were to reduce wait times at our customer service counters and to shorten the turn around time for processing transactions received by mail. Over 50 recommendations were made in areas such as technology, workflow, staffing, productivity, training and customer education.

Implementation of the recommendations made in our service study is an on-going process. However, the impact of those already put in place has yielded dramatic results in meeting the objectives of the study. Specifically, service level enhancement has been realized in the following areas:

The performance standard for processing transactions received by mail through all of its steps (mail processing, data entry, quality control and retrievals) is 11 days. In FY03 this standard was met 86% of the time. However, to meet that percentage overtime was worked 90% of the time. Since implementation of those recommendations impacting the mail processing area, including business process changes and creation of an incentive plan for employees in this unit, the standard has been met 100% of the time with no overtime.

Wait times at the busiest offices in Montpelier and Burlington were extremely high during the summer of 2003. Although the overall average for all offices combined for the year was within the generally accepted standard of 45 minutes, during the summer months this standard was rarely attained at either of these offices. As a result, the department assessed how performance was measured in this critical customer service area and now uses the average of the longest wait times, as well as the percentage of customers that wait within various 15 minute intervals (e.g. 0-15 minutes, 15-30 etc.), as a more accurate means to determine performance. For example, during the summer of 2003 less than 25% of the customers at the busiest office in Montpelier waited less than 45 minutes. However, in the summer of 2004 that percentage rose to 80%, a dramatic improvement.

The second element of concern regarding customer service is being able to provide DMV services closer to where customers live. Through funding provided in the FY04 budget DMV was able to make significant enhancement to service towards meeting this objective. Key accomplishments were:

Implementation of a second mobile van operation in January 2004. Utilization of the second van operation allowed for one van to be based in the northern and one in the southern part of the state; resulting in DMV services in communities approximately twice as many days as was experienced previously.

Expansion of those DMV transactions that could be accomplished over the Internet continued throughout FY04 with the implementation of snowmobile and motorboat renewal and address change transactions occurring in early FY05. Additionally, a development plan has been established for the inclusion of 12 more transactions through FY08. Current usage of the Internet for the renewal of car and truck registrations has risen steadily since its implementation.

A long-standing request from customers has been to allow the processing of registration renewals at branch offices. Through implementation of self-service kiosks in all DMV offices this service will be available in late 2004 and early 2005.

Implementation of transfer registration transactions at all field offices.

Piloted a program for the acceptance of first time snowmobile registrations at the Springfield office.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Department of Motor Vehicles	241	251	251	19,040,971	20,080,885	20,080,885	22,919,752
TOTAL	241	251	251	19,040,971	20,080,885	20,080,885	22,919,752
FUND TYPE							
Transportation Fund				18,063,050	19,117,258	19,117,258	22,286,370
Federal Revenue Fund				977,921	963,627	963,627	633,382
TOTAL				19,040,971	20,080,885	20,080,885	22,919,752

Appropriation Key Budget Issues

The Department of Motor Vehicles' (DMV's) mission is to administer motor vehicle and related laws, promote highway safety, and collect transportation revenues, while providing a high level of customer service and satisfaction and to perform these tasks in a timely and cost-effective manner.

In FY 2006, DMV will explore modernization of the department's computer systems. DMV relies on a mainframe batch processing system developed in the mid 1970's. The proposed project would replace it with a technologically current real-time system that would be easier to maintain and would centralize data, thereby eliminating data redundancy and multiple re-entry and improving accuracy and accessibility. The change in processing from a batch to real-time environment would eliminate a number of processing steps, improving internal office efficiency and providing better service to customers and the law enforcement community. If this project is approved, $3 million in the FY 2006 budget will be used to begin a multi-year effort to replace DMV's batch processing system.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	12,451,400	13,710,579	13,710,579	16,324,559
Operating Expenses	6,443,594	6,270,306	6,270,306	6,438,943
Grants	145,977	100,000	100,000	156,250
TOTAL	19,040,971	20,080,885	20,080,885	22,919,752
FUND TYPE				
Transportation Fund	18,063,050	19,117,258	19,117,258	22,286,370
Federal Revenue Fund	977,921	963,627	963,627	633,382
TOTAL	19,040,971	20,080,885	20,080,885	22,919,752

Department Mission Statement

The Vermont Agency of Transportation provides all municipalities with several types of assistance including monetary pass through grants, technical services, special studies, emergency relief or actual roadway maintenance. Program success can be demonstrated in terms of availability and actual use by the towns, which might not otherwise be able to improve or maintain their infrastructure, or provide the technical expertise required to design necessary repairs or improvements.

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) provides Vermont municipalities with assistance through several Town Highway programs: Bridges, Structures, Class 2 Roadway, Emergency Fund, Town Highway Aid Program, Class 1 Supplemental Grants, Vermont Local Roads, and general technical assistance.

The Town Highway Bridge Program assists towns with bridge engineering services and for aid in maintaining and constructing bridges having a span of six feet or more on Class 1, 2, and 3 town highways. Projects are offered to Towns based on bridge condition and funding availability in the program. Funds may be used for alternatives which eliminate the need for a bridge or bridges, including, but not limited to, construction or reconstruction of highways, purchase of parcels of land that would be landlocked by closure of a bridge or bridges, payment of damages for loss of highway access and substitution of other means of access.

The Town Highway Structures Program provides grants to municipalities for maintenance, including actions to extend life expectancy, and construction of bridges, culverts and other structures, including causeways and retaining walls intended to preserve the integrity of the traveled portion of Class 1, 2 and 3 town highways. Towns apply to VTrans for assistance.

The Town Highway Class 2 Roadway Program provides grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved Class 2 town highways. Towns apply to VTrans for assistance.

The Town Highway Emergency Fund provides emergency aid in repairing, building, or rebuilding Class 1, 2 or 3 town highways and bridges damaged by natural or man-made disasters of such magnitude that state aid is both reasonable and necessary to preserve the public good.

Town Highway Aid Program is for grants provided annually to each municipality in the state. The size

of each grant is based on the total amount of money appropriated for this program by the Legislature, and the Class 1, 2, and 3 highway mileage in each of the 251 towns. Funds may be used for town highway construction, improvement, or maintenance purposes or as the nonfederal share for public transit assistance.

The Town Highway Class 1 Supplemental Grants provide aid to municipalities having Class 1 town highways with more than two lanes.

The Vermont Local Roads Program, through a contract with Saint Michael's College, provides technical assistance to towns in areas including planning, engineering, construction and maintenance assistance, and legal advice.

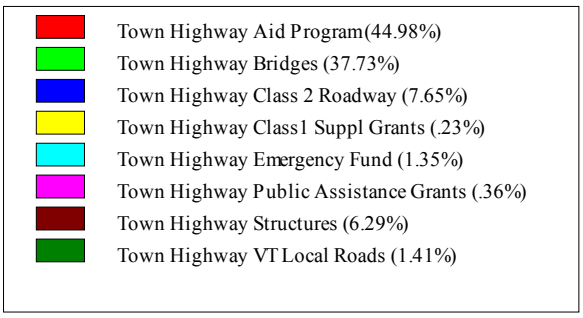
The Town Highway Public Assistance Grant Program provides supplemental aid to state and town efforts in recovery from federally declared disasters.

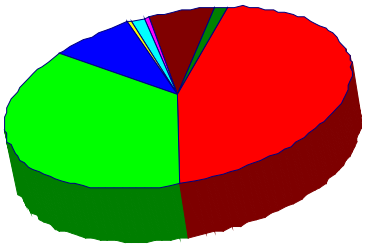
General Assistance is provided by Districts to towns, as time/conditions permit, for road/bridge concerns, associated grants, and disaster recovery efforts.

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Town Highway Structures	0	0	0	4,312,763	3,494,500	3,494,500	3,494,500
Town Highway Emergency Fund	0	0	0	417,306	1	1	750,000
Town Highway VT Local Roads	0	0	0	397,687	677,333	677,333	783,700
Town Highway Class 2 Roadway	0	0	0	4,578,073	4,248,750	4,248,750	4,248,750
Town Highway Bridges	0	0	0	14,460,296	20,931,263	20,931,263	20,955,427
Town Highway Aid Program	0	0	0	23,857,744	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	1,332,591	200,001	200,001	200,001
TOTAL	0	0	0	49,485,210	54,663,342	54,663,342	55,543,872
FUND TYPE							
Transportation Fund				37,191,296	40,419,751	40,419,751	38,497,072
Local Fund				1,041,818	1,384,031	1,384,031	1,667,343
Federal Revenue Fund				11,252,096	12,859,560	12,859,560	15,379,457
TOTAL				49,485,210	54,663,342	54,663,342	55,543,872





STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway Structures

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	4,312,763	3,494,500	3,494,500	3,494,500
TOTAL	4,312,763	3,494,500	3,494,500	3,494,500
FUND TYPE				
Transportation Fund	4,312,763	3,494,500	3,494,500	3,494,500
TOTAL	4,312,763	3,494,500	3,494,500	3,494,500

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	417,306	1	1	750,000
TOTAL	417,306	1	1	750,000
FUND TYPE				
Transportation Fund	417,306	1	1	750,000
TOTAL	417,306	1	1	750,000

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	397,687	677,333	677,333	783,700
TOTAL	397,687	677,333	677,333	783,700
FUND TYPE				
Transportation Fund	274,344	435,600	435,600	643,700
Federal Revenue Fund	123,343	241,733	241,733	140,000
TOTAL	397,687	677,333	677,333	783,700

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	4,578,073	4,248,750	4,248,750	4,248,750
TOTAL	4,578,073	4,248,750	4,248,750	4,248,750
FUND TYPE				
Transportation Fund	4,578,073	4,248,750	4,248,750	4,248,750
TOTAL	4,578,073	4,248,750	4,248,750	4,248,750

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway Bridges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	3,841,274	3,610,000	3,610,000	3,650,000
Operating Expenses	9,210,667	16,903,263	16,903,263	17,262,427
Grants	1,408,355	418,000	418,000	43,000
TOTAL	14,460,296	20,931,263	20,931,263	20,955,427
FUND TYPE				
Transportation Fund	3,622,316	7,129,406	7,129,406	4,248,628
Local Fund	851,290	1,384,030	1,384,030	1,667,342
Federal Revenue Fund	9,986,690	12,417,827	12,417,827	15,039,457
TOTAL	14,460,296	20,931,263	20,931,263	20,955,427

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway Aid Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	23,857,744	24,982,744	24,982,744	24,982,744
TOTAL	23,857,744	24,982,744	24,982,744	24,982,744
FUND TYPE				
Transportation Fund	23,857,744	24,982,744	24,982,744	24,982,744
TOTAL	23,857,744	24,982,744	24,982,744	24,982,744

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Grants	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750
FUND TYPE				
Transportation Fund	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Town Highway Public Assistance Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Operating Expenses	2,703	0	0	0
Grants	1,329,888	200,001	200,001	200,001
TOTAL	1,332,591	200,001	200,001	200,001
FUND TYPE				
Local Fund	190,528	1	1	1
Federal Revenue Fund	1,142,063	200,000	200,000	200,000
TOTAL	1,332,591	200,001	200,001	200,001

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 the statutory authority; i.e. Highways (19 V.S.A.), Aeronautics and Surface Transportation (5 V.S.A.), and Railroads (30 V.S.A. Part 2).

Description of Appropriations, Divisions, & Programs

The Transportation Board performs regulatory and quasi-judicial functions relating to transportation. Among its many and varied responsibilities are the following:

1. Hear appeals from Agency decisions and rulings regarding measurement, description or reclassification of town highways. Pursuant to Section 305 of 19 V.S.A.
2. Hear and determine small claims pursuant to Section 20 of 19 V.S.A.
3. Provide appellate review, when requested in writing, of decisions of the secretary of transportation when he or she assumes the powers and duties of a selectboard in highway matters in unorganized towns and gores pursuant to Section 16 of 19 V.S.A.
4. Provide appellate review, when requested in writing, regarding legal disputes in the execution of contracts.
5. Provide appellate review, when requested in writing, of decisions of the secretary in administering the provisions of 24 V.S.A., relating to junkyards.
6. 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.
7. Hear and determine disputes involving the decision of a selectboard 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 3 town highway during the winter.
8. When requested by the secretary, 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. Section 2501(a)).
11. Approve new highway or public ways opening into or connecting with established limited access highways.
12. Issue findings orders regarding rail-highway grade crossings, farm crossings and other railroad related responsibilities outlined in Title 5.
13. Approval of airports and restricted landing areas pursuant to Title 5, Section 207 (a-h).

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Transportation Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Transportation Board	1	1	1	111,947	78,400	78,400	83,400
TOTAL	1	1	1	111,947	78,400	78,400	83,400
FUND TYPE							
Transportation Fund				111,947	78,400	78,400	83,400
TOTAL				111,947	78,400	78,400	83,400

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Transportation Board

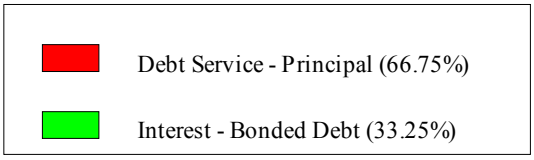
APPROPRIATION SUMMARY BY MAJOR OBJECT

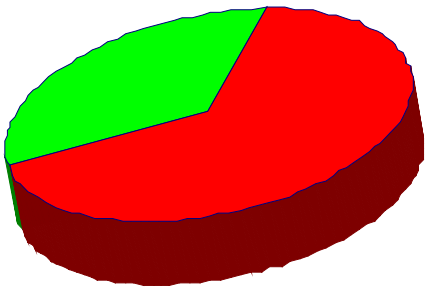
	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Personal Services	100,996	68,138	68,138	72,795
Operating Expenses	10,951	10,262	10,262	10,605
TOTAL	111,947	78,400	78,400	83,400
FUND TYPE				
Transportation Fund	111,947	78,400	78,400	83,400
TOTAL	111,947	78,400	78,400	83,400

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Debt Service

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2004 Pos. #	FY 2005 Pos. #	FY 2006 Pos. #	FY 2004 FY04 Actuals	FY 2005 FY05 Appropriation as Passed	FY 2005 FY05 Estimated Expenditures	FY 2006 FY06 Agency Request
Interest - Temporary Borrowing	0	0	0	297,926	0	0	0
Interest - Bonded Debt	0	0	0	23,380,245	20,354,080	20,354,080	22,477,590
Debt Service - Principal	0	0	0	44,806,696	45,127,751	45,127,751	45,132,089
TOTAL	0	0	0	68,484,867	65,481,831	65,481,831	67,609,679
FUND TYPE							
General Fund				66,077,580	60,579,557	60,579,557	63,115,116
Transportation Fund				2,407,287	2,514,264	2,514,264	2,111,303
Special Fund				0	2,388,010	2,388,010	2,383,260
TOTAL				68,484,867	65,481,831	65,481,831	67,609,679





STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Interest - Temporary Borrowing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Operating Expenses	297,926	0	0	0
TOTAL	297,926	0	0	0
FUND TYPE				
General Fund	297,926	0	0	0
TOTAL	297,926	0	0	0

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Interest - Bonded Debt

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2004	FY 2005		FY 2006
	FY04 Actuals	FY05 Appropriation as Passed	FY05 Estimated Expenditures	FY06 Agency Request
Operating Expenses	23,380,245	20,354,080	20,354,080	22,477,590
TOTAL	23,380,245	20,354,080	20,354,080	22,477,590
FUND TYPE				
General Fund	22,752,690	18,933,160	18,933,160	21,168,763
Transportation Fund	627,555	662,910	662,910	630,567
Special Fund	0	758,010	758,010	678,260
TOTAL	23,380,245	20,354,080	20,354,080	22,477,590

STATE OF VERMONT
FISCAL YEAR 2006 BUDGET RECOMMENDATIONS
Debt Service - Principal

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2004	FY 2005		FY 2006
Major Object	**FY04 Actuals**	**FY05 Appropriation as Passed**	**FY05 Estimated Expenditures**	**FY06 Agency Request**
Operating Expenses	44,806,696	45,127,751	45,127,751	45,132,089
TOTAL	44,806,696	45,127,751	45,127,751	45,132,089
FUND TYPE				
General Fund	43,026,964	41,646,397	41,646,397	41,946,353
Transportation Fund	1,779,732	1,851,354	1,851,354	1,480,736
Special Fund	0	1,630,000	1,630,000	1,705,000
TOTAL	44,806,696	45,127,751	45,127,751	45,132,089

Fiscal Year 2006
A Common Purpose

Fiscal 2006 Executive Budget Recommendations
is a publication of the
Vermont Department of Finance and Management,
Robert Hofmann, Commissioner.

The purpose of this publication is to inform members of the Vermont Legislature, state and local government officials, and Vermont citizens of the Fiscal Year 2006 Budget Recommendations of Governor Douglas.

This publication is available for viewing or printing at the Department of Finance and Management's Web Site
www.state.vt.us/fin/

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