STATE OF VERMONT
FISCAL YEAR 2007

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 as well as providing selected services to Vermont municipalities and Vermont citizens, and to carry out the policy objectives of the Governor and the laws of Vermont.

Description of Departments in Agency

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

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

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

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

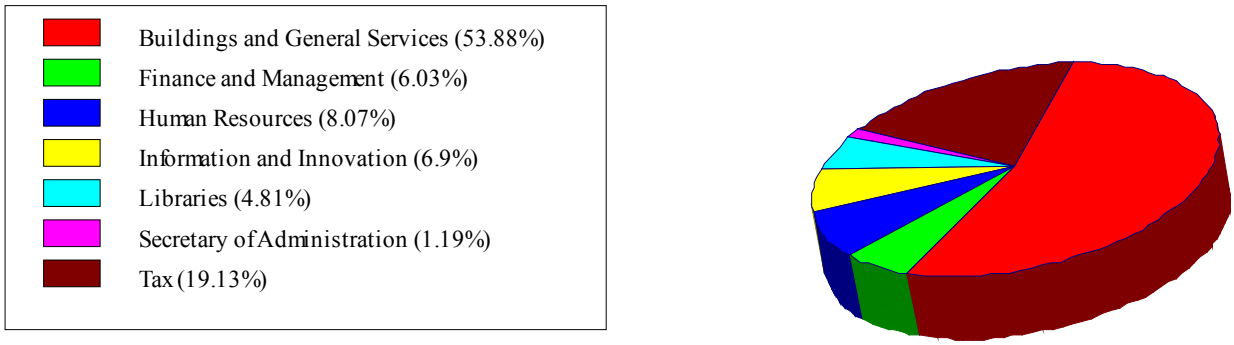
Libraries - fosters and co-ordinates resource sharing and access to information for the citizens of Vermont

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Secretary of Administration	3	4	4	10,582,996	896,760	921,835	915,077
Information and Innovation	54	55	60	4,610,782	4,802,395	4,802,395	5,309,816
Finance and Management	40	41	41	3,898,629	4,378,961	4,504,027	4,637,703
Human Resources	66	60	60	5,384,676	5,753,244	5,912,883	6,210,563
Libraries	37	36	36	3,409,243	3,524,535	3,620,837	3,699,707
Tax	195	190	190	13,970,142	14,148,022	14,618,355	14,723,412
Buildings and General Services	438	452	453	37,878,804	39,172,329	39,905,519	41,475,489
TOTAL	833	838	844	79,735,272	72,676,246	74,285,851	76,971,767
FUND TYPE							
General Fund				22,855,842	23,118,546	24,030,013	25,674,266
Transportation Fund				5,678,767	6,254,250	6,306,149	4,799,292
Special Fund				11,133,972	1,374,080	1,348,596	1,514,288
Federal Revenue Fund				728,682	812,529	812,529	835,496
Enterprise Fund				132,176	134,048	123,700	127,600
Internal Service Fund				36,870,574	38,652,683	38,922,554	41,136,505
Interdepartmental Transfer				2,335,259	2,330,110	2,742,310	2,884,320
TOTAL				79,735,272	72,676,246	74,285,851	76,971,767



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Secretary of Administration

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Secretary's Office	3	4	4	10,582,996	896,760	921,835	915,077
TOTAL	3	4	4	10,582,996	896,760	921,835	915,077
FUND TYPE							
General Fund				522,726	846,658	870,784	915,077
Transportation Fund				60,270	50,102	51,051	0
Special Fund				10,000,000	0	0	0
TOTAL				10,582,996	896,760	921,835	915,077

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Secretary's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	403,978	445,340	466,415	471,572
Operating Expenses	10,039,018	51,420	55,420	43,505
Grants	140,000	400,000	400,000	400,000
TOTAL	10,582,996	896,760	921,835	915,077
FUND TYPE				
General Fund	522,726	846,658	870,784	915,077
Transportation Fund	60,270	50,102	51,051	0
Special Fund	10,000,000	0	0	0
TOTAL	10,582,996	896,760	921,835	915,077

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

Detailed below are DII's core operational duties. The department provides access to communications for most of the state's workforce. DII coordinates the state's land based telephone service, providing day-to-day telephone service as well as equipment installation and repair, toll-free calling, voice mail, call distribution, and calling cards. Cell phone service is also coordinated by DII staff including service plans, cell phones, and paging services.

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

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

In addition, the Project Management office monitors and maintains an IT planning database. A set of tools is under development that will organize, manage and document the state's information technology initiatives.

Another essential service provided to the state by the department is computer hosting services. The department maintains a server room housing computers that run software from various departments and

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

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

DII's role has evolved these last two years, just as technology itself continues to evolve.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Comm & Info Technology	54	55	60	4,610,782	4,802,395	4,802,395	5,309,816
TOTAL	54	55	60	4,610,782	4,802,395	4,802,395	5,309,816
FUND TYPE							
Internal Service Fund				4,610,782	4,802,395	4,802,395	5,309,816
TOTAL				4,610,782	4,802,395	4,802,395	5,309,816

Appropriation Key Budget Issues

The Department of Information and Innovation is requesting five new positions in its Fiscal 2007 Budget Request. These five positions, two enterprise architects, a senior business process analyst and two project managers, are necessary to staff the Project Management and Enterprise Architecture programs. For Fiscal 2007 the Department is implementing a new funding methodology that will provide more stable funding and will allocate costs more consistently and fairly. As an internal fund program the Department's expenditures include both the FY 2007 Budget request of $5.3 million and "demand" driven expenses of $8.5 million for the cost of telephone service, data lines and mainframe expenses.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Comm & Info Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,810,994	4,049,865	3,844,801	4,516,891
Operating Expenses	799,788	752,530	957,594	792,925
TOTAL	4,610,782	4,802,395	4,802,395	5,309,816
FUND TYPE				
Internal Service Fund	4,610,782	4,802,395	4,802,395	5,309,816
TOTAL	4,610,782	4,802,395	4,802,395	5,309,816

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

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

Budget and Management

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

Financial Operations

Financial Operations is responsible for the establishment and maintenance of centralized accounting functions that incorporate appropriate internal controls and generate reliable financial information that is in accord with established accounting principles. Statute requires that all state disbursements by the Treasurer be approved first by the Commissioner of Finance and Management, with warrants then being

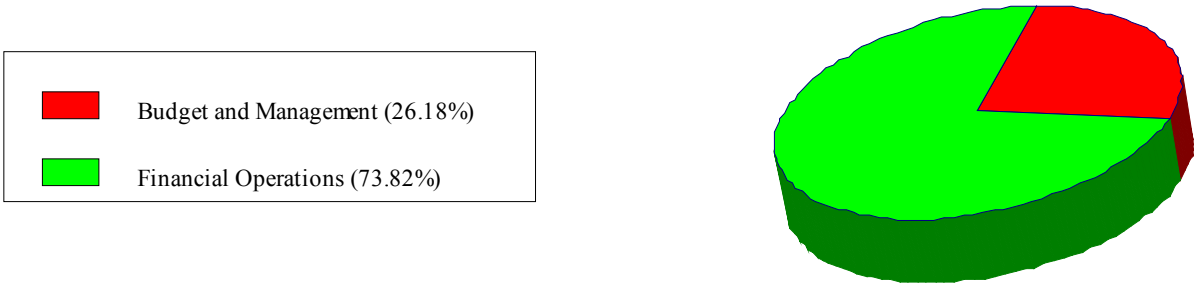
provided to the Treasurer. Financial Operations is responsible for the processing and monitoring of these warrants.

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 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Budget and Management	11	11	11	938,116	1,036,899	1,124,083	1,214,207
Financial Operations	29	30	30	2,960,513	3,342,062	3,379,944	3,423,496
TOTAL	40	41	41	3,898,629	4,378,961	4,504,027	4,637,703
FUND TYPE							
General Fund				827,644	816,696	931,900	1,104,189
Transportation Fund				122,738	111,313	121,175	0
Special Fund				0	0	0	74,272
Internal Service Fund				2,908,247	3,342,062	3,342,062	3,349,224
Interdepartmental Transfer				40,000	108,890	108,890	110,018
TOTAL				3,898,629	4,378,961	4,504,027	4,637,703



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	835,624	908,332	974,516	915,648
Operating Expenses	102,492	128,567	149,567	298,559
TOTAL	938,116	1,036,899	1,124,083	1,214,207
FUND TYPE				
General Fund	775,378	816,696	894,018	1,104,189
Transportation Fund	122,738	111,313	121,175	0
Interdepartmental Transfer	40,000	108,890	108,890	110,018
TOTAL	938,116	1,036,899	1,124,083	1,214,207

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,834,483	2,139,003	2,168,385	2,385,354
Operating Expenses	1,126,030	1,203,059	1,211,559	1,038,142
TOTAL	2,960,513	3,342,062	3,379,944	3,423,496
FUND TYPE				
General Fund	52,266	0	37,882	0
Special Fund	0	0	0	74,272
Internal Service Fund	2,908,247	3,342,062	3,342,062	3,349,224
TOTAL	2,960,513	3,342,062	3,379,944	3,423,496

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 supports state government as it attracts, retains and rewards a talented and diverse workforce. The department works in partnership with human resource professionals and management throughout state government on all personnel related matters. The department is organized into key divisions that work in concert with each other to carry out its mission:

The Benefits and Wellness Division designs and delivers competitive benefit programs to state employees, retirees and their dependents; such plans include medical, dental, life, long term disability, flexible spending, and employee assistance. Through its wellness unit, the division provides a coordinated wellness program for all state employees and retirees.

The Labor Relations Division negotiates, implements and administers four collective bargaining agreements for the state's unionized workforce. The division advises and supports our human resource partners, management and the public on personnel policy and procedure advice.

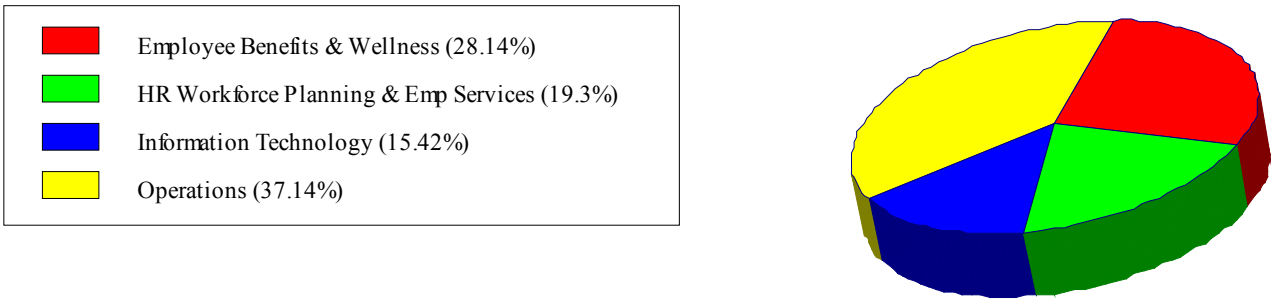
The Payroll Division is responsible for issuing accurate and timely payments of salaries, expenses and other benefits to all Executive, Legislative and Judicial branches of state government.

The Classification and Compensation Division conducts classification reviews on existing positions for appropriate classification and compensation, designates categories of employment under federal and state law and oversees and develops pay plans for classified and exempt employees.

The Finance Information Management Division supports all analytical needs of the department. Such analysis includes financial accounting, insurance premium rate setting and market factor analysis for the classification purposes.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Operations	31	29	29	2,208,034	1,920,924	2,101,669	2,306,608
HR Workforce Planning & Emp Services	14	11	11	1,002,074	1,142,083	1,120,977	1,198,607
Employee Benefits & Wellness	15	14	14	1,356,831	1,804,448	1,804,448	1,747,448
Information Technology	6	6	6	817,737	885,789	885,789	957,900
TOTAL	66	60	60	5,384,676	5,753,244	5,912,883	6,210,563
FUND TYPE							
General Fund				2,045,097	1,988,501	2,113,019	2,908,695
Transportation Fund				621,601	547,486	582,607	0
Special Fund				191,617	235,000	235,000	290,500
Internal Service Fund				2,174,283	2,690,237	2,690,237	2,705,348
Interdepartmental Transfer				352,078	292,020	292,020	306,020
TOTAL				5,384,676	5,753,244	5,912,883	6,210,563



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,930,373	1,606,082	1,779,417	1,911,699
Operating Expenses	277,661	314,842	322,252	394,909
TOTAL	2,208,034	1,920,924	2,101,669	2,306,608
FUND TYPE				
General Fund	1,428,882	1,281,126	1,422,107	2,000,588
Transportation Fund	427,074	347,778	387,542	0
Interdepartmental Transfer	352,078	292,020	292,020	306,020
TOTAL	2,208,034	1,920,924	2,101,669	2,306,608

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
HR Workforce Planning & Emp Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	697,826	841,435	796,720	811,726
Operating Expenses	304,248	300,648	324,257	386,881
TOTAL	1,002,074	1,142,083	1,120,977	1,198,607
FUND TYPE				
General Fund	615,930	707,375	690,912	908,107
Transportation Fund	194,527	199,708	195,065	0
Special Fund	191,617	235,000	235,000	290,500
TOTAL	1,002,074	1,142,083	1,120,977	1,198,607

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,113,916	1,448,884	1,508,705	1,380,362
Operating Expenses	242,915	355,564	295,743	367,086
TOTAL	1,356,831	1,804,448	1,804,448	1,747,448
FUND TYPE				
General Fund	285	0	0	0
Internal Service Fund	1,356,546	1,804,448	1,804,448	1,747,448
TOTAL	1,356,831	1,804,448	1,804,448	1,747,448

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	485,615	515,184	517,184	540,918
Operating Expenses	332,122	370,605	368,605	416,982
TOTAL	817,737	885,789	885,789	957,900
FUND TYPE				
Internal Service Fund	817,737	885,789	885,789	957,900
TOTAL	817,737	885,789	885,789	957,900

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. In offering our services we espouse the core concept that libraries are social and community centers, which provide equal access to quality information, designed to increase the level of "knowledge" in a community. Libraries represent social capital that makes people's lives better. They are non-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 the Board of Libraries. The State Librarian's Office provides administrative support to the Board and for the Board's geographic naming activities; administers state and federal plans, and grants including the Vermont Public Library Foundation (VPLF); 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 a service of 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 a 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 insitutions; targets library and information services to persons having difficulty using a library.

Vermont Automated Libraries System (VALS) - serves as one of the primary access point 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 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Libraries	37	36	36	3,409,243	3,524,535	3,620,837	3,699,707
TOTAL	37	36	36	3,409,243	3,524,535	3,620,837	3,699,707
FUND TYPE							
General Fund				2,358,739	2,328,186	2,424,972	2,546,703
Special Fund				174,223	227,820	227,336	219,026
Federal Revenue Fund				728,682	812,529	812,529	835,496
Interdepartmental Transfer				147,599	156,000	156,000	98,482
TOTAL				3,409,243	3,524,535	3,620,837	3,699,707

Appropriation Key Budget Issues

Postage - A 5.4% increase in postage rates will go into effect in January, 2006. Over recent years, DOL has sought to reduce postage costs for non-interlibrary loan related mailings, by reducing the number of mailings done to local libraries, combining mailings, making more documents available online/electronicially for downloading and using electronic mail.

The U.S. mail is still the most effective means of delivery for interlibrary loans (ILL), however (with most packages arriving in 24-48 hours). ILL to local libraries is a core activity of the DOL and the primary use of its collections. Last year, DOL mailed more than 12,000 packages to local libraries containing requests for our materials (mainly books) with most packages containing multiple items.

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 2004 (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 more than doubling. For example, an item averaging $856.21 in 1998, cost $1,953.00 in 2004. The average increase between 2003 and 2004 was 7.5%

In FY2007, DOL will again level fund the budget for law materials. While much law material is available online, DOL's law collection also includes many items not available online. As the law library for Vermont state government and the general public, as well as the state's judiciary, the library needs to keep information available for those that do not have online access (such as the general public).

Heating Oil - DOL has level funded its heating oil budget for the two regional libraries, however increased costs are anticipated.

Use of Federal/Special Funds - Seventeen positions are partially or completely federally funded; and two positions are partially funded with special funds. Use of federal funds for personal services is up about 4% in the FY2007 budget while use of special funds is up 23%.

Federal: Increases in federal funds in operating ($2,500) are to enhance our statewide children's summer reading program.

On average, DOL uses about 93% of its federal funding within the DOL budget to support statewide services. Because the reauthorization of the 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), in FY2006, DOL increased the amount of funds available for subgrants to local libraries and has budgeted the same amount ($60,000) for subgrants in FY2007. These subgrants to local libraries are of added importance as Vermont continues to be one of ten or fewer states that provide no direct state aid to local public libraries. 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 - between $20,000 to $30,000 annually - 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. Since FY2004 these funds have also been used to cover personal services costs related to children's services. In FY2006 we made an effort to reduce reliance on special funds for personal services, but we were unable to sustain this reduction in FY2007.

DOL has also been the recipient of grants from the Bill & Melinda Gates Foundation for public access computing in local libraries and technical support for local librarians in offering public access computing to their communtiies. The FY2007 budget includes $55,000 for these purposes. This is down from $67,100 in FY2006, in part because the grant program has ended.

Use of Interdepartmental Transfers - DOL manages the statewide contract for Westlaw online legal services. DOL receives transfers from other departments in state government for their use of these legal databases. A newly negotiated contract with a lower rate will go into effect in September 2006, so the reduced costs is reflected in the amount budgeted for interdeparmental transfers.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Libraries

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,838,811	1,881,114	1,925,627	1,976,553
Operating Expenses	1,451,153	1,573,421	1,620,210	1,653,154
Grants	119,279	70,000	75,000	70,000
TOTAL	3,409,243	3,524,535	3,620,837	3,699,707
FUND TYPE				
General Fund	2,358,739	2,328,186	2,424,972	2,546,703
Special Fund	174,223	227,820	227,336	219,026
Federal Revenue Fund	728,682	812,529	812,529	835,496
Interdepartmental Transfer	147,599	156,000	156,000	98,482
TOTAL	3,409,243	3,524,535	3,620,837	3,699,707

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 our 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 current goal is to continue to implement technology-based compliance initiatives to enhance revenue collections and encourage voluntary compliance with tax statutes.

FY2005 ended with an accounts receivable balance of $110.3 million dollars, up from $77.6 in FY04. Some of the increase comes from implementation of the use of federal data to pursue non-filers and a greater presence in pursuing taxpayers with professional licenses who must be in good standing with the Department pursuant to 32 VSA §3113. We have also taken some firm positions with corporate entities so some of the future collections will depend upon the outcome of related appeals. During the last fiscal year, approximately $43 million dollars in delinquent taxes were collected, up from $38.3 million in

FY04. To supplement our in-house collection activities, the department also places delinquent accounts with private collection agencies, as authorized by 32 VSA §3109.

In addition to tax collection, Compliance administers the tax refund offset program for 19 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 this program.

We are in our second year placing qualifying debts into the U. S. Treasury Offset Program. This program allows for the offset of federal income tax refunds to pay State of Vermont debts. Over a million dollars has been collected from federal refund offsets or payments received directly from taxpayers as a result of certified letters advising them of potential placement of their debt with the Treasury Offset Program.

Information Systems

During 2005 Information Systems participated in the successful move of over one hundred Tax Department employees to a newly renovated building while maintaining the technical infrastructure for the employees who continue to work in the Department's previous location. IS will also be an integral part of moving the second half of our staff to this office space in 2006.

IS efforts to automate the Tax Department's participation in the U.S. Treasury Offset Program have resulted in over one million dollars of refund offsets and payments over the past two years.

The Division has worked closely with its web-site vendor to enhance VTBizFile, the Tax Department's on-line trust tax computer application to allow business taxpayers the option to pay by ACH debit free-of-charge, or by major credit card. The Division also continues to work with our web-site vendor to maintain our tax payment portal (VTPay) where taxpayers can pay their tax liabilities by major credit card.

IS is poised to offer personal income taxpayers, who file their 2005 income tax return on-line in 2006, the opportunity to pay any taxes due free-of-charge by scheduling an ACH debit payment. A scheduled ACH debit payment is an added convenience to the growing population of on-line personal income tax filers.

The Division also participated in an extensive effort to lay the groundwork for a functional analysis of our corporate, business income and property transfer taxes. The Department is currently awaiting responses to an RFP for the functional analysis phase of the project. The implementation of this new system for the taxes named above would be the culmination of a long-term effort to move major State taxes off the DII mainframe system.

The Division is also working simultaneously on obtaining IRS certification for its new computer system to better utilize federal tax data and implementing programming to allow the State to participate in the

nationwide Streamlined Sales Tax program.

Property Valuation and Review

Property Valuation and Review (PVR) provides administrative support for Vermont's property tax system, staff support for the development of property tax policies and administration of several property tax related programs. 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 the 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 & 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 is responsible for all revenue accounting and returns processing needs for the Tax 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, preparing year-end GAAP/GASB 34 reports. The Division is also responsible for overseeing the receipt and posting of an ever-increasing number of returns and payments filed electronically via a number of different Tax Department applications made available to taxpayers over the past few years.

Taxpayer Services

The Taxpayer Services Division administers 26 taxes, 6 licensing programs, 2 property tax benefit programs and 1 renter rebate program. We are now in the fourth year of fully implementing the Vermont Integrated Revenue Collection System (VIRCS) for individual income and business trust taxes and we continue to revise our procedures and processing methods to realize efficiencies from this system. With VIRCS as its basic tool, the Division provides on-going taxpayer assistance, distributes educational materials, encourages 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 on the Declaration of Vermont Homestead (HS-131). Taxpayers receive assistance by telephone, letter, fax, e-mail and walk-in visits. We annually handle approximately 162,000 calls through our telephone "call center". We also have an 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. We have expanded the telephone call center to serve our business taxpayers. In addition to the expanded call center, we also provide on-site tax registration and assistance for businesses via tax seminars, outreach programs and special events such as county fairs and craft shows. C-corporations will now be required to file their CY/FY 2006 returns on a unitary basis and we will be responding to many inquiries about this requirement during FY07.

The Division is continuing to expand its on-line presence for individual and business taxpayers. For example, we offer an electronic funds transfer program (EFT), free-of-charge, to all employers to pay their withholding taxes. We also offer individual income taxpayers the "Fed/State" efile program through hundreds of registered tax preparers. For the first time in 2006, the Division will allow on-line income tax filers the opportunity to make payments electronically, free-of-charge, via ACH debit. Approximately 112,500 individual income taxpayers filed via Fed/State in 2005. We currently offer an on-line tax payment program to all taxpayers using most major credit cards. In the Fall of 2004, we launched VTBizFile for our business "trust" taxpayers. VTBizFile allows businesses to electronically file and pay their tax returns using a free ACH debit process or a major credit card.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration / Collection	195	190	190	13,970,142	14,148,022	14,618,355	14,723,412
TOTAL	195	190	190	13,970,142	14,148,022	14,618,355	14,723,412
FUND TYPE							
General Fund				13,049,240	13,154,421	13,649,754	13,909,182
Transportation Fund				211,902	213,601	213,601	0
Special Fund				529,000	600,000	575,000	619,230
Interdepartmental Transfer				180,000	180,000	180,000	195,000
TOTAL				13,970,142	14,148,022	14,618,355	14,723,412

Appropriation Key Budget Issues

Department of Taxes

Administration/Collection Appropriation Summary:

The Administration/Collection appropriation for FY2007 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 179 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 FY2007 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, among others. 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. Also, it provides staff support to administer the state-wide education property tax (EEGL); conduct the annual aggregate fair market value study (AFMV), administer the use value appraisal and payment-in-lieu-of taxes programs (Current Use & PILOT); provide on-going assistance to municipal governments with property tax administration and property tax mapping (CAPTAP & VMP), assist with the Telephone Lifeline and Pharmaceutical Assistance programs and process refund offsets for 19 State and Federal agencies.

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	11,298,885	11,477,404	11,818,040	11,814,733
Operating Expenses	2,671,257	2,670,618	2,800,315	2,908,679
TOTAL	13,970,142	14,148,022	14,618,355	14,723,412
FUND TYPE				
General Fund	13,049,240	13,154,421	13,649,754	13,909,182
Transportation Fund	211,902	213,601	213,601	0
Special Fund	529,000	600,000	575,000	619,230
Interdepartmental Transfer	180,000	180,000	180,000	195,000
TOTAL	13,970,142	14,148,022	14,618,355	14,723,412

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 their clients can be achieved. This is accomplished by allocating sufficient space to the client, complete with all necessities. These necessities extend beyond basic custodial and maintenance services and into functional areas including mail services, curatorial services, copying and printing, 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 will be using 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, information technology, 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, Inc. 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.

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

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. The goals of this program are (1) to efficiently plan, provide, and manage State-owned and leased office space and specialty space to minimize the impact on the State's budget; (2) to facilitate changes to existing space in a timely manner to enable occupants to adapt to changes in programs; and (3) to maintain an inventory of space to facilitate proposed back charging of space to users.

ENGINEERING AND CONSTRUCTION

The mission of the Engineering 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. All spaces shall be attractive, environmentally friendly, safe, and professionally appropriate to their use.

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 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 everyone is treated 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.

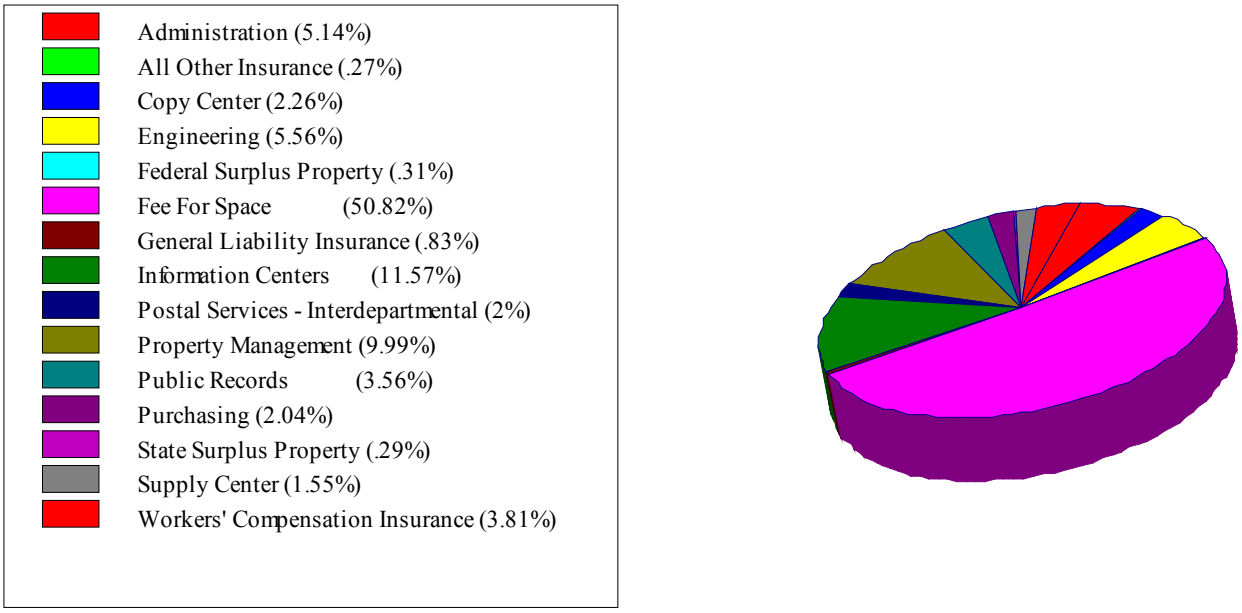
Core responsibilities involve marketing, promotions and customer relations in an attempt at influencing the buying practices and purchasing behaviors of the Vermont tourists.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Buildings and General Services

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration	20	24	24	1,567,307	1,548,200	1,960,400	2,129,800
Engineering	24	24	24	2,209,927	2,320,662	2,326,541	2,305,700
Information Centers	60	58	58	4,353,377	4,841,673	4,842,955	4,799,292
Purchasing	11	12	12	1,009,016	874,265	916,745	845,276
Public Records	18	18	18	1,364,204	1,565,492	1,577,318	1,475,704
Postal Services - Interdepartmental	14	14	14	726,730	742,452	627,100	830,200
Copy Center	16	16	16	960,056	1,004,331	825,600	936,600
Supply Center	5	9	9	410,892	378,977	503,500	640,800
Federal Surplus Property	1	1	1	132,176	134,048	123,700	127,600
State Surplus Property	1	1	1	120,004	124,610	108,900	121,500
Property Management	24	24	24	3,885,259	3,847,384	3,914,700	4,145,300
All Other Insurance	1	1	1	61,258	71,387	85,701	113,100
General Liability Insurance	3	3	3	194,727	261,946	198,100	344,900
Workers' Compensation Insurance	16	16	16	1,125,018	1,110,602	1,325,400	1,581,500
Fee For Space	224	231	232	19,758,853	20,346,300	20,568,859	21,078,217
TOTAL	438	452	453	37,878,804	39,172,329	39,905,519	41,475,489
FUND TYPE							
General Fund				4,052,396	3,984,084	4,039,584	4,290,420
Transportation Fund				4,662,256	5,331,748	5,337,715	4,799,292
Special Fund				239,132	311,260	311,260	311,260
Enterprise Fund				132,176	134,048	123,700	127,600
Internal Service Fund				27,177,262	27,817,989	28,087,860	29,772,117
Interdepartmental Transfer				1,615,582	1,593,200	2,005,400	2,174,800
TOTAL				37,878,804	39,172,329	39,905,519	41,475,489

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Buildings and General Services



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,392,782	1,438,892	1,651,000	1,812,900
Operating Expenses	174,525	109,308	309,400	316,900
TOTAL	1,567,307	1,548,200	1,960,400	2,129,800
FUND TYPE				
Interdepartmental Transfer	1,567,307	1,548,200	1,960,400	2,129,800
TOTAL	1,567,307	1,548,200	1,960,400	2,129,800

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,795,115	1,876,190	1,764,500	1,887,000
Operating Expenses	414,812	444,472	562,041	418,700
TOTAL	2,209,927	2,320,662	2,326,541	2,305,700
FUND TYPE				
General Fund	2,012,962	2,173,473	2,177,591	2,260,700
Transportation Fund	148,690	102,189	103,950	0
Interdepartmental Transfer	48,275	45,000	45,000	45,000
TOTAL	2,209,927	2,320,662	2,326,541	2,305,700

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,869,862	3,294,693	3,094,700	3,471,792
Operating Expenses	1,149,887	1,176,980	1,362,755	1,282,500
Grants	333,628	370,000	385,500	45,000
TOTAL	4,353,377	4,841,673	4,842,955	4,799,292
FUND TYPE				
General Fund	210,810	42,381	41,185	0
Transportation Fund	4,142,567	4,799,292	4,801,770	4,799,292
TOTAL	4,353,377	4,841,673	4,842,955	4,799,292

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Purchasing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	711,719	704,895	718,700	718,800
Operating Expenses	297,297	169,370	198,045	126,476
TOTAL	1,009,016	874,265	916,745	845,276
FUND TYPE				
General Fund	752,621	656,618	696,402	845,276
Transportation Fund	256,395	217,647	220,343	0
TOTAL	1,009,016	874,265	916,745	845,276

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	733,948	863,949	734,400	801,904
Operating Expenses	630,256	701,543	842,918	673,800
TOTAL	1,364,204	1,565,492	1,577,318	1,475,704
FUND TYPE				
General Fund	1,036,868	1,071,612	1,084,406	1,164,444
Transportation Fund	88,204	182,620	181,652	0
Special Fund	239,132	311,260	311,260	311,260
TOTAL	1,364,204	1,565,492	1,577,318	1,475,704

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	528,395	599,500	455,400	632,900
Operating Expenses	198,335	142,952	171,700	197,300
TOTAL	726,730	742,452	627,100	830,200
FUND TYPE				
General Fund	39,135	40,000	40,000	20,000
Transportation Fund	26,400	30,000	30,000	0
Internal Service Fund	661,195	672,452	557,100	810,200
TOTAL	726,730	742,452	627,100	830,200

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Copy Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	704,974	788,629	610,600	756,100
Operating Expenses	255,082	215,702	215,000	180,500
TOTAL	960,056	1,004,331	825,600	936,600
FUND TYPE				
Internal Service Fund	960,056	1,004,331	825,600	936,600
TOTAL	960,056	1,004,331	825,600	936,600

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Supply Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	236,225	246,376	344,100	481,500
Operating Expenses	174,667	132,601	159,400	159,300
TOTAL	410,892	378,977	503,500	640,800
FUND TYPE				
Internal Service Fund	410,892	378,977	503,500	640,800
TOTAL	410,892	378,977	503,500	640,800

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Federal Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	58,464	63,749	60,500	62,100
Operating Expenses	73,712	70,299	63,200	65,500
TOTAL	132,176	134,048	123,700	127,600
FUND TYPE				
Enterprise Fund	132,176	134,048	123,700	127,600
TOTAL	132,176	134,048	123,700	127,600

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	54,664	58,930	60,700	58,900
Operating Expenses	65,340	65,680	48,200	62,600
TOTAL	120,004	124,610	108,900	121,500
FUND TYPE				
Internal Service Fund	120,004	124,610	108,900	121,500
TOTAL	120,004	124,610	108,900	121,500

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Property Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,280,460	1,240,936	1,274,200	1,301,000
Operating Expenses	2,604,799	2,606,448	2,640,500	2,844,300
TOTAL	3,885,259	3,847,384	3,914,700	4,145,300
FUND TYPE				
Internal Service Fund	3,885,259	3,847,384	3,914,700	4,145,300
TOTAL	3,885,259	3,847,384	3,914,700	4,145,300

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
All Other Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	42,195	59,648	67,601	75,700
Operating Expenses	19,063	11,739	18,100	37,400
TOTAL	61,258	71,387	85,701	113,100
FUND TYPE				
Internal Service Fund	61,258	71,387	85,701	113,100
TOTAL	61,258	71,387	85,701	113,100

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
General Liability Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	156,808	223,314	154,800	267,600
Operating Expenses	37,919	38,632	43,300	77,300
TOTAL	194,727	261,946	198,100	344,900
FUND TYPE				
Internal Service Fund	194,727	261,946	198,100	344,900
TOTAL	194,727	261,946	198,100	344,900

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	959,630	958,583	1,135,500	1,152,800
Operating Expenses	165,388	152,019	189,900	428,700
TOTAL	1,125,018	1,110,602	1,325,400	1,581,500
FUND TYPE				
Internal Service Fund	1,125,018	1,110,602	1,325,400	1,581,500
TOTAL	1,125,018	1,110,602	1,325,400	1,581,500

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Fee For Space

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	9,725,936	10,385,701	10,194,187	10,529,817
Operating Expenses	10,032,917	9,960,599	10,374,672	10,548,400
TOTAL	19,758,853	20,346,300	20,568,859	21,078,217
FUND TYPE				
Internal Service Fund	19,758,853	20,346,300	20,568,859	21,078,217
TOTAL	19,758,853	20,346,300	20,568,859	21,078,217

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 2007 BUDGET RECOMMENDATIONS
Geographic Information System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Geographic Information System	0	0	0	376,992	393,957	393,957	393,957
TOTAL	0	0	0	376,992	393,957	393,957	393,957
FUND TYPE							
Special Fund				376,992	393,957	393,957	393,957
TOTAL				376,992	393,957	393,957	393,957

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Geographic Information System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	376,992	393,957	393,957	393,957
TOTAL	376,992	393,957	393,957	393,957
FUND TYPE				
Special Fund	376,992	393,957	393,957	393,957
TOTAL	376,992	393,957	393,957	393,957

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. 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 Governor's senior staff consists of a Chief of Staff; a Deputy Chief of Staff; a Legal Counsel; a Deputy Legal Counsel/Special Assistant; a Secretary of Civil & Military Affairs; and a Press Secretary. The Governor is also supported by an Executive Assistant for scheduling; and an Assistant for Board and Commission appointments. Administrative and office systems management support for the Governor is provided by a Business Manager and clerical support for the senior staff is provided by two Administrative Secretaries. The Governor is also served by one Receptionist and two Information Officers who assist the public with dealings with state government.

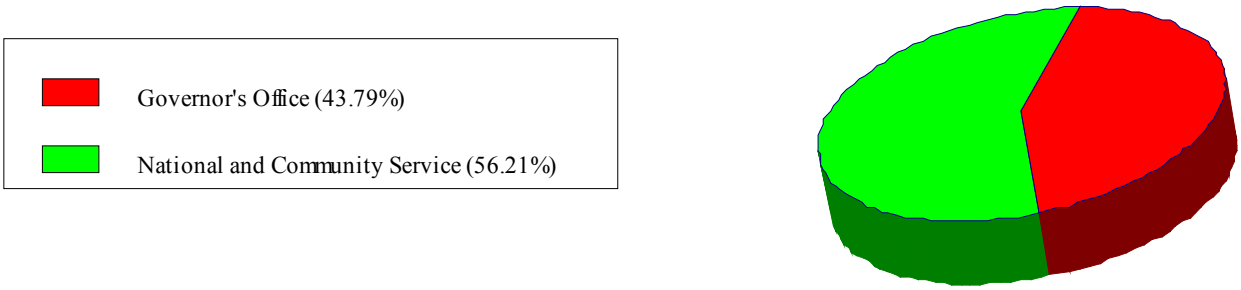
Vermont Commission on National and Community Service (VTCNCS) creates, promotes and supports volunteer, community and national service efforts that engage Vermonters of all ages and backgrounds in strengthening their communities. The Commission is the state grantee for federal national service funds 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 2007 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Governor's Office	15	15	15	1,498,518	1,526,425	1,556,014	1,594,591
National and Community Service	3	4	4	1,021,109	2,058,920	2,063,865	2,047,061
TOTAL	18	19	19	2,519,627	3,585,345	3,619,879	3,641,652
FUND TYPE							
General Fund				1,230,298	1,261,285	1,289,751	1,490,119
Transportation Fund				162,023	157,483	160,598	0
Special Fund				5,846	3,185	3,185	0
Federal Revenue Fund				960,460	2,002,392	2,005,345	1,990,533
Interdepartmental Transfer				161,000	161,000	161,000	161,000
TOTAL				2,519,627	3,585,345	3,619,879	3,641,652



Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Governor's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,141,992	1,158,112	1,195,488	1,235,847
Operating Expenses	356,526	368,313	360,526	358,744
TOTAL	1,498,518	1,526,425	1,556,014	1,594,591
FUND TYPE				
General Fund	1,169,649	1,204,757	1,231,231	1,433,591
Transportation Fund	162,023	157,483	160,598	0
Special Fund	5,846	3,185	3,185	0
Interdepartmental Transfer	161,000	161,000	161,000	161,000
TOTAL	1,498,518	1,526,425	1,556,014	1,594,591

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
National and Community Service

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	143,456	191,634	192,882	199,571
Operating Expenses	115,301	121,871	125,568	131,957
Grants	762,352	1,745,415	1,745,415	1,715,533
TOTAL	1,021,109	2,058,920	2,063,865	2,047,061
FUND TYPE				
General Fund	60,649	56,528	58,520	56,528
Federal Revenue Fund	960,460	2,002,392	2,005,345	1,990,533
TOTAL	1,021,109	2,058,920	2,063,865	2,047,061

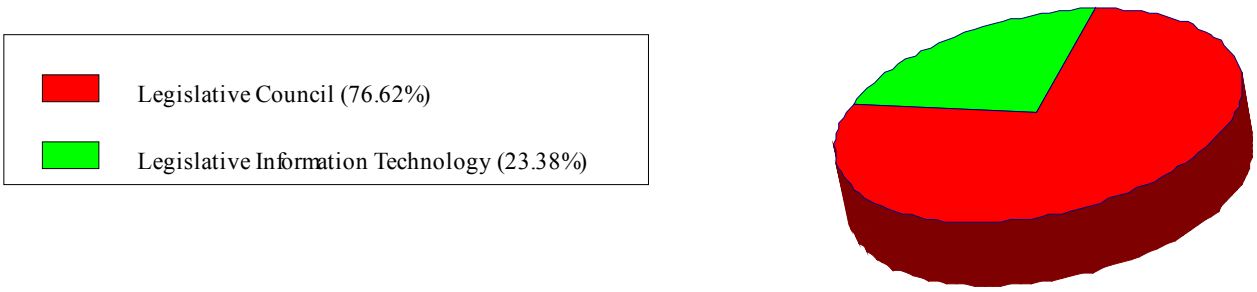
Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Legislative Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Legislative Council	24	24	24	1,726,904	1,822,484	1,853,656	1,928,089
Legislative Information Technology	3	4	4	494,255	563,413	565,158	588,258
TOTAL	27	28	28	2,221,159	2,385,897	2,418,814	2,516,347
FUND TYPE							
General Fund				1,977,274	2,152,114	2,180,074	2,516,347
Transportation Fund				243,885	233,783	238,740	0
TOTAL				2,221,159	2,385,897	2,418,814	2,516,347



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Legislative Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,703,008	1,685,880	1,717,052	1,782,976
Operating Expenses	23,896	136,604	136,604	145,113
TOTAL	1,726,904	1,822,484	1,853,656	1,928,089
FUND TYPE				
General Fund	1,483,019	1,588,701	1,614,916	1,928,089
Transportation Fund	243,885	233,783	238,740	0
TOTAL	1,726,904	1,822,484	1,853,656	1,928,089

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Legislative Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	210,131	309,186	310,931	332,187
Operating Expenses	284,124	254,227	254,227	256,071
TOTAL	494,255	563,413	565,158	588,258
FUND TYPE				
General Fund	494,255	563,413	565,158	588,258
TOTAL	494,255	563,413	565,158	588,258

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 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Legislature	19	19	19	5,828,338	5,116,921	5,140,607	5,073,677
TOTAL	19	19	19	5,828,338	5,116,921	5,140,607	5,073,677
FUND TYPE							
General Fund				5,068,430	4,414,316	4,433,265	5,073,677
Transportation Fund				759,908	702,605	707,342	0
TOTAL				5,828,338	5,116,921	5,140,607	5,073,677

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. 1051 and 32 V.S.A. 1052.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	3,621,904	2,925,702	2,949,388	3,036,768
Operating Expenses	2,191,240	2,191,219	2,191,219	2,036,909
Grants	15,194	0	0	0
TOTAL	5,828,338	5,116,921	5,140,607	5,073,677
FUND TYPE				
General Fund	5,068,430	4,414,316	4,433,265	5,073,677
Transportation Fund	759,908	702,605	707,342	0
TOTAL	5,828,338	5,116,921	5,140,607	5,073,677

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 and 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 12 exempt employees, and one (1) temporary session employee. The governing board is the 10 member Joint Fiscal Committee established pursuant to 2 V.S.A. Chapter 15 (§ 501-504).

Statute Regarding Functions of Joint Fiscal Committee:

2 V.S.A. Chapter 15 § 503

Functions:

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

Description of Staff Responsibilities:

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

The staff of the House Ways and Means Committee and the Senate Finance Committee performs the following core functions: economic forecasting; revenue forecasting; tax analysis; economic analysis;

analysis of education funding alternatives; and provides staff support to the Joint Fiscal Committee.

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Joint Fiscal Committee	10	10	12	1,033,496	1,118,373	1,211,831	1,151,940
TOTAL	10	10	12	1,033,496	1,118,373	1,211,831	1,151,940
FUND TYPE							
General Fund				887,326	982,901	1,074,893	1,151,940
Transportation Fund				146,170	135,472	136,938	0
TOTAL				1,033,496	1,118,373	1,211,831	1,151,940

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	941,259	1,045,988	1,118,278	1,064,109
Operating Expenses	92,237	72,385	93,553	87,831
TOTAL	1,033,496	1,118,373	1,211,831	1,151,940
FUND TYPE				
General Fund	887,326	982,901	1,074,893	1,151,940
Transportation Fund	146,170	135,472	136,938	0
TOTAL	1,033,496	1,118,373	1,211,831	1,151,940

Department Mission Statement

To serve the Legislators and constituents on a year round basis as well as tourists. Maintain order in the Capitol Building, arrange meetings, schedule rooms, and distribute mail, maintain furnishings and the building. Organize and supervise the 30 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; this includes furnishings. The staff consists of the Sergeant at Arms, one assistant and one other office staff members. 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 2007 BUDGET RECOMMENDATIONS
Sergeant at Arms

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Sergeant at Arms	5	5	5	496,567	501,779	511,459	501,050
TOTAL	5	5	5	496,567	501,779	511,459	501,050
FUND TYPE							
General Fund				456,143	461,044	471,264	501,050
Transportation Fund				40,424	40,735	40,195	0
TOTAL				496,567	501,779	511,459	501,050

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Sergeant at Arms

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	447,006	438,870	450,021	440,103
Operating Expenses	49,561	62,909	61,438	60,947
TOTAL	496,567	501,779	511,459	501,050
FUND TYPE				
General Fund	456,143	461,044	471,264	501,050
Transportation Fund	40,424	40,735	40,195	0
TOTAL	496,567	501,779	511,459	501,050

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Lieutenant Governor

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Lieutenant Governor	2	2	2	127,291	136,372	135,807	147,018
TOTAL	2	2	2	127,291	136,372	135,807	147,018
FUND TYPE							
General Fund				107,519	117,089	116,605	147,018
Transportation Fund				19,772	19,283	19,202	0
TOTAL				127,291	136,372	135,807	147,018

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Lieutenant Governor

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	117,882	118,723	118,158	127,360
Operating Expenses	9,409	17,649	17,649	19,658
TOTAL	127,291	136,372	135,807	147,018
FUND TYPE				
General Fund	107,519	117,089	116,605	147,018
Transportation Fund	19,772	19,283	19,202	0
TOTAL	127,291	136,372	135,807	147,018

Department Mission Statement

The mission of the Auditor's Office is to be a catalyst for good government by promoting reliable and accurate financial reporting as well as promoting economy, efficiency, and effectiveness in State government.

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 generally defined by 32 V.S.A. §§ 163, 167 and 168. These duties include the following:

(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) at the request of a municipality, 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.

Annual Audits

The Office of the State Auditor conducts independent audits for the State of Vermont. Our 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 are conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and with Generally Accepted Auditing Standards (GAAS) issued by the American Institute of Certified Public Accountants.

The performance of these audits relies on the quality of the personnel working under the direction of the Auditor. To maintain and enhance the skill sets of the staff, all staff working on audits are required to complete continuing professional education. Under current professional standards, the staff are required to complete at least 80 hours of training over a two year period.

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. These financial statements are the responsibility of the State of Vermont's 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, we also test the State's compliance with certain provision of laws and regulations as well as the internal controls put in place by state management.

Federal Single Audit

The other major audit activity of the State Auditor's Office 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 reviews the more than $1.2 billion Vermont receives annually from the federal government to ensure that it is spent in compliance with all applicable laws and regulations. We also monitor 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 for that fiscal year. 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. Most recently, we have implemented a tracking system to follow-up on prior audits and assess the current status of prior audit findings.

Reviews

Another major function of the office is to conduct reviews. A review is an objective, systematic and factually-documented analysis that results in findings and recommendations concerning the topic or issue studied. The purpose of a review is to assist state management to improve financial, administrative, compliance or performance functions of the State of Vermont, particularly in regard to how effective programs are in meeting legislatively-mandated goals. These reports may be requested by the Legislature or Governor, or initiated by the State Auditor.

Information Technology Audits and Reviews

In June 2005, the Auditor hired a Director of Information Technology Audit. This position was created through the re-classification of an existing staff auditor position previously authorized for the office. The creation and staffing of this position has allowed us to have a real impact on information technology planning and systems development. In the coming year, we plan to integrate information technology auditing more fully into the BFS and Single Audits to enhance the quality and effectiveness of our audit efforts. In addition, the Director of Information Technology Audit will be responsible for conducting independent assessments, known as “Pre-implementation Reviews,” of planned information technology projects. In the coming months

these projects include the VISION upgrade (FY2006) and the time and labor system (FY2007).

Changes in Accounting Principles

Generally Accepted Accounting Principles (GAAP) are constantly evolving. Monitoring the State's compliance with these principles, as well as rendering professional assistance to implement new principles, is one of the major goals of this office. For example, the State's comprehensive annual financial report for the year ended June 30, 2005 included new disclosures required by Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. Over the next several years, new standards will take effect changing the way the State accounts and reports its post-employment obligations. Each of these will require additional training for the Auditor's staff.

Peer Review

The State Auditor's Office must undergo an independent External Quality Control Review every three years in order to conduct audits under Government Auditing Standards. The most recent independent review was completed in February 2004 under the auspices of the National State Auditors Association. The review team concluded that the State Auditor's Office conducted its audits in conformity with government auditing standards in all respects. The next regularly scheduled peer review will take place during fiscal year 2007.

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. Most recently, the rating agencies have focused on the timeliness of the State’s financial reporting. Efforts have been made to ensure the annual BFS audit is completed by the statutory deadline of December 31.

Goals & Outcomes

The goals and outcomes of State Auditor's Office 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. We recommend 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.

Independence

The autonomy of the Auditor's Office is guaranteed by the fact that the State Auditor is a constitutional officer elected biennially, and therefore, independent of both the Executive and Legislative branches of state government.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Auditor of Accounts	14	14	15	2,161,539	1,969,398	2,040,183	2,178,216
TOTAL	14	14	15	2,161,539	1,969,398	2,040,183	2,178,216
FUND TYPE							
General Fund				421,226	468,606	539,988	521,987
Transportation Fund				58,809	59,317	59,317	0
Special Fund				52,746	54,455	53,858	54,431
Internal Service Fund				1,628,758	1,387,020	1,387,020	1,601,798
TOTAL				2,161,539	1,969,398	2,040,183	2,178,216

Appropriation Key Budget Issues

The upcoming fiscal year 2007 budget process provides an opportunity for the Office of the State Auditor to assess the achievements and challenges presented by the current audit landscape. The challenges presented by improving the timeliness and relevancy of the State's financial statement audit, the potential to expand the scope of audit services through the recruitment of staff with new skill sets, and the unknown challenges that come from concerned citizens and whistle-blower complaints, are significant.

The FY 2007 budget process is also an opportunity to re-visit how the costs of audit services are paid for by State agencies and departments. It allows us to enhance the delivery of our services while also fairly and accurately assigning the costs of those services to the end-users.

Funding Targets

Our funding targets must be viewed together with the Single Audit Revolving Fund (SARF). Established by the Legislature to capture the costs of the Single Audit, the SARF has evolved to become the State's "Audit Fund". In fact, the cost allocation prepared each year assigns a portion of the cost to all agencies and departments based upon their relative share of both general fund and federal revenue. This expanded view of the SARF will allow the Office to more accurately assign costs to their final cost objectives. With this in mind, we have prepared our FY 2007 preliminary budget assuming the costs directly assignable to the SARF (Audit Fund) will be so assigned.

Expenditures

As is to be expected, salary and benefits are the single largest component of our budget. However, the fees paid to the contractor for the Single Audit, along with certain other operating expenses, are not insignificant. In order to more fully describe the assumptions incorporated into the budget, we will address these items separately.

Personal Services

Salary and Wages - The Office currently has 14 authorized positions. These include the Auditor and three appointed (exempt) positions and 10 classified positions. Although one appointed position and one classified position have been vacant, candidate searches are on-going. These vacancies have resulted in higher contracted third-party services costs. Our intention is to *lower* the overall cost to the State through the hiring of qualified candidates. As such, these positions are budgeted at full value. As more fully described below, the Office will assume a greater role in the delivery of audit services. In particular, we will provide a five-fold increase in audit effort to the Single Audit of the State. This will result in contracted & third party savings of over $192,000. In order to meet this increased scope we have requested an increase in authorized positions during FY 2007. This has been factored in to our FY 2007 analysis. Using information provided by the Department of Human Resources, we calculated the

step increases in FY 2007. The request for a new position and projected step increases resulted in a projected increase of $71,281 in salary and wages. These increases would be offset by the potential contracted & third party savings noted above.

Benefits - We assumed that employee benefits for social security, retirement and life insurance increase in relative proportion to increases in salary and wages. For healthcare costs, we used a cost factor of 2.3% as provided by the Department of Finance & Management. No increases in dental, EAP or LTD were assumed. Since these amounts are not material components of our overall base, the impact is minor.

Non-employee Personal Services - These encompass a number of different categories, the most significant of which is the Single Audit costs paid to KPMG. These costs cover the audit of the federal financial assistance programs. In order to control the rate of growth in these costs, we have taken a step back and re-evaluated the way in which both the audit of the financial statements and the Single Audit are conducted. Since many of the procedures required by both audits are the same, we will greatly enhance the coordination of our audit efforts with those performed by KPMG. Perhaps the largest shift is in the contribution of Auditor's Office staff to the Single Audit. In prior years, this contribution consisted of approximately 500 hours of effort. In the current contract, we will provide 2,500 hours of effort. This results in a savings of $192,000 in professional fees. We will absorb this additional workload through the reduction of unnecessary audit tasks and greater reliance on the work performed by KPMG. We will also seek to increase our audit staff by one authorized position.

Non-employee personal services also include amounts budgeted for our triennial peer review, scheduled for calendar year 2007. This review is required under our professional standards and will be conducted by the National State Auditors Association. Also included within this caption are amounts budgeted for other third-party contractors hired directly by this office, including audit and actuarial service providers. We anticipate these professionals will be necessary to supplement and enhance the delivery of audit services. In addition, the Auditor will engage an independent certified public accountant to essentially "audit the auditor". This will allow for an evaluation of the processes and controls in place within the Office of the State Auditor.

This category also includes the projected costs of the audits of the county sheriffs' departments. Since by statute this office pays one-third of the cost of the biennial audits, we have budgeted accordingly.

Operating Expenses

Educational materials - These expenses include the cost of professional literature and audit resource materials. For example, the Office uses an audit methodology produced by Practitioners Publishing Company. As professional standards change and evolve, so does the audit methodology. The annual updates to all of the resources are approximately $400 per item. In addition, as new accounting standards are issued we must learn and understand the audit and financial reporting implications. This is often accomplished through the use of "implementation guides" purchased from third parties.

Rentals - This represents our fee for space allocation. This is our share of the cost allocation from BGS. Amounts are paid at the beginning of the year and annual amounts are not known until the end of the preceding year.

Data processing - These costs are also based on cost allocation plans charged out by DII and BGS. We are projecting a modest increase in costs.

Dues, Subscriptions, Registrations - This line item includes our cost of continuing professional education (CPE). Under our professional standards, each member of the audit staff must complete a specified number of CPE credits over a two-year period. Historically, the cost of training has not been adequately budgeted. The increase in this line item reflects the elevation of Auditor staff qualifications, and the reality that CPE is not only required but essential to the effective delivery of audit services.

Travel - in-state - This represents an increase over amounts previously budgeted for travel. As noted above, the Office will contribute 2,500 hours to the Single Audit effort. This will require that the staff travel to state office locations outside of Montpelier. For example, a significant amount of work will be performed at the Agency of Human Services in Waterbury. For most of the staff assigned to AHS, this is a 26 mile round-trip travel cost. Again, the increase in travel costs is more than offset by the cost *savings* in professional fees, estimated to be $192,000.

Data Processing Hardware / Software - The efficient and effective delivery of audit services relies on the use of technology. While substantially all audit staff have access to a laptop computer, additional purchases will be required. We will make certain purchases using FY 2006 monies. For FY 2007 we anticipate the replacement / upgrade of computers purchased more than 4 years ago. The budget also includes the renewal of software licenses.

Conclusions

Based on our initial analysis of the funding targets provided, it appears that the Office of the State Auditor will be capable of supporting its funded operations within those funding targets. However, as the analysis above shows, our ability to shift audit effort from contractors to State employees will result in significant savings. In addition, the refinement of the methodology used to assign audit costs to the internal service fund will allow for a more accurate allocation of those costs to their final cost objectives. In many ways, the use of an audit fund will merely validate the practices that have been in place for a number of years.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Auditor of Accounts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,049,918	1,866,196	1,913,802	2,056,162
Operating Expenses	111,621	103,202	126,381	122,054
TOTAL	2,161,539	1,969,398	2,040,183	2,178,216
FUND TYPE				
General Fund	421,226	468,606	539,988	521,987
Transportation Fund	58,809	59,317	59,317	0
Special Fund	52,746	54,455	53,858	54,431
Internal Service Fund	1,628,758	1,387,020	1,387,020	1,601,798
TOTAL	2,161,539	1,969,398	2,040,183	2,178,216

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 member of the retirement systems; and to manage the cash balances and trust funds under custody of the State Treasurer in keeping with the highest fiduciary standards in order to maximize income without undue risk.

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

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

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

The system currently consists of approximately 8,068 active members, 1,104 inactive members, 832 vested terminated members and approximately 4,002 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 value of the fund was $1,120 million as of June 30, 2005, compared with $1,041 million as of June 30, 2004. The system paid $50.932 million in retirement benefits during fiscal year 2005.

The Retirement Board of Trustees is responsible for the administration of the system. This board

consists of the State Treasurer, Commissioner of Personnel, 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 435 participating employers, of which 417 are contributing employers; 5,825 active members, 2,003 inactive members, 363 vested terminated members; and 1,090 retirees and beneficiaries.

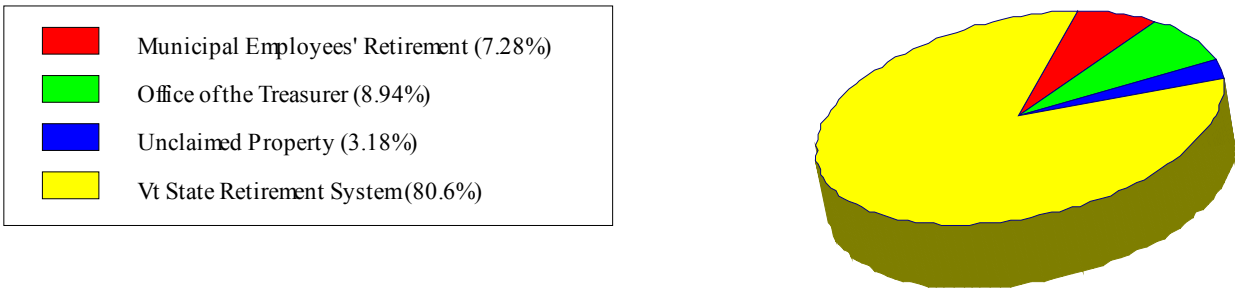
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was $258.5 million as of June 30, 2005, compared with $232.9 million as of June 30, 2004. The system paid $7.982 million in retirement benefits during FY 2005.

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 2007 BUDGET RECOMMENDATIONS
State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Office of the Treasurer	33	33	33	2,433,575	2,512,141	2,478,534	2,485,676
Unclaimed Property	0	4	4	759,162	783,722	783,722	885,543
Vt State Retirement System	0	0	0	16,008,814	21,177,483	21,177,483	22,414,920
Municipal Employees' Retirement	0	0	0	1,054,617	1,641,250	1,641,250	2,024,204
TOTAL	33	37	37	20,256,168	26,114,596	26,080,989	27,810,343
FUND TYPE							
General Fund				886,045	837,459	827,767	1,028,843
Transportation Fund				106,541	104,035	102,261	0
Special Fund				1,378,494	1,475,133	1,452,992	1,315,253
Pension Trust Fund				17,063,431	22,818,733	22,818,733	24,439,124
Private Purpose Trust Fund				821,657	879,236	879,236	1,027,123
TOTAL				20,256,168	26,114,596	26,080,989	27,810,343



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,935,770	2,158,253	2,124,646	2,131,671
Operating Expenses	372,805	328,888	328,888	344,005
Grants	125,000	25,000	25,000	10,000
TOTAL	2,433,575	2,512,141	2,478,534	2,485,676
FUND TYPE				
General Fund	886,045	837,459	827,767	1,028,843
Transportation Fund	106,541	104,035	102,261	0
Special Fund	1,378,494	1,475,133	1,452,992	1,315,253
Private Purpose Trust Fund	62,495	95,514	95,514	141,580
TOTAL	2,433,575	2,512,141	2,478,534	2,485,676

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Unclaimed Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	465,564	541,534	541,534	586,261
Operating Expenses	293,598	242,188	242,188	299,282
TOTAL	759,162	783,722	783,722	885,543
FUND TYPE				
Private Purpose Trust Fund	759,162	783,722	783,722	885,543
TOTAL	759,162	783,722	783,722	885,543

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vt State Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	15,348,688	20,448,159	20,448,159	21,760,779
Operating Expenses	660,126	729,324	729,324	654,141
TOTAL	16,008,814	21,177,483	21,177,483	22,414,920
FUND TYPE				
Pension Trust Fund	16,008,814	21,177,483	21,177,483	22,414,920
TOTAL	16,008,814	21,177,483	21,177,483	22,414,920

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	902,786	1,427,518	1,427,518	1,687,216
Operating Expenses	151,831	213,732	213,732	336,988
TOTAL	1,054,617	1,641,250	1,641,250	2,024,204
FUND TYPE				
Pension Trust Fund	1,054,617	1,641,250	1,641,250	2,024,204
TOTAL	1,054,617	1,641,250	1,641,250	2,024,204

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State Labor Relations Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
State Labor Relations Board	2	2	2	193,011	197,567	199,271	200,109
TOTAL	2	2	2	193,011	197,567	199,271	200,109
FUND TYPE							
General Fund				180,817	187,100	188,804	194,239
Transportation Fund				4,560	4,597	4,597	0
Special Fund				7,634	5,870	5,870	5,870
TOTAL				193,011	197,567	199,271	200,109

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State Labor Relations Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	147,251	157,439	159,143	161,308
Operating Expenses	45,760	40,128	40,128	38,801
TOTAL	193,011	197,567	199,271	200,109
FUND TYPE				
General Fund	180,817	187,100	188,804	194,239
Transportation Fund	4,560	4,597	4,597	0
Special Fund	7,634	5,870	5,870	5,870
TOTAL	193,011	197,567	199,271	200,109

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
VOSHA Review Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
VOSHA Review Board	1	1	1	40,996	40,194	39,630	40,538
TOTAL	1	1	1	40,996	40,194	39,630	40,538
FUND TYPE							
General Fund				20,538	20,097	19,533	20,269
Federal Revenue Fund				20,458	20,097	20,097	20,269
TOTAL				40,996	40,194	39,630	40,538

Appropriation Key Budget Issues

Because the workload for the VOSHA Review Board is generated through employer contest of Labor and Industry issuance of 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 2007 BUDGET RECOMMENDATIONS
VOSHA Review Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	32,597	31,652	31,088	32,015
Operating Expenses	8,399	8,542	8,542	8,523
TOTAL	40,996	40,194	39,630	40,538
FUND TYPE				
General Fund	20,538	20,097	19,533	20,269
Federal Revenue Fund	20,458	20,097	20,097	20,269
TOTAL	40,996	40,194	39,630	40,538

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 2007 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Use Tax Reimbursement Fund	0	0	0	6,408,709	6,898,455	7,252,762	8,113,944
TOTAL	0	0	0	6,408,709	6,898,455	7,252,762	8,113,944
FUND TYPE							
General Fund				4,098,319	4,569,542	4,923,849	8,113,944
Transportation Fund				2,310,390	2,328,913	2,328,913	0
TOTAL				6,408,709	6,898,455	7,252,762	8,113,944

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,542	0	0	0
Grants	6,405,167	6,898,455	7,252,762	8,113,944
TOTAL	6,408,709	6,898,455	7,252,762	8,113,944
FUND TYPE				
General Fund	4,098,319	4,569,542	4,923,849	8,113,944
Transportation Fund	2,310,390	2,328,913	2,328,913	0
TOTAL	6,408,709	6,898,455	7,252,762	8,113,944

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, Triple Play, 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 700 licensed Vermont Lottery agents. All agents sell instant games and about 640 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 2007 BUDGET RECOMMENDATIONS
Lottery Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Lottery Commission	20	20	20	2,354,909	2,336,759	2,336,759	2,395,178
TOTAL	20	20	20	2,354,909	2,336,759	2,336,759	2,395,178
FUND TYPE							
Enterprise Fund				2,354,909	2,336,759	2,336,759	2,395,178
TOTAL				2,354,909	2,336,759	2,336,759	2,395,178

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Lottery Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,176,719	1,279,592	1,279,592	1,337,891
Operating Expenses	1,178,190	1,057,167	1,057,167	1,057,287
TOTAL	2,354,909	2,336,759	2,336,759	2,395,178
FUND TYPE				
Enterprise Fund	2,354,909	2,336,759	2,336,759	2,395,178
TOTAL	2,354,909	2,336,759	2,336,759	2,395,178

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Payments in Lieu of Taxes	0	0	0	2,530,939	2,500,000	2,500,000	2,700,000
TOTAL	0	0	0	2,530,939	2,500,000	2,500,000	2,700,000
FUND TYPE							
General Fund				800,000	600,000	600,000	600,000
Special Fund				1,730,939	1,900,000	1,900,000	2,100,000
TOTAL				2,530,939	2,500,000	2,500,000	2,700,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	2,530,939	2,500,000	2,500,000	2,700,000
TOTAL	2,530,939	2,500,000	2,500,000	2,700,000
FUND TYPE				
General Fund	800,000	600,000	600,000	600,000
Special Fund	1,730,939	1,900,000	1,900,000	2,100,000
TOTAL	2,530,939	2,500,000	2,500,000	2,700,000

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Montpelier PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 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 2007 BUDGET RECOMMENDATIONS
Montpelier PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 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 2007 BUDGET RECOMMENDATIONS
Corrections PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 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 2007 BUDGET RECOMMENDATIONS
Corrections PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 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

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. The Division's appellate unit briefs and argues civil appeals and assists other staff in complex trials and appeals

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 focuses on homicides, other violent felonies, public corruption, computer crimes and drug trafficking. The Criminal 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 criminal justice issues, and is an active participant on a number of committees that shape criminal justice policy in Vermont.

There is a specialized Drug Unit within the Division that works exclusively with the Vermont Drug Task Force. The Drug Unit has been in place for approximately fifteen years and has been federally funded since its inception. Currently the Drug Unit has 3.5 attorneys. There is the possibility that federal funding will be cut for this unit. This could impact this program.

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 2005, the Unit recouped nearly $2,000,000. 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.

Public Protection Division

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 3,900 complaints and resolves approximately 2,300 written complaints every year.

In FY 2006, the Consumer Unit received a grant for $200,000 to further the efforts of the unit to combat telemarketing fraud. The majority of the money will be used to hire an investigator for two years to support the work of the attorney primarily responsible for telemarketing fraud prevention for the office. The Unit also received an award of $3.2 million as part of a national settlement which will be passed through to the University of North Carolina at Chapel Hill for consumer education about marketing of pharmaceuticals.

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. In FY 2005 and FY 2006, the Unit hired one attorney to replace the two attorneys who had been working part-time on tobacco matters and, with a grant from the National Association of Attorneys General, hired outside counsel to represent Vermont in major, national litigation challenging the advertising of "low-risk" tobacco products.

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**.** A major focus of the Environmental Unit in FY 2007 will be on air pollution, particularly the threat of a tire burn at International Paper, Co. in Fort Ticonderoga, New York, and on storm water pollution.

The Civil Rights unit enforces laws that protect victims of hate crimes and protect all Vermonters (other than those working for the state) from discrimination and harassment in the workplace. It sponsors

employer education programs to help businesses to comply with Vermont's civil rights laws, and produces informational materials for employees.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Attorney General	69	73	73	6,090,016	6,276,571	7,469,811	7,830,213
TOTAL	69	73	73	6,090,016	6,276,571	7,469,811	7,830,213
FUND TYPE							
General Fund				2,606,852	2,818,037	2,862,181	3,269,648
Transportation Fund				69,061	69,615	69,615	0
Education Fund				34,223	0	13,089	0
Special Fund				1,676,184	1,402,209	2,524,436	2,465,000
Federal Revenue Fund				389,959	617,000	630,780	682,000
Interdepartmental Transfer				1,313,737	1,369,710	1,369,710	1,413,565
TOTAL				6,090,016	6,276,571	7,469,811	7,830,213

Appropriation Key Budget Issues

The Fiscal 2007 Budget request would sustain the core mission and activities of the Attorney General's Office.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Attorney General

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	5,228,880	5,356,126	6,518,280	6,897,601
Operating Expenses	861,136	920,445	951,531	932,612
TOTAL	6,090,016	6,276,571	7,469,811	7,830,213
FUND TYPE				
General Fund	2,606,852	2,818,037	2,862,181	3,269,648
Transportation Fund	69,061	69,615	69,615	0
Education Fund	34,223	0	13,089	0
Special Fund	1,676,184	1,402,209	2,524,436	2,465,000
Federal Revenue Fund	389,959	617,000	630,780	682,000
Interdepartmental Transfer	1,313,737	1,369,710	1,369,710	1,413,565
TOTAL	6,090,016	6,276,571	7,469,811	7,830,213

Department Mission Statement

Court Diversion is a locally formulated and directed community 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 non-profit agencies, one in each county except that Caledonia and Essex counties are housed in one agency. A community board of directors governs each program, which, in turn, is designated by the Attorney General, and the Vermont Association of Court Diversion Programs (VACDP) 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 2005, 1833 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 directed to implement the Teen Alcohol Safety Program 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 that relate to their offense. In FY 2005 diversion programs handled 3312 such cases.

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 operated the TASP without 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. This resulted in a decline in successful completion rates, and therefore, more cases returned to court for adjudication.

TASP caseload continues to rise each year. More importantly, the legislation that became effective October 1, 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 approximate 30-35% increase in participation rates in the last year. This increase in participation rates puts more of a burden on court diversion programs to bring these cases to successful completion.
Note: The county data cited above does not include Windsor County numbers.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Court Diversion

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Court Diversion	0	0	0	1,591,685	1,525,071	1,525,071	1,604,534
TOTAL	0	0	0	1,591,685	1,525,071	1,525,071	1,604,534
FUND TYPE							
General Fund				977,238	981,093	981,093	1,204,534
Transportation Fund				142,833	143,978	143,978	0
Special Fund				471,614	400,000	400,000	400,000
TOTAL				1,591,685	1,525,071	1,525,071	1,604,534

Appropriation Key Budget Issues

VACDP's budget reflects an increase of $79,463 to address several budget priorities including: increased insurance and audit expenses, travel reimbursement costs and raising minimum salary levels. Court diversion programs need to be able to recruit and retain the services of highly qualified personnel. This minimum salary increase is intended to be the first phase of making these salaries competitive. Recruiting and retaining skilled caseworkers is critical for court diversion programs successful completion rates, which in turn saves Vermont taxpayers from having unsuccessful cases returned to court.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Court Diversion

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	1,591,685	1,525,071	1,525,071	1,604,534
TOTAL	1,591,685	1,525,071	1,525,071	1,604,534
FUND TYPE				
General Fund	977,238	981,093	981,093	1,204,534
Transportation Fund	142,833	143,978	143,978	0
Special Fund	471,614	400,000	400,000	400,000
TOTAL	1,591,685	1,525,071	1,525,071	1,604,534

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 to the fair administration of the criminal justice system.

Description of Appropriations, Divisions, & Programs

In 1972, the Vermont Legislature passed the Public Defender Act, Title 13, Chapter 163 and created the Office of the Defender General (ODG) which began discharging the constitutional right of needy persons charged with serious crimes to representation. The ODG is also statutorily required to provide counsel consistent with its attorney's ethical obligations and the Rules of Civil and Criminal Procedure in the following matters: to children who are the subject of juvenile proceedings as alleged delinquents; to parties in juvenile proceedings including children in need of care and supervision (CHINS) as required by the interests of justice; to children in the custody of the Commissioner of 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 to cost-effectively handle life in prison and other serious felony cases where conflicts exist. A fourth SFU was added in FY 2004.

Public Defense

There are twelve full-time public defense field offices located throughout the State. Seven of these offices are staff offices. Five of these offices are public defense contract offices, that is, private law firms that have entered into a contract with the Defender General to provide public defense services. Two attorneys have small contracts in Addison and Caledonia/Essex Counties to provide representation to parties in juvenile proceedings. In FY 2004 a public defense contract Serious Felony Unit was established to handle the most serious cases throughout the state. In FY 2005 an additional staff public defender was designated as a Serious Felony Attorney. The creation of the unit and designation of a serious felony staff attorney 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. In FY 2006 a second Caseload Relief contract was established focusing on the northern counties. The contract public defenders provide substantial savings to the state over a staff office with salary, benefit and operating costs.

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

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

Assigned Counsel Contractors
The Assigned Counsel Contractors are private attorneys who contract with the Defender General to provide services in criminal and juvenile cases when there are conflicts with the public defenders. The objective is to assure that in most counties there are at least two contractors to take conflict cases. There are presently 72 separate contracts for assigned counsel services, including 2 attorneys who handle appeals.

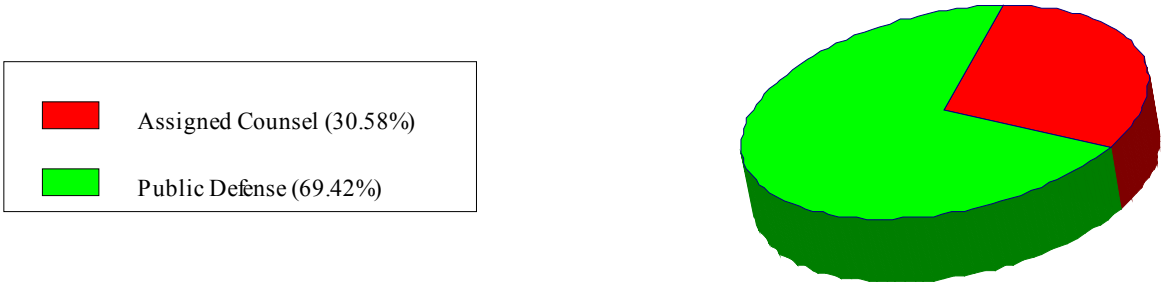
Ad Hoc Counsel
Ad hoc counsel are assigned by the court when there are conflicts with all staff and contract attorneys. Services provided by ad hoc counsel represent approximately 2-3% of the caseload. However, it is the most expensive means of service, with an hourly rate of $50. Recent efforts at expanding 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 2006 a 75% reduction in ad hoc debentures (bills for services), and a 76% decrease in added ad hoc clients.

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Defender General

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Public Defense	64	64	64	6,168,548	6,317,571	6,491,975	6,640,859
Assigned Counsel	7	7	7	2,851,362	2,772,385	2,855,603	2,925,470
TOTAL	71	71	71	9,019,910	9,089,956	9,347,578	9,566,329
FUND TYPE							
General Fund				7,400,106	7,634,065	7,701,308	8,849,021
Transportation Fund				739,037	734,468	739,781	0
Special Fund				752,776	602,502	687,568	602,502
Interdepartmental Transfer				127,991	118,921	218,921	114,806
TOTAL				9,019,910	9,089,956	9,347,578	9,566,329



Appropriation Key Budget Issues

The Governor's recommended funding for FY 2007 is an increase of approximately $325,000. This increase covers the annual salary and benefit increases, funds previously negotiated increases for public defense contracts, funds a 5% increase for contracts up for renewal in FY 2007, and provides additional funding for case-driven costs, operating costs and an increase to the Tax Department for collecting public defense co-payments. This level of funding allows 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 and two Public Defense caseload relief contracts are expected to be continued.

However, if caseload-driven costs, such as expert services, crime scene analysis and mental health screenings, rise further, one or more of these enhancements might have to be eliminated. Most Public Defense contracts were entered into in FY 2005 for a three-year period, with level funding for FY 2006. Additionally, the IT Specialist position will continue, and the budget provides $10,000 for replacement of obsolete computer equipment. The ODG embarked on an IT upgrade project in FY 2006, mostly with one-time funds, and it is anticipated that work on that project will continue into FY 2007. The ODG will continue the cost containment measures implemented in FY 2002 such as holding vacant positions open for at least 60 days, hiring replacement staff at a lower rate, contracting the after hours DWI on-call coverage, and entering into long-term personal services contracts whenever possible. Also, 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. Chittenden County is of particular concern, handling nearly 40% of the state's caseload. The Chittenden County problem has developed over a 15-year period, so there are likely no feasible quick fixes. However, a long-term strategy to deal with Chittenden County needs to be developed.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	5,494,020	5,681,340	5,729,583	5,969,740
Operating Expenses	674,528	636,231	762,392	671,119
TOTAL	6,168,548	6,317,571	6,491,975	6,640,859
FUND TYPE				
General Fund	5,037,982	5,200,918	5,269,844	6,023,551
Transportation Fund	499,799	495,230	500,708	0
Special Fund	502,776	502,502	502,502	502,502
Interdepartmental Transfer	127,991	118,921	218,921	114,806
TOTAL	6,168,548	6,317,571	6,491,975	6,640,859

Appropriation Key Budget Issues

Assigned counsel contractors are the most cost-efficient means of providing public defense services. This budget provides a 5% increase for the assigned counsel contractors who did not receive any increase in FY 2006. 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 five consecutive fiscal years. Assigned counsel contractors will continue to be used whenever possible, and the four serious felony units will be continued. 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.

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 76% reduction in added ad hoc clients from first quarter FY 2002 to first quarter FY 2006. There was a reduction of $352,755 (63%) in ad hoc debentures from FY 2001 to FY 2005. We now, however, have reached a level of "frictional ad hoc," that is, ad hoc that is created at the margins of what we could ever hope to divert to assigned counsel contractors.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,785,817	2,734,829	2,798,047	2,862,918
Operating Expenses	65,545	37,556	57,556	62,552
TOTAL	2,851,362	2,772,385	2,855,603	2,925,470
FUND TYPE				
General Fund	2,362,124	2,433,147	2,431,464	2,825,470
Transportation Fund	239,238	239,238	239,073	0
Special Fund	250,000	100,000	185,066	100,000
TOTAL	2,851,362	2,772,385	2,855,603	2,925,470

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 judges, 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 judges hear and dispose of most cases in the environmental court, which has statewide jurisdiction. In the smaller counties, one judge may be assigned to sit in the Superior, District, and Family courts concurrently, especially when all three courts are located in the same building. In the larger counties, a different judge may sit in each of the trial courts.

The Court Administrator provides leadership and support to the judges and court staff to enable them 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 about 2,950 divorce actions, 1,430 other domestic actions (primarily parentage) and the 3,850 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 7,800 motions to establish, modify or enforce child support, 1,400 juvenile delinquency cases, 620 cases involving the abuse and neglect of children, 260 cases in which the state seeks to terminate parental rights and 4,600 petitions for relief from domestic abuse each year. The Family Court is also responsible for matters including how the state should care for persons with mental illness and developmental 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 7,300 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 128,000 traffic tickets issued by state and local law enforcement agencies each year. Many of the violations are speeding tickets. The Bureau is also responsible for the processing of approximately 1,900 violations of underage drinking laws, 2,200 municipal ordinance violations and 560 fish and wildlife violations each year.

Through court trials, the hearing officers and some assistant judges determine whether the 22,346 people who contest their tickets each year have violated the law and whether they must pay civil penalties to the state and municipalities.

Through the assistance of court developed computer programs, Bureau staff accept $15,510,591 in civil penalties from the 76,000 drivers who chose not to contest their traffic tickets or ordinance violations, from the 31,400 people who receive default judgments for failure to respond to their tickets and from the 6,000 people who contested their ticket and lost.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Judiciary	337	344	352	29,614,431	30,842,800	31,227,629	32,754,454
TOTAL	337	344	352	29,614,431	30,842,800	31,227,629	32,754,454
FUND TYPE							
General Fund				23,749,391	24,793,705	25,090,290	29,529,189
Transportation Fund				3,093,876	3,028,595	3,070,550	0
Special Fund				522,708	662,500	662,500	682,335
Federal Revenue Fund				287,848	333,000	333,000	421,930
Interdepartmental Transfer				1,960,608	2,025,000	2,071,289	2,121,000
TOTAL				29,614,431	30,842,800	31,227,629	32,754,454

Appropriation Key Budget Issues

The FY07 Judiciary budget reflects an additional $4.725 million in General Fund over its FY06 appropriation. This is mostly a result of replacing supporting revenue ($3,028,595) from the Transportation Fund with General Fund revenues. After the replacement, the General Fund support increased by $1.67 million for a 6.1 percent increase. The major components ($1.47 million or 5.4%) of this increase is for Administration mandated increases which include: annualization of pay and benefit increases; increased fee for space obligations; new obligations to DII and increased VISION/HRMS obligations. Two hundred thousand dollars have been allocated to enhance the court security program by converting 8 temporary positions to permanent status, implementing a basic training curriculum for all persons providing court security services and adjusting some staffing purchased through sheriffs contracts to enhance security in certain district and family courts.

The additional challenges the Judiciary faces over the new few years include: upgrading and modernizing its outdated automated docketing system; adding weapon screening services to the Superior Courts, improving various technology systems; and enhancing video court recording and conferencing capabilities.

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	23,745,894	24,276,133	24,410,711	25,603,612
Operating Expenses	5,868,537	6,566,667	6,816,918	7,150,842
TOTAL	29,614,431	30,842,800	31,227,629	32,754,454
FUND TYPE				
General Fund	23,749,391	24,793,705	25,090,290	29,529,189
Transportation Fund	3,093,876	3,028,595	3,070,550	0
Special Fund	522,708	662,500	662,500	682,335
Federal Revenue Fund	287,848	333,000	333,000	421,930
Interdepartmental Transfer	1,960,608	2,025,000	2,071,289	2,121,000
TOTAL	29,614,431	30,842,800	31,227,629	32,754,454

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 FY2005, 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.)

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
State's Attorneys	122	124	124	8,609,327	9,048,236	9,263,100	9,337,229
TOTAL	122	124	124	8,609,327	9,048,236	9,263,100	9,337,229
FUND TYPE							
General Fund				6,574,794	6,849,379	7,067,610	7,467,231
Transportation Fund				344,726	369,310	365,943	0
Special Fund				62,262	146,375	146,375	100,578
Federal Revenue Fund				597	5,000	5,000	25,000
Interdepartmental Transfer				1,626,948	1,678,172	1,678,172	1,744,420
TOTAL				8,609,327	9,048,236	9,263,100	9,337,229

Appropriation Key Budget Issues

The General Fund is increased by 3.3% in FY2007. The key budget pressures for the Department of State's Attorneys in FY2007 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.

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

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 FY2005 was 17,492 (3,829 felonies and 13,566 misdemeanors). While there has been a slight decrease in the number of cases added in FY2005, the number of violent felonies and crimes of sexual violence has increased. 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.

But while case disposition by trial is the exception and not the rule, the Department does conduct a number of complete trials each year. Depending on the nature of the offense, success at trial may require one or more expert witnesses. For example, in a homicide case involving competency or other mental health issues, expert witness testimony runs into thousands of dollars.

The Department has instituted and continues to utilize a review- and pre-approval process for the use of any expert. Such discipline has contributed to the Department's success in keeping expert and other third-party costs reasonable over the last few years. The Department's budget request includes approximately $200,000 for trial experts. When spread across 14 counties, a heavy case load, and hourly expert witness rates that at a minimum are $150.00 per hour, 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 will continue 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. These positions perform core functions.

There is the potential for decline in federal support in FY 2007. Domestic violence prosecutors formerly funded as full-time positions have been reduced in hours to address previous federal cuts. Several victim advocate positions have similarly suffered reduction in hours. The Department will be unable to absorb the responsibilities related to added federal program cuts if they materialize in FY 2007.

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 FY 2007 requested operating budget. The Department has worked hard in recent years to keep operating expenses down in an effort to maximize the dollars available for current staff and trial costs. The Department maintains an office in each county to serve the public and provide a critical community presence. Together with the Department's administrative office in Montpelier, the Department's operating budget funds 15 offices and the infrastructure that each office requires.

In FY2005 and FY2006, the Department continues to implement CRIMES, an integrated database that will enhance the Department's handling of its case loads, 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. To implement CRIMES and establish the necessary data-sharing platform in the Department's 15 offices, the Department performed an essential upgrade to its data circuit network in FY2004. In addition to data circuit costs, CRIMES database is proprietary and carries annual software licensing costs of approximately $45,000.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State's Attorneys

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	7,587,853	7,807,300	7,830,994	8,162,260
Operating Expenses	1,009,474	1,195,936	1,387,106	1,174,969
Grants	12,000	45,000	45,000	0
TOTAL	8,609,327	9,048,236	9,263,100	9,337,229
FUND TYPE				
General Fund	6,574,794	6,849,379	7,067,610	7,467,231
Transportation Fund	344,726	369,310	365,943	0
Special Fund	62,262	146,375	146,375	100,578
Federal Revenue Fund	597	5,000	5,000	25,000
Interdepartmental Transfer	1,626,948	1,678,172	1,678,172	1,744,420
TOTAL	8,609,327	9,048,236	9,263,100	9,337,229

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 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Sheriffs	38	38	38	2,937,140	3,048,656	3,204,150	3,089,834
TOTAL	38	38	38	2,937,140	3,048,656	3,204,150	3,089,834
FUND TYPE							
General Fund				2,374,735	2,478,417	2,614,985	3,089,834
Transportation Fund				562,405	570,239	589,165	0
TOTAL				2,937,140	3,048,656	3,204,150	3,089,834

Appropriation Key Budget Issues

Prisoner Transports: The challenges for the transport program in FY2007 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 3582 transports in FY2005 involving 9,621 prisoners covering 462,742 miles. This compares favorably to FY2004, during which the Department performed 3868 transports involving 9,161 prisoners and covering nearly 495,000 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 received 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 FY2005, the Department utilized 21,795 hours of per diem deputy sheriff time to perform Department prisoner transports. The current hourly rate is now $15.00 [32 V.S.A. 1591(2)(A)]. The Administration supported this increase, and the $100,000 additional cost was added to the Sheriff's base budget in FY 2006.

In FY 2007, it is imperative that the strong coordinated efforts of the Sheriffs, the Courts, the Department of Corrections and the Defender General continue. With these efforts and vigilance in scheduling and careful use of per diem deputies to keep costs down, the potential for a shortfall can be reduced. However, the intangible cost of gasoline will impact greatly on our ability to manage our budget. The use of video conferencing of appropriate court hearings and telephone status conferences, if prisoners are involved, will also be key in reducing these costs.

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 positions 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 except for State assessments for financial processing and insurance, the Department's appropriation is entirely dedicated to funding its 38 positions. There is minimal operating support ($39,000 in FY2007) provided to the 14 local sheriff offices. Consequently, the Department uses position vacancies to absorb any under funding of year-to-year pay act. The Sheriffs are as efficient as possible in the transport program to maximize the possibility for carry forward. Carry forward can be utilized, as it has in recent years, to fill in any potential funding shortfall.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	2,632,717	2,752,546	2,853,402	2,780,590
Operating Expenses	304,423	296,110	350,748	309,244
TOTAL	2,937,140	3,048,656	3,204,150	3,089,834
FUND TYPE				
General Fund	2,374,735	2,478,417	2,614,985	3,089,834
Transportation Fund	562,405	570,239	589,165	0
TOTAL	2,937,140	3,048,656	3,204,150	3,089,834

Department Mission Statement

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

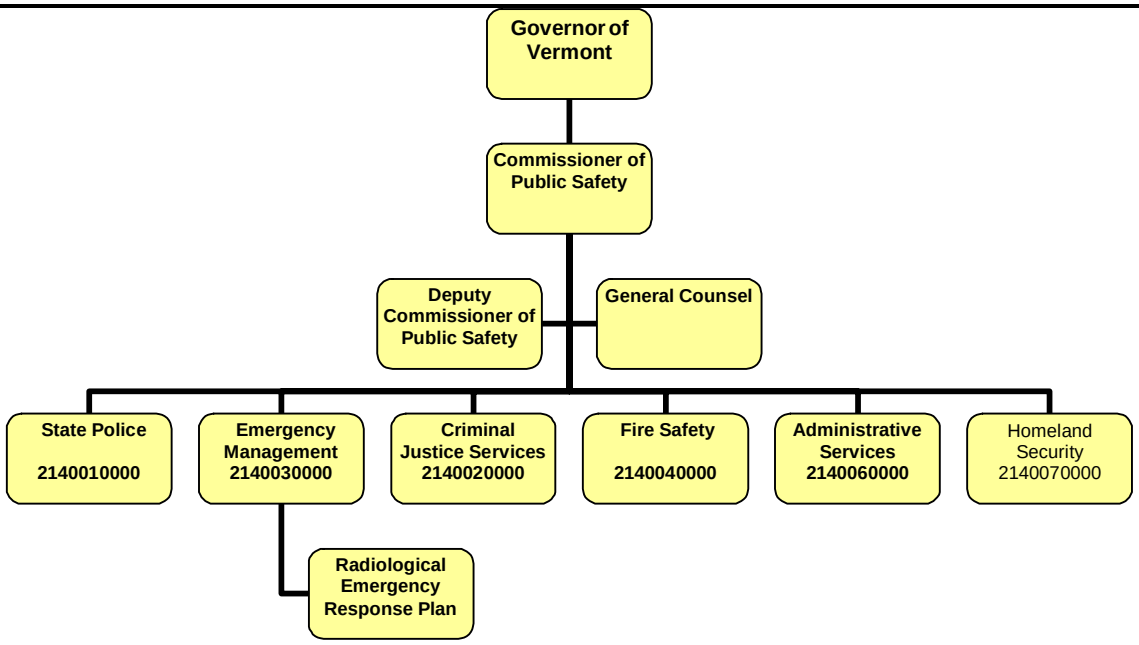
CREATION OF THE DEPARTMENT

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

Description of Appropriations, Divisions, & Programs

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

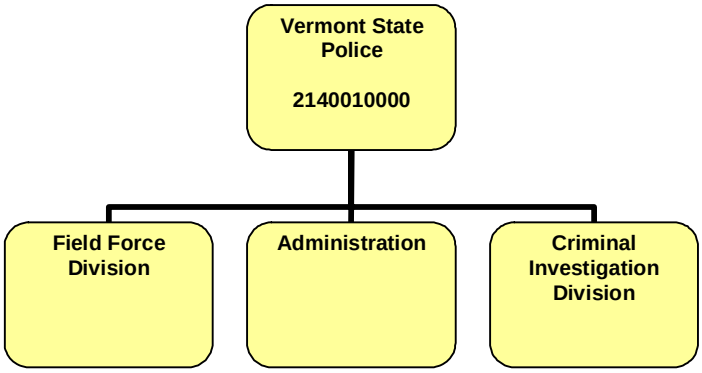
STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Public Safety



DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
State Police	486	465	465	43,892,916	44,292,881	44,977,147	44,995,162
Criminal Justice Services	67	69	69	9,482,532	12,488,487	12,525,892	10,512,216
Emergency Management	13	14	14	2,449,118	2,658,230	2,428,890	2,481,963
Fire Safety	45	50	53	2,098,533	4,456,272	4,799,198	4,721,483
Administration	23	25	25	1,279,295	1,577,753	1,620,451	1,884,255
Homeland Security	9	9	9	18,506,949	13,597,582	13,615,082	20,860,724
Radiological Emergency Response Program	7	9	9	917,284	1,315,347	1,315,347	1,574,687
TOTAL	650	640	643	78,626,627	80,386,552	81,282,007	87,030,490
FUND TYPE							
General Fund				18,633,746	20,166,453	21,104,702	6,950,447
Transportation Fund				22,747,314	22,801,328	22,758,534	38,221,563
Special Fund				7,744,063	9,790,832	9,790,832	10,034,510
Federal Revenue Fund				27,776,070	26,264,750	26,264,750	30,664,441
Interdepartmental Transfer				1,725,434	1,363,189	1,363,189	1,159,529
TOTAL				78,626,627	80,386,552	81,282,007	87,030,490

Appropriation Key Budget Issues



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 states 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.

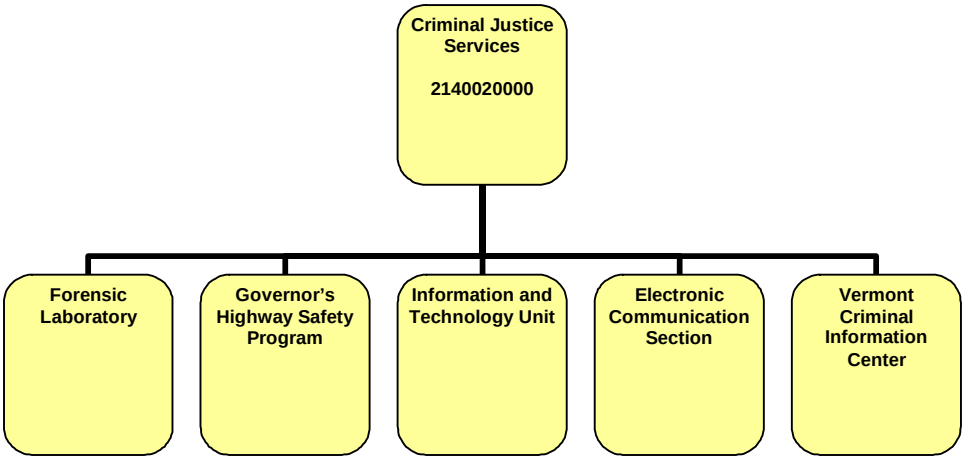
The Criminal Division consists of 71 sworn members and is divided into two units, the Bureau of Criminal Investigation (BCI) and the Special Investigations Unit (SIU). The Bureau of Criminal Investigations investigates all major crimes that are brought to their attention. Their primary focus is on death 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 which is divided into two "undercover" units (North and South) along with a street level unit dedicated to combat heroin trafficking (Heroin Enforcement Action Team) "HEAT". The 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 to the Governor. Members of the Protective Services Unit also evaluate threats that are made against the Governor and initiate threat investigations. The Polygraph Unit provides both criminal and applicant polygraph examinations for all Vermont law enforcement agencies, States Attorneys, the Attorney General and the Defender General.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	35,948,485	36,221,326	36,760,008	37,651,431
Operating Expenses	6,167,054	6,312,008	6,457,592	5,707,781
Grants	1,777,377	1,759,547	1,759,547	1,635,950
TOTAL	43,892,916	44,292,881	44,977,147	44,995,162
FUND TYPE				
General Fund	16,268,861	17,363,005	18,072,322	3,157,383
Transportation Fund	18,469,311	18,555,988	18,530,937	33,834,555
Special Fund	4,335,450	3,369,661	3,369,661	3,293,766
Federal Revenue Fund	4,053,127	4,458,538	4,458,538	4,156,802
Interdepartmental Transfer	766,167	545,689	545,689	552,656
TOTAL	43,892,916	44,292,881	44,977,147	44,995,162

Appropriation Key Budget Issues

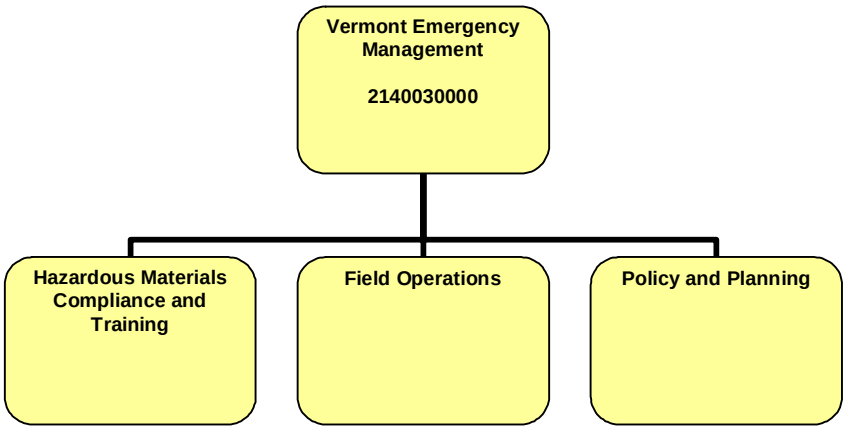


Criminal Justice Services, headed by a civilian Executive Director, is responsible for providing system support to a variety of state, county and local criminal justice agencies. Evidence analysis is available from the Vermont Forensics Laboratory serving all law enforcement agencies in Vermont. The Vermont 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. The electronic communication unit manages the two way radio system for the Vermont State Police and other State agencies along with the States digital microwave network. The Information and Technology Unit operates a wide area network that provides a system of services to over 1800 users both at the state, county and municipal level These services are mission critical information technology applications for the effective and efficient support of law enforcement services throughout the state. The Governor's Highway Safety Program offers funding to state and local jurisdictions designed to reduce the incidence of death, injury and property damage on Vermont's highways.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	4,967,773	4,933,617	4,970,847	5,925,379
Operating Expenses	2,449,605	3,585,670	3,585,845	2,404,337
Grants	2,065,154	3,969,200	3,969,200	2,182,500
TOTAL	9,482,532	12,488,487	12,525,892	10,512,216
FUND TYPE				
General Fund	202,281	280,000	362,935	760,000
Transportation Fund	4,147,343	4,100,407	4,054,877	4,323,039
Special Fund	1,187,004	1,256,685	1,256,685	1,322,337
Federal Revenue Fund	3,368,804	6,272,395	6,272,395	3,678,817
Interdepartmental Transfer	577,100	579,000	579,000	428,023
TOTAL	9,482,532	12,488,487	12,525,892	10,512,216

Appropriation Key Budget Issues



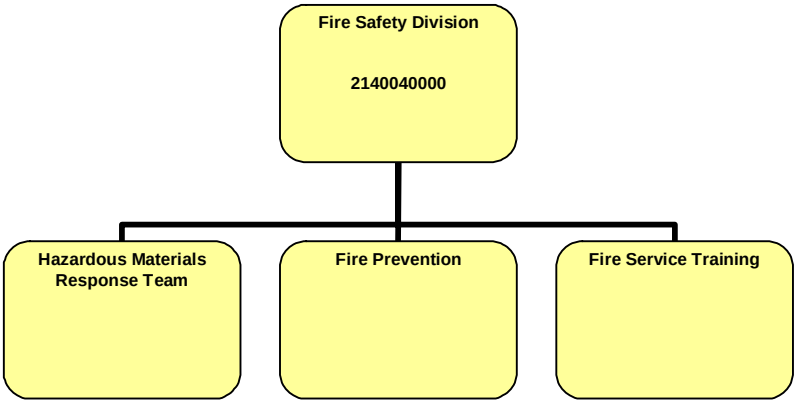
Vermont Emergency Management (VEM) is organized to ensure that Vermont is prepared to respond to emergencies, recover from them and mitigate their impacts. With authority derived from Title 20, VSA, VEM leads the coordination of Federal, State and local resources in disaster response and recovery. With a professional staff of seventeen, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness (nuclear power plant), hazardous materials compliance, response and disaster prevention planning and mitigation. In addition, VEM staffs the state warning point, 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.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Emergency Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,228,124	1,495,775	1,330,889	1,301,165
Operating Expenses	533,358	532,443	467,989	459,748
Grants	687,636	630,012	630,012	721,050
TOTAL	2,449,118	2,658,230	2,428,890	2,481,963
FUND TYPE				
General Fund	131	0	0	0
Transportation Fund	11,587	63,969	91,756	63,969
Special Fund	147,567	367,903	110,776	97,957
Federal Revenue Fund	2,203,287	2,223,858	2,223,858	2,320,037
Interdepartmental Transfer	86,546	2,500	2,500	0
TOTAL	2,449,118	2,658,230	2,428,890	2,481,963

Appropriation Key Budget Issues



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

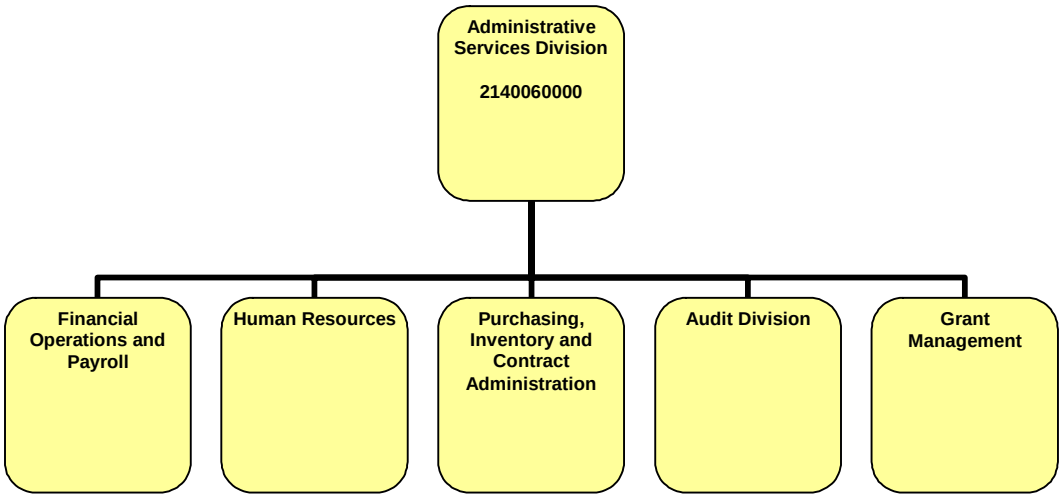
appointed by and reports to the Director of the Fire Safety Division.
.
Fire Service Training oversees the operations of the Vermont Fire Academy that is located at the Emergency Services Training Facility in Pittsford, VT. The Vermont Fire Academy has a full time staff of eight positions and is responsible 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.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,397,733	3,356,644	3,524,144	3,743,689
Operating Expenses	646,619	1,099,628	1,275,054	929,794
Grants	54,181	0	0	48,000
TOTAL	2,098,533	4,456,272	4,799,198	4,721,483
FUND TYPE				
General Fund	474,295	582,688	668,487	713,652
Transportation Fund	111,708	80,964	80,964	0
Special Fund	1,180,692	3,481,236	3,738,363	3,738,363
Federal Revenue Fund	46,791	92,384	92,384	91,068
Interdepartmental Transfer	285,047	219,000	219,000	178,400
TOTAL	2,098,533	4,456,272	4,799,198	4,721,483

Appropriation Key Budget Issues



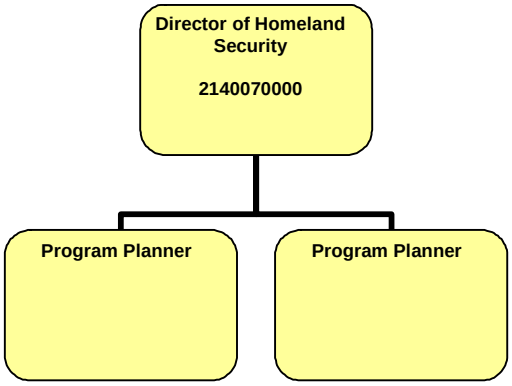
Administrative Services provides a full range of financial services, payroll administration, human resource services, and purchasing and inventory support for all Public Safety divisions and the Criminal Justice Training Council. Bill paying, purchasing administration and payroll and personnel activities are all managed through a central office operation consisting of sixteen positions at the department headquarters in Waterbury. A division of Audit provides financial monitoring and outreach to sub recipients and review of internal procedures and fiscal controls. Grant Management is responsible for monitoring the departmant's various Federal revenue sources and related programs. The objective is to keep managers and staff informed as to the availability and application of Federal resources and review issues of cost allowability to sensure optimum utilization of federal grant funds. Recommendations are prepared for the departments' executive staff on funding opportunities that would enhance and improve the the various business activities of the department through a coordinated grants management program.

Administrative Services summary budget request FY 2007, major object of expenditure. All funds are General Fund in this appropriation.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,226,092	1,502,205	1,544,903	1,721,312
Operating Expenses	53,203	27,548	27,548	162,943
Grants	0	48,000	48,000	0
TOTAL	1,279,295	1,577,753	1,620,451	1,884,255
FUND TYPE				
General Fund	1,274,924	1,577,753	1,620,451	1,884,255
Transportation Fund	4,371	0	0	0
TOTAL	1,279,295	1,577,753	1,620,451	1,884,255

Appropriation Key Budget Issues



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, an administrative assistant and currently employees 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. 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 Commission's and 13 Local Emergency Planning Commission' 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, has partnership in 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

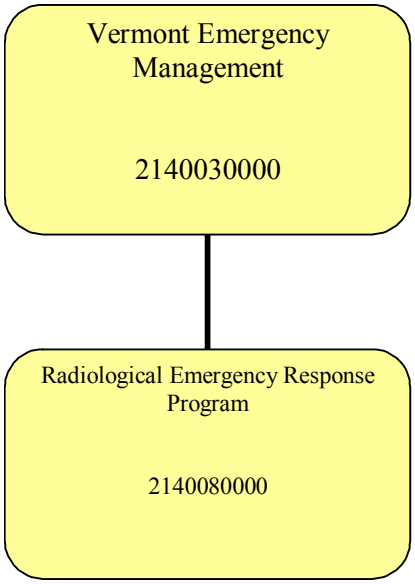
training programs through the Vermont Police and Fire Academies. The HSU has facilitated grant funding to these Academies in excess of $1,000.000 to ensure that all Vermont first responders receive the training required to be able to detect, deter and respond to terrorist events.

d. Manage and administer federal homeland security grants - Since 1999, the Vermont has received approximately 54 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.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,354,443	851,441	868,941	1,517,922
Operating Expenses	2,313,814	974,324	974,324	4,504,102
Grants	14,838,692	11,771,817	11,771,817	14,838,700
TOTAL	18,506,949	13,597,582	13,615,082	20,860,724
FUND TYPE				
General Fund	387,140	363,007	380,507	435,157
Transportation Fund	554	0	0	0
Special Fund	6,398	0	0	7,400
Federal Revenue Fund	18,102,283	13,217,575	13,217,575	20,417,717
Interdepartmental Transfer	10,574	17,000	17,000	450
TOTAL	18,506,949	13,597,582	13,615,082	20,860,724

Appropriation Key Budget Issues



RADIOLOGICAL EMERGENCY RESPONSE PROGRAM

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

Planning: The program is responsible for reviewing, revising and distributing over 100 emergency response plans for a response to an incident at Vermont Yankee Nuclear Power Station in Vernon, Vermont. Additionally the program is involved in response planning for an incident at the nuclear fuel storage site at Yankee Rowe in Rowe, Massachusetts.
Training: Develops and conducts training for staff and emergency workers at various facilities and teams.
Coordination: Ensuring that the plans and training enable the various facilities and teams to work as a cohesive system.

Resource Allocation: Provides funding for communities, organizations, and State agencies to assist them in being prepared for an incident.
Preparedness: Conducts tests, drills, inventories, readiness checks, etc., to ensure that facilities and equipment are prepared for an incident
Administration: Provides financial management, support services and logistics to participant organizations.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	452,184	548,205	548,205	668,637
Operating Expenses	189,193	271,030	271,030	257,312
Grants	275,907	496,112	496,112	648,738
TOTAL	917,284	1,315,347	1,315,347	1,574,687
FUND TYPE				
General Fund	26,114	0	0	0
Transportation Fund	2,440	0	0	0
Special Fund	886,952	1,315,347	1,315,347	1,574,687
Federal Revenue Fund	1,778	0	0	0
TOTAL	917,284	1,315,347	1,315,347	1,574,687

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

The market of the Military Department is, quite literally, the entire population of the State of Vermont. 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 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 assists Veterans and Guardsmen/Reservists returning from overseas deployments in applying for Veterans Benefits, 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.

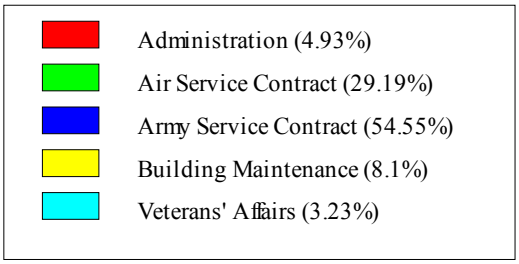
Since FY 1994, the Military Department has administered Starbase, a 100% federally funded program targeting students in grades four through six with hands-on curriculum of science, math, and technology. Over 7,000 students have been served by the program. Students attend a five-day session held at the 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 in 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 $1,000,000.

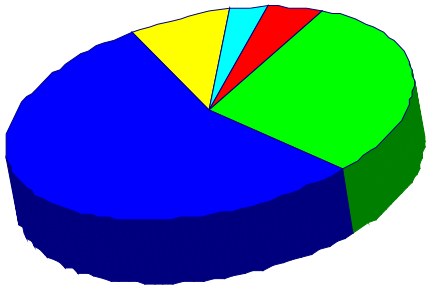
The Military Department continues to operate these programs even as over 1,000 soldiers (many are state employees of this Department) have been deployed for overseas duty in the Global War on Terror.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Military

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration	7	7	7	774,666	802,781	797,846	826,464
Air Service Contract	57	57	57	4,139,407	4,676,576	4,854,846	4,891,020
Army Service Contract	30	30	30	6,840,958	8,472,152	8,487,442	9,141,994
Building Maintenance	21	21	21	1,360,905	1,267,472	1,295,862	1,357,380
Veterans' Affairs	4	4	40	412,578	476,221	485,876	540,596
TOTAL	118	118	118	13,528,514	15,695,202	15,921,872	16,757,454
FUND TYPE							
General Fund				2,939,377	2,979,602	3,054,800	3,174,644
Special Fund				74,290	0	0	0
Federal Revenue Fund				10,490,859	12,715,600	12,867,072	13,582,810
Interdepartmental Transfer				23,988	0	0	0
TOTAL				13,528,514	15,695,202	15,921,872	16,757,454





APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	420,231	450,746	445,811	475,193
Operating Expenses	156,476	152,035	152,035	151,271
Grants	197,959	200,000	200,000	200,000
TOTAL	774,666	802,781	797,846	826,464
FUND TYPE				
General Fund	774,666	802,781	797,846	826,464
TOTAL	774,666	802,781	797,846	826,464

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Air Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,253,136	3,838,895	3,836,621	4,015,783
Operating Expenses	886,271	837,681	1,018,225	875,237
TOTAL	4,139,407	4,676,576	4,854,846	4,891,020
FUND TYPE				
General Fund	363,886	322,658	365,520	339,579
Federal Revenue Fund	3,775,521	4,353,918	4,489,326	4,551,441
TOTAL	4,139,407	4,676,576	4,854,846	4,891,020

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Army Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,783,275	2,692,018	2,707,308	3,361,860
Operating Expenses	4,057,683	5,780,134	5,780,134	5,780,134
TOTAL	6,840,958	8,472,152	8,487,442	9,141,994
FUND TYPE				
General Fund	125,620	110,470	109,696	110,625
Federal Revenue Fund	6,715,338	8,361,682	8,377,746	9,031,369
TOTAL	6,840,958	8,472,152	8,487,442	9,141,994

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	874,003	883,960	894,504	915,455
Operating Expenses	486,902	383,512	401,358	441,925
TOTAL	1,360,905	1,267,472	1,295,862	1,357,380
FUND TYPE				
General Fund	1,307,627	1,267,472	1,295,862	1,357,380
Special Fund	29,290	0	0	0
Interdepartmental Transfer	23,988	0	0	0
TOTAL	1,360,905	1,267,472	1,295,862	1,357,380

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Veterans' Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	234,347	246,316	255,971	265,466
Operating Expenses	177,701	108,740	108,740	107,315
Grants	530	121,165	121,165	167,815
TOTAL	412,578	476,221	485,876	540,596
FUND TYPE				
General Fund	367,578	476,221	485,876	540,596
Special Fund	45,000	0	0	0
TOTAL	412,578	476,221	485,876	540,596

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 Restitution Unit that was created in FY 2004. In addition, the Center has been charged with the administration of several state and federal grant programs whose funds are intended to expand the provision of services to victims of crime.

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. 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 new claims each year. In addition, claims from previous years often remain open for several years due to the on-going needs of crime victims for counseling and support throughout the recovery process. 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. $710,380 has been budgeted in FY 2007 for payment of these claims.

The Victim Assistance Program is funded through the Center's General Fund Appropriation and Federal VOCA funds 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. A full-time coordinator position on the Center's staff is charged with providing the supervision and technical assistance necessary to ensure that the advocates continue to perform their duties effectively. $478,925 has been budgeted from VOCA and $680,322 is from state funds in FY 2007 for the Victim Assistance Program.

The Restitution Unit, established by Act 57 and passed by the Legislature in FY 2003, was charged

with improving the system of ordering and collecting restitution owed to victims by criminal offenders. A 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 on July 1, 2004. The Restitution Unit paid out to victims $1,439,797 in restitution payments that were court-ordered after July 1, 2004 and an additional $306,497 for Restitution collected from cases ordered prior to July 1, 2004. The Unit will continue to work to collect these obligations from offenders in order to replenish the Fund. $32,482 is budgeted to reimburse the compensation fund for claims paid in behalf of victims. In FY 2007 a total of $2,200,000 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.

Federal Grant Programs:

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, SafeSpace of Burlington, Vermont Center for the Deaf & Hard of Hearing, Child Advocacy Centers, the Victim Assistance Program and the sixteen member programs of the Vermont Network Against Domestic and Sexual Violence provide these services. In FY 2007, $478,925 goes to the Victim Assistance Program and $787,450 to all other programs for a total of $1,266,375 in federal funds.

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 2007, $854,100 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 2007, $718,175 in federal funds is budgeted.

Rural Domestic Violence and Child Victimization Grant federal funds funds are aimed at reducing the obstacles that prevent battered women and their children in isolated rural areas from accessing needed services. In FY 2007, $413,885 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 2007, $356,187 in federal funds is budgeted.

State Grant Programs:

State Domestic Violence and Sexual Assault Funds are passed through to the 16 member programs of the Vermont Network Against Domestic and Sexual Violence to enable them to provide direct service to victims of domestic and sexual violence. In FY 2007, $867,259 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 2007, $100,000 is budgeted for this grant program.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Center for Crime Victims' Services	0	0	0	9,304,600	8,681,344	9,393,844	9,580,728
TOTAL	0	0	0	9,304,600	8,681,344	9,393,844	9,580,728
FUND TYPE							
General Fund				963,878	1,018,644	1,018,644	1,085,253
Special Fund				4,143,035	3,541,155	4,253,655	4,411,155
Federal Revenue Fund				4,135,392	4,058,345	4,058,345	4,021,120
Interdepartmental Transfer				62,295	63,200	63,200	63,200
TOTAL				9,304,600	8,681,344	9,393,844	9,580,728

Appropriation Key Budget Issues

FY 2007 Budget Issues

In FY 2007, the General Fund appropriation has a 6.54% increase. This increase reflects a 10% or $78,842 increase to the 16 domestic and sexual violence programs of the Vermont Network Against Domestic and Sexual Violence (Network). The total allocation to the Network programs is $867,259. The Center's total FY 2007 General Fund appropriation is $1,085,253.

Effective July 1, 2005, the Center received a $1.00 increase in the surcharge on criminal fees and fines that is deposited into the special Victim Compensation Fund which funds the Victim Compensation Program, the Center and part of the Victim Assistance Program. The FY 2007 budget increases the Compensation Special Fund appropriation by $120,000 to reflect this increase in revenue. This spending authority is needed to accommodate the rising cost of compensation claims and the increased cost of salary and benefits associated with the Center and the Victim Assistance Program. Without this adjustment, the Center would be forced to cut 1.5 FTE positions.

The FY 2007 budget has an increase of $750,000 for the Restitution Unit which is funded through the Restitution Special Fund. Of this amount, $675,000 reflects the amount of money the unit anticipates it will collect from offenders under the old system which is then paid out to victims. The original Restitution Unit appropriation did not account for collecting money under the old system and in the Center had to ask for excess receipts from the administration in FY 2005 as a result. The remaining $75,000 is for personal services and operating expenses for 1 FTE position with the Restitution Unit.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

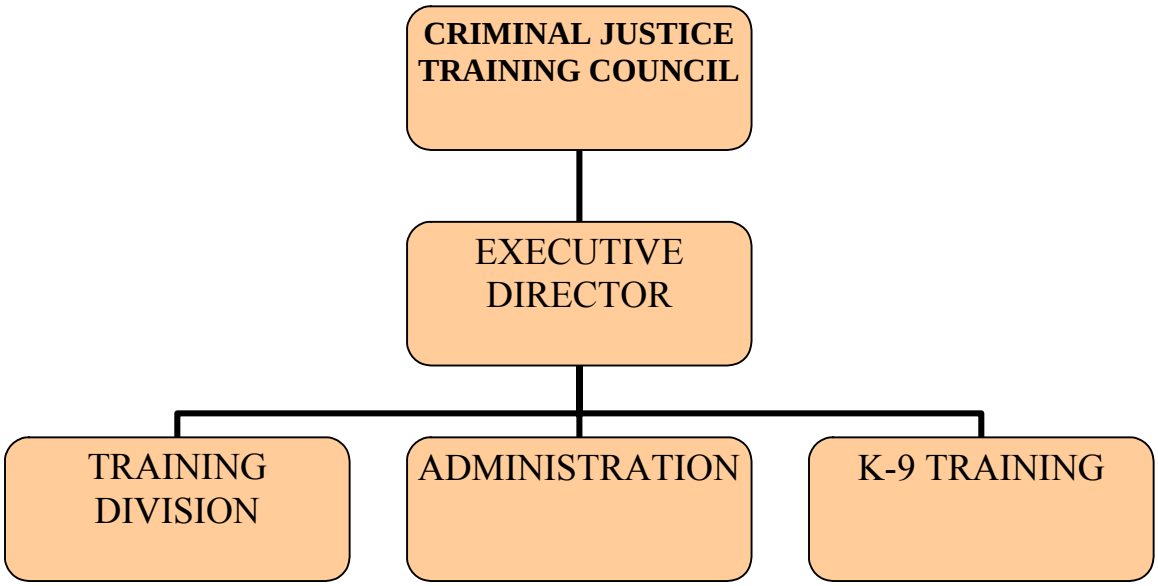
APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,084,733	1,035,455	1,055,350	1,159,459
Operating Expenses	268,094	220,612	238,217	287,068
Grants	7,951,773	7,425,277	8,100,277	8,134,201
TOTAL	9,304,600	8,681,344	9,393,844	9,580,728
FUND TYPE				
General Fund	963,878	1,018,644	1,018,644	1,085,253
Special Fund	4,143,035	3,541,155	4,253,655	4,411,155
Federal Revenue Fund	4,135,392	4,058,345	4,058,345	4,021,120
Interdepartmental Transfer	62,295	63,200	63,200	63,200
TOTAL	9,304,600	8,681,344	9,393,844	9,580,728

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, 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.

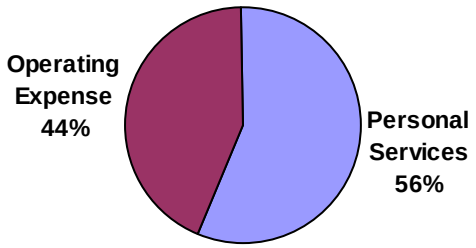
The Council also cooperates with various community organizations by offering the facility for student seminars, recreation events and leadership classes. Additionally, the Academy houses four youth programs geared to a future in law enforcement or firefighting.

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 assessment 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.

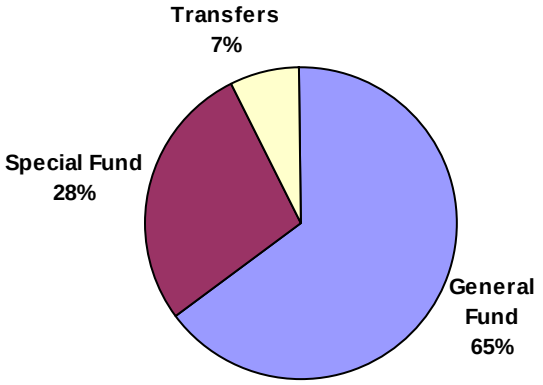
The Academy works closely with all police departments in the state in areas of recruiting and retention as well as providing audiovisual programs the recruiters can use away from their department. Every three weeks, an entrance test is administered to potential students who are selected by departments. 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.

CRIMINAL JUSTICE TRAINING COUNCIL FY 2007
BUDGET BY MAJOR OBJECT



CRIMINAL JUSTICE TRAINING COUNCIL FY
2007 BUDGET BY FUND SOURCE



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Criminal Justice Training Council	10	11	11	1,499,687	1,754,604	1,762,146	1,792,828
TOTAL	10	11	11	1,499,687	1,754,604	1,762,146	1,792,828
FUND TYPE							
General Fund				654,442	902,250	908,418	1,156,978
Transportation Fund				279,677	281,919	283,293	0
Special Fund				379,334	500,435	500,435	505,452
Federal Revenue Fund				30,000	0	0	0
Interdepartmental Transfer				156,234	70,000	70,000	130,398
TOTAL				1,499,687	1,754,604	1,762,146	1,792,828

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	773,180	873,949	881,491	992,217
Operating Expenses	696,507	880,655	880,655	800,611
Grants	30,000	0	0	0
TOTAL	1,499,687	1,754,604	1,762,146	1,792,828
FUND TYPE				
General Fund	654,442	902,250	908,418	1,156,978
Transportation Fund	279,677	281,919	283,293	0
Special Fund	379,334	500,435	500,435	505,452
Federal Revenue Fund	30,000	0	0	0
Interdepartmental Transfer	156,234	70,000	70,000	130,398
TOTAL	1,499,687	1,754,604	1,762,146	1,792,828

Department 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

The Agency continues its 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 resources continue to be directed to Clean and Clear in the proposed FY07 budget.

The Administration Division provides oversight and direction for the entire 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 business functions as part of the Strategic Enterprise Initiative.

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

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

The Agricultural Resource Management and Environmental Stewardship Division:

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 with funding from several sources including the 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.

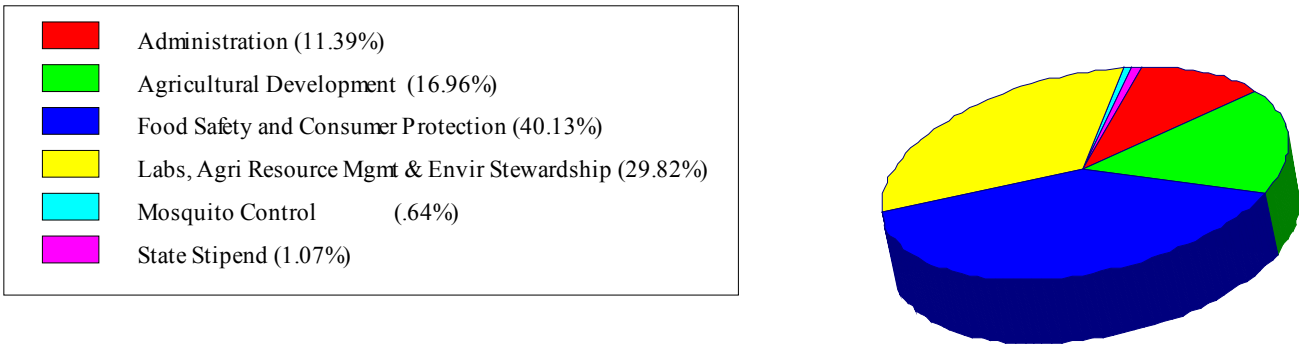
The Stipend Program makes awards to agricultural fairs and field days to encourage agricultural events.

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration	12	12	12	1,581,080	1,673,368	1,736,103	1,598,025
Food Safety and Consumer Protection	34	35	36	5,110,286	5,543,951	5,658,730	5,631,718
Agricultural Development	10	10	11	1,931,931	2,370,175	2,442,429	2,379,614
Labs, Agri Resource Mgmt & Envir Stewardship	37	39	39	3,037,865	4,173,652	4,550,845	4,184,740
State Stipend	0	0	0	175,000	175,000	225,000	150,000
Mosquito Control	0	0	0	42,795	90,000	90,000	90,000
TOTAL	96	96	98	11,878,957	14,026,146	14,703,107	14,034,097
FUND TYPE							
General Fund				4,047,896	5,378,593	5,788,114	5,549,719
Transportation Fund				40,287	38,862	38,862	0
Special Fund				5,969,655	6,620,879	6,642,566	6,782,673
Federal Revenue Fund				1,392,546	1,650,411	1,856,694	1,371,202
Interdepartmental Transfer				428,573	337,401	376,871	330,503
TOTAL				11,878,957	14,026,146	14,703,107	14,034,097



Appropriation Key Budget Issues

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

Continued upgrade is necessary of 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 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	818,212	880,196	942,590	855,670
Operating Expenses	414,977	451,168	451,509	446,851
Grants	347,891	342,004	342,004	295,504
TOTAL	1,581,080	1,673,368	1,736,103	1,598,025
FUND TYPE				
General Fund	1,420,695	1,406,535	1,431,394	1,341,929
Special Fund	61,634	117,216	115,622	118,940
Federal Revenue Fund	24,222	91,004	91,004	78,543
Interdepartmental Transfer	74,529	58,613	98,083	58,613
TOTAL	1,581,080	1,673,368	1,736,103	1,598,025

Appropriation Key Budget Issues

Continued development of animal identification programs and increased disease surveillance provides a necessary safety net for animal and human health.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Food Safety and Consumer Protection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,056,325	2,360,887	2,434,666	2,558,439
Operating Expenses	414,402	281,572	322,572	271,787
Grants	2,639,559	2,901,492	2,901,492	2,801,492
TOTAL	5,110,286	5,543,951	5,658,730	5,631,718
FUND TYPE				
General Fund	1,355,909	1,381,891	1,434,507	1,484,221
Transportation Fund	40,287	38,862	38,862	0
Special Fund	3,005,334	3,344,115	3,352,378	3,513,447
Federal Revenue Fund	701,834	772,083	825,983	627,050
Interdepartmental Transfer	6,922	7,000	7,000	7,000
TOTAL	5,110,286	5,543,951	5,658,730	5,631,718

Appropriation Key Budget Issues

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

On-farm jobs and farm families will be the primary focus of expanding the Farm Viability Program and moving the administration of that program to the Agency of Agriculture on July 1, 2006.

Initiatives of the Dairy Task Force will strengthen the dairy sector by increasing farmer net income, balancing and enhancing the utilization of milk, and raising public awareness of the relevance and economic importance of dairy farming in the state.

Marketing development efforts will focus on Vermont farm-based products by increasing the value of our Seal of Quality brand. In addition, a Vermont-made brand for value-added products beyond the scope of the Seal of Quality program will assist a substantial number of food and agricultural sector jobs in the state that involve processing non-Vermont ingredients.

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Agricultural Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	684,492	816,602	882,536	826,041
Operating Expenses	528,516	504,152	510,472	504,152
Grants	718,923	1,049,421	1,049,421	1,049,421
TOTAL	1,931,931	2,370,175	2,442,429	2,379,614
FUND TYPE				
General Fund	555,823	609,472	627,784	613,420
Special Fund	1,187,237	1,571,703	1,573,262	1,571,703
Federal Revenue Fund	160,903	189,000	241,383	194,491
Interdepartmental Transfer	27,968	0	0	0
TOTAL	1,931,931	2,370,175	2,442,429	2,379,614

Appropriation Key Budget Issues

Thanks to two years of significant increases in support of Clean and Clear the Agricultural Resource Management and Environmental Stewardship Division is making significant progress in regulatory oversight and technical assistance to address agricultural water quality. A one-year reduction in funding of the Conservation Reserve and Enhancement Program will allow the farming community to respond to significant improvements in the program.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Labs, Agri Resource Mgmt & Envir Stewardship

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,378,626	3,003,076	3,246,706	3,079,164
Operating Expenses	509,239	554,576	585,576	504,576
Grants	150,000	616,000	718,563	601,000
TOTAL	3,037,865	4,173,652	4,550,845	4,184,740
FUND TYPE				
General Fund	540,469	1,805,695	2,069,429	1,960,149
Special Fund	1,672,655	1,497,845	1,511,304	1,488,583
Federal Revenue Fund	505,587	598,324	698,324	471,118
Interdepartmental Transfer	319,154	271,788	271,788	264,890
TOTAL	3,037,865	4,173,652	4,550,845	4,184,740

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State Stipend

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	175,000	175,000	225,000	150,000
TOTAL	175,000	175,000	225,000	150,000
FUND TYPE				
General Fund	175,000	175,000	225,000	150,000
TOTAL	175,000	175,000	225,000	150,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Mosquito Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	0	20,000	20,000	20,000
Operating Expenses	42,795	70,000	70,000	70,000
TOTAL	42,795	90,000	90,000	90,000
FUND TYPE				
Special Fund	42,795	90,000	90,000	90,000
TOTAL	42,795	90,000	90,000	90,000

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 broker-dealer 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. The Banking, Insurance Securities and Health Care Administrative 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

BANKING DIVISION

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 maybe 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 2007, 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, Mutual Holding Companies, Licensed Lenders, Mortgage Brokers, Debt Adjusters, Sales Finance Companies, Money Transmitters, Check Cashers and Currency Exchangers.

INSURANCE DIVISION

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 FY2005, approximately 5,020 filings were acted on resulting in approximately $556,685 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.

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 FY2005, the Insurance Division completed market conduct examinations of six 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 $193,000.00 and the State has received over $50,000.00 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 1,070 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 maintenance organizations, fraternal organizations, title companies, viatical companies, HMOs, premium finance and service contract companies and continuing care retirement communities. Fee amounting to approximately $525,000 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. During 2005, the Company Licensing and Examination Section was re-accredited by The National Association of Insurance Commissioners. As a result of re-accreditation, the section's financial examinations of insurance companies are recognized by all states.

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 2005, the Section logged approximately 7,500 telephone calls for assistance, opened over 580 complaints, answered an additional 139 written inquires and recovered approximately $1 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 FY2005, the Section collected $11.1 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.

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 (called "producers" under the new law) who sell on behalf of insurers must be appointed by companies for whom they act as an agent and that those appointments are processed through the Section. The Section currently has approximately 29,900 licensees and approximately 112,200 appointments by insurers.

In addition to implementing this new law, the Producer Licensing Section completed a systems-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.

CAPTIVE INSURANCE DIVISION

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 created 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 540 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 FY2005, the Captive insurance industry paid approximately $21,250,000 in premium taxes to Vermont.

SECURITIES DIVISION

The mission of the **Securities Division** is to protect Vermont investors from fraudulent investment schemes and 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 who handles all of the payments involved in the licensing of dealers and the renewal of those licenses as well as the payments involved in the registration and renewal of investment advisors.

In FY 2004, the Division’s revenue from all sources, including fines and licensing fees, exceeded $15.7 million. FY 2004 revenues were high 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. In FY 2005, the Division's revenue from all sources was $13, 230, 671. The Division is currently pursuing other global settlements for the current fiscal year.

The Division believes that helping to create financial literacy is one of the best ways to protect Vermont investors and to promote legitimate capital formation. During FY 2005, Division staff engaged in a variety of activities designed to promote financial literacy amongst 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.

HEALTH CARE ADMINISTRATION DIVISION

The mission of the Health Care Administration Division (HCA) is to achieve an accessible, affordable, high quality health care system for all Vermonters. HCA accomplishes this mission by:

Enforcing health care and health insurance laws.

Educating the public.

Providing information and data analysis.

Advancing effective public policies.

Containing costs.

Resolving disputes.

Providing consumer services.

During the 2003 legislative session, Act 53 was passed to strengthen the health planning process by providing tools and resources to assist consumer health care decisions, fostering a dialogue between hospitals and communities, inviting public involvement in health policy planning, and streamlining the system to effectuate health care cost containment. Act 53 also required HCA to work with stakeholders to develop a Health Resource Allocation Plan (HRAP). The HRAP must "identify Vermont's need in health care services, programs, and facilities, the resources available to meet those needs, and the priorities for addressing those needs on a statewide basis." To accomplish this, the Plan had to clearly identify health care objectives and assess current health care service distribution and demand in order to make service provision more efficient. The law also significantly changed the Certificate of Need process for review of health care capital expenditures by implementing six new CON criteria adopted by the legislature and focusing on the HRAP principles and twenty-three CON Standards that provide specific guidance to applicants. The standards focus on safety, effectiveness, efficiency, patient-centeredness, timeliness, and equity of a proposed project.

HCA operates 5 primary programs to carry out regulatory responsibilities and to meet inquiries from the

legislature and the Governor. These programs utilize both staff and contractual expertise to implement and operate healthcare provider and insurance oversight, data research and analysis, consumer services, and regulatory legal/enforcement activities. The following describes the major functions that HCA performs:

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 the HRAP.

The HRAP is a four-year plan that must "identify Vermont's needs for health care services, programs, and facilities, the resources available to meet those needs, and the priorities for addressing those needs on a statewide basis." The HRAP must 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. HRAP recommendations were formulated by considering several factors:

1) A comprehensive health care services inventory,
2) The State Health Plan completed by the Vermont Department of Health,
3) Hospital community needs assessments that are intended to prioritize health care needs 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 held across the state.

HCA held a number of public meetings with the HRAP Advisory committee in 2004 and 2005. This information along with key analyses and documents are provided on the Department's web site as well. Ongoing public involvement and input was continually considered throughout the process. Upon review and completion of the HRAP in the spring of 2005, the Commissioner of the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) presented the four -year health resource allocation plan to the Governor. The Governor reviewed and finalized the HRAP in the summer of 2005 and adopted it on August 2, 2005.

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; developing a rule and planning to create a Multipayer Health Insurance Claims Database**;** 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 the 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 HCA's regulatory activities is focused on "containing or reduc[ing] increases in the cost of delivering [health care] services" and discouraging development of unnecessarily duplicative health care services while working to maintain and improve the quality of and access to health care services and promote the rational allocation of health care services in the state. In addition, improved reporting efforts are designed to help educate communities and the consumer around hospital pricing and local health service needs.

The Public Oversight Commission (POC) has a significant role in reviewing CON applications and recommending approval, approval in part, or denial to the Commissioner. HCA provides the administrative support necessary for the POC to perform its duties. The POC also reviews hospital one-year capital expenditure plans and four-year capital expenditure projections and engages in dialogue with hospitals regarding the HRAP and the health policy needs of Vermont. Specifically, HCA:

a) As required by 18 VSA 9451 et seq., establishes the Vermont hospital bud**gets** on an annual basis which determines each hospital's allowed level of expenditures, rate increase, revenues, and margin 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 and reviews other 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 is adapting to changes implemented as the HRAP and one year and four-year capital budgets are developed. This new information, along with hospital report cards, is serving to inform the HRAP and CON applications presented to HCA. Following up on the General Assembly's direction, as enunciated in Act 53, the CON review process is shifting to focusing on how specific projects relate to the long-range health improvement, cost containment, and access improvement goals of the State.

The CON program and the hospital budget program within HCA are also working more collaboratively so as to link the cost, access and quality impacts of the hospitals' operating budgets and their capital budgets. Both programs are using the HRAP's focus on factors such as the need to shift resources to chronic disease management and care that is better integrated to influence how hospitals spend their resources.

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. Rates are reviewed for compliance with various legislatively mandated standards. The standards which apply to a rate filing depend on the product and the type of entity seeking the rate approval.

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 undergo extensive Rule 10 Triennial Reviews to ensure that their policies and practices conform to 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, hospital pricing 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 were published on January 1, 2005, and contained measures related to care for people with heart attack, pneumonia and heart failure, as well as patient satisfaction data, financial health measures, and hospital price comparisons for the most common diagnosis-related groups and outpatient procedures. Extensive work is underway to add additional quality measures and improve hospital pricing information for the June 1, 2006 reports.

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. An increased focus this year is providing information and referrals to Vermonters who are in the process of enrolling in the new Medicare Part D prescription drug benefit.

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. The Program 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 25 formal Independent Panel and 35 formal external review applications in 2005 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.

ADMINISTRATION DIVISON

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, 2 Assistant General Counsel, Business Manager, Assistant Personnel Officer, Information Officer, IT Staff and the Commissioner's assistant/payroll officer and front desk receptionist.

The Governor's Health Care Reform Plan

The Governor proposes to commit $28 million to fund a comprehensive Health Care Reform Plan with the following goals: (1) Universal access to health insurance for all Vermonters, with a comprehensive, seamless subsidy system for low and moderate income uninsured Vermonters. (2) Improved quality and cost containment through long-term system improvements. (3) A healthier population through the promotion of healthy behavior and disease prevention.

BISHCA's budget includes $1.4 million to support the Governor's Health Care Reform Plan in connection with the following programs:

Improving Quality and Containing Costs through Health Care System Reform

- *$700,000 The VITL Health Information Technology project.* During the 2005 Session, the Legislature and the Governor approved the creation of the Health Information Technology

project, under the leadership of the Vermont Information Technology Leaders (VITL) and BISHCA. The project is designed to provide Vermont with a modern health care information and communications system. Two key elements of the project include the development of a patient-centered health information technology plan and the implementation of an electronic medical records system. Beginning in July 2006, a pilot project involving at least two hospitals will start. Additional resources for VITL will remove existing barriers to comprehensive implementation of this project.

- *$200,000 - Personal Health Screening.* VITL will be asked to explore the potential for a patient-centered health screening tool within an electronic patient medical records system.
- *$300,000 - Multi-Payer Data Collection.* BISHCA has been charged with developing a system for collecting health care data from public and private health insurance plans, and from hospitals, doctors and other health care providers. Additional funding for program development and start up will help to create a comprehensive, population-based information system, enabling all participants in Vermont's health care system to improve the quality and cost-effectiveness of the delivery system, and to restructure the provider payment system for Medicaid and other health insurers.

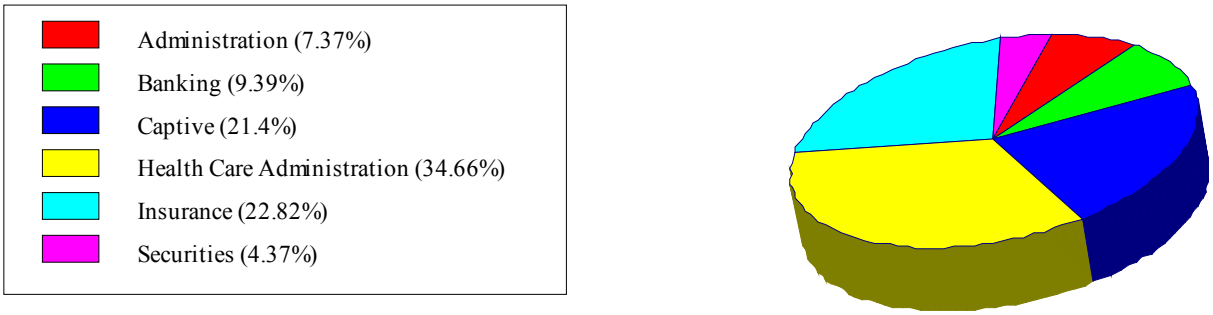
 $100,000 - Common Claims Administration. Vermonters are concerned about the complexity of the health care system, and the time and resources needed for claims administration. Hospitals and doctors are burdened with time spent on claims administration that could be directed toward direct patient care. Additional funding for the Common Claims Administration project will help to simplify and standardize the claims administration process, and thereby reduce health care administrative costs.

- $100,000 - Consumer Price and Quality Information. Patients need more and much better information about the price of health care, and the quality and outcomes of health care services in order to make wise health care choices. BISHCA will create a consumer price and quality information system, after consultation with individual and business payers, physicians, hospitals and other providers, health insurance plans, and other elements of the health care system. The system will start by assuring that consumers have good information about the cost of, and provider experience in the ten most common in-patient and out- patient procedures or services.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Banking	16	16	16	1,115,829	1,390,272	1,390,272	1,414,075
Insurance	27	27	27	2,873,322	3,547,476	3,547,476	3,437,326
Captive	24	26	28	2,637,089	2,952,733	2,952,733	3,223,609
Securities	7	6	6	606,945	649,536	649,536	657,718
Health Care Administration	21	21	24	3,329,554	3,966,847	3,963,605	5,220,898
Administration	10	11	12	836,764	970,370	970,370	1,110,630
TOTAL	105	107	113	11,399,503	13,477,234	13,473,992	15,064,256
FUND TYPE							
General Fund				489,470	469,408	466,166	1,671,857
Special Fund				10,910,033	12,907,826	12,907,826	13,322,399
Interdepartmental Transfer				0	100,000	100,000	70,000
TOTAL				11,399,503	13,477,234	13,473,992	15,064,256



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Banking

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	884,157	1,141,527	1,141,527	1,133,430
Operating Expenses	231,672	248,745	248,745	280,645
TOTAL	1,115,829	1,390,272	1,390,272	1,414,075
FUND TYPE				
Special Fund	1,115,829	1,390,272	1,390,272	1,414,075
TOTAL	1,115,829	1,390,272	1,390,272	1,414,075

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	2,379,950	3,017,341	3,017,341	2,918,926
Operating Expenses	493,372	530,135	530,135	518,400
TOTAL	2,873,322	3,547,476	3,547,476	3,437,326
FUND TYPE				
Special Fund	2,873,322	3,547,476	3,547,476	3,437,326
TOTAL	2,873,322	3,547,476	3,547,476	3,437,326

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,221,985	2,565,519	2,565,519	2,785,349
Operating Expenses	415,104	387,214	387,214	438,260
TOTAL	2,637,089	2,952,733	2,952,733	3,223,609
FUND TYPE				
Special Fund	2,637,089	2,952,733	2,952,733	3,223,609
TOTAL	2,637,089	2,952,733	2,952,733	3,223,609

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	502,273	519,436	519,436	524,668
Operating Expenses	104,672	130,100	130,100	133,050
TOTAL	606,945	649,536	649,536	657,718
FUND TYPE				
Special Fund	606,945	649,536	649,536	657,718
TOTAL	606,945	649,536	649,536	657,718

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	2,964,313	3,609,269	3,606,027	4,841,080
Operating Expenses	365,241	357,578	357,578	379,818
TOTAL	3,329,554	3,966,847	3,963,605	5,220,898
FUND TYPE				
General Fund	488,887	469,408	466,166	1,671,857
Special Fund	2,840,667	3,397,439	3,397,439	3,479,041
Interdepartmental Transfer	0	100,000	100,000	70,000
TOTAL	3,329,554	3,966,847	3,963,605	5,220,898

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	814,112	922,370	922,370	1,059,213
Operating Expenses	22,652	48,000	48,000	51,417
TOTAL	836,764	970,370	970,370	1,110,630
FUND TYPE				
General Fund	583	0	0	0
Special Fund	836,181	970,370	970,370	1,110,630
TOTAL	836,764	970,370	970,370	1,110,630

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; to facilitate commerce in Vermont; and to 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 provides 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. Through its web pages, the office seeks to increase opportunities for business to register and file, and for the public to search for information.

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

OFFICE OF PROFESSIONAL REGULATION
The Office of Professional Regulation within the Office of the Secretary of State serves approximately 40 professions and 40,000 licensees by providing administrative, investigative and legal assistance. The mission of the Office of Professional Regulation is to protect the public from unethical, incompetent or otherwise unprofessional behavior by licensed practitioners in the professions and occupations that are regulated through the Office; to protect the public from practitioners in these fields who are unauthorized to practice; and to ensure equity in licensing, regulation and discipline by fairly and responsibly administering the rules and statutes pertaining to these professions and occupations.

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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Secretary of State

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Secretary of State	51	53	53	4,776,741	6,349,705	6,695,133	6,481,578
TOTAL	51	53	53	4,776,741	6,349,705	6,695,133	6,481,578
FUND TYPE							
General Fund				831,615	583,283	870,154	586,693
Special Fund				3,601,334	3,691,422	3,718,540	3,819,885
Federal Revenue Fund				268,792	2,000,000	2,031,439	2,000,000
Interdepartmental Transfer				75,000	75,000	75,000	75,000
TOTAL				4,776,741	6,349,705	6,695,133	6,481,578

Appropriation Key Budget Issues

Federal spending for requirements of the Help America Vote Act (HAVA) is budgeted at $2,000,000 in FY 2007.

APA proposed rule publication costs are level funded in FY 2007. 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 2007 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	3,310,240	3,603,036	3,782,080	4,040,135
Operating Expenses	1,302,393	2,746,669	2,905,584	1,341,443
Grants	164,108	0	7,469	1,100,000
TOTAL	4,776,741	6,349,705	6,695,133	6,481,578
FUND TYPE				
General Fund	831,615	583,283	870,154	586,693
Special Fund	3,601,334	3,691,422	3,718,540	3,819,885
Federal Revenue Fund	268,792	2,000,000	2,031,439	2,000,000
Interdepartmental Transfer	75,000	75,000	75,000	75,000
TOTAL	4,776,741	6,349,705	6,695,133	6,481,578

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.

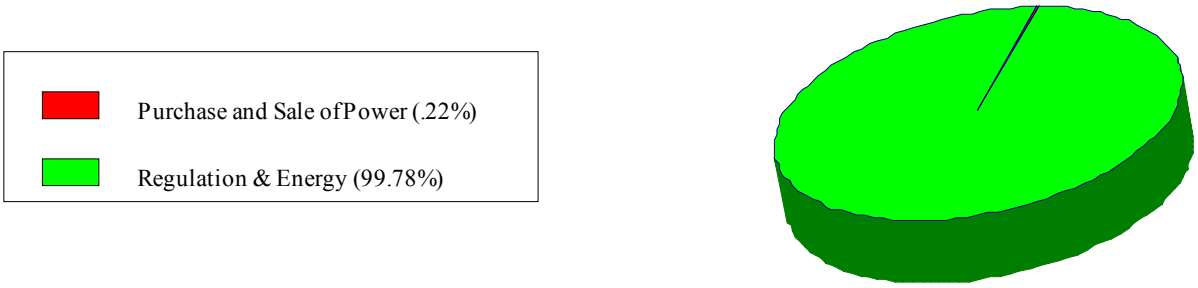
Monitoring of Non-Regulated Fuels. The Department monitors and reports non-regulated fuel prices and supplies statewide. This information is summarized and distributed in a monthly publication, "Vermont Fuel Price Report." Key issues and trends are identified and actions are recommended when appropriate 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 2007 BUDGET RECOMMENDATIONS
Public Service Department

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Regulation & Energy	42	42	42	4,937,028	5,896,235	5,896,235	6,022,263
Purchase and Sale of Power	0	0	0	27,518	12,815	12,815	13,402
TOTAL	42	42	42	4,964,546	5,909,050	5,909,050	6,035,665
FUND TYPE							
Special Fund				4,145,707	4,726,250	4,726,250	4,842,865
Federal Revenue Fund				796,495	1,157,800	1,157,800	1,157,800
Interdepartmental Transfer				22,344	25,000	25,000	35,000
TOTAL				4,964,546	5,909,050	5,909,050	6,035,665



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	4,063,893	4,464,769	4,456,769	4,547,379
Operating Expenses	495,357	631,466	639,466	674,884
Grants	377,778	800,000	800,000	800,000
TOTAL	4,937,028	5,896,235	5,896,235	6,022,263
FUND TYPE				
Special Fund	4,118,189	4,713,435	4,713,435	4,829,463
Federal Revenue Fund	796,495	1,157,800	1,157,800	1,157,800
Interdepartmental Transfer	22,344	25,000	25,000	35,000
TOTAL	4,937,028	5,896,235	5,896,235	6,022,263

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Purchase and Sale of Power

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	24,981	10,600	10,600	11,886
Operating Expenses	2,537	2,215	2,215	1,516
TOTAL	27,518	12,815	12,815	13,402
FUND TYPE				
Special Fund	27,518	12,815	12,815	13,402
TOTAL	27,518	12,815	12,815	13,402

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 2007 BUDGET RECOMMENDATIONS
Public Service Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Public Service Board	27	27	27	2,621,454	2,690,294	2,690,294	2,757,097
TOTAL	27	27	27	2,621,454	2,690,294	2,690,294	2,757,097
FUND TYPE							
Special Fund				2,621,454	2,690,294	2,690,294	2,757,097
TOTAL				2,621,454	2,690,294	2,690,294	2,757,097

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Public Service Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,334,541	2,380,294	2,380,294	2,447,097
Operating Expenses	286,913	310,000	310,000	310,000
TOTAL	2,621,454	2,690,294	2,690,294	2,757,097
FUND TYPE				
Special Fund	2,621,454	2,690,294	2,690,294	2,757,097
TOTAL	2,621,454	2,690,294	2,690,294	2,757,097

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 state wide 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 2007 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Enhanced 9-1-1 Board	10	10	11	2,188,464	2,417,588	2,417,588	2,478,194
TOTAL	10	10	11	2,188,464	2,417,588	2,417,588	2,478,194
FUND TYPE							
General Fund				127	0	0	0
Special Fund				2,188,337	2,417,588	2,417,588	2,478,194
TOTAL				2,188,464	2,417,588	2,417,588	2,478,194

Appropriation Key Budget Issues

Key components of the current E9-1-1 system in Vermont have reached "end of life" and are no longer fully supported by our system provider. With the changes in telecommunications technology, we have reached a point where it is necessary to bid for a new E9-1-1 System. A Request for Proposal for a significant revision or replacement of the Enhanced 9-1-1 operating system will be released in early 2006. The costs associated with a new operating system are unknown. Availability of prior year E9-1-1 carry forward funds and the potential to use equipment revolving fund monies should cover any additional expenses involved with an operating system revision or replacement.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,859,166	2,020,257	2,020,257	2,106,208
Operating Expenses	329,298	397,331	397,331	371,986
TOTAL	2,188,464	2,417,588	2,417,588	2,478,194
FUND TYPE				
General Fund	127	0	0	0
Special Fund	2,188,337	2,417,588	2,417,588	2,478,194
TOTAL	2,188,464	2,417,588	2,417,588	2,478,194

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 2007 BUDGET RECOMMENDATIONS
Vermont Racing Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Racing Commission	0	0	0	2,911	5,000	5,000	5,000
TOTAL	0	0	0	2,911	5,000	5,000	5,000
FUND TYPE							
General Fund				2,911	5,000	5,000	5,000
TOTAL				2,911	5,000	5,000	5,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Racing Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1	2,076	2,076	2,076
Operating Expenses	2,910	2,924	2,924	2,924
TOTAL	2,911	5,000	5,000	5,000
FUND TYPE				
General Fund	2,911	5,000	5,000	5,000
TOTAL	2,911	5,000	5,000	5,000

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 FY07 federal receipts total $118,657 while the Commission expects to use about $172,000 in federal funds appropriation with the remainder being withdrawn from a federal reserve fund maintained on behalf of the Commission (see discussion below).

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Human Rights Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Human Rights Commission	5	5	5	425,243	436,990	442,150	458,006
TOTAL	5	5	5	425,243	436,990	442,150	458,006
FUND TYPE							
General Fund				273,148	277,299	282,459	288,006
Federal Revenue Fund				152,095	159,691	159,691	170,000
TOTAL				425,243	436,990	442,150	458,006

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 increases in the number of charges filed over the past four years: in FY03, 80 charges were filed; in FY04, 95 charges were filed; and, in FY05, 89 charges were filed and based on current year to date data, 96 charges are projected to be filed. Present staff is challenged to keep current with the increased case filings.

A more critical budget issue is the decrease in the amount of federal funds granted to the Commission by HUD. The HUD grant during FY04 was $172,140, reduced in FY05 to $124,142 and further reduced in FY06 to $88,377 but based on increased production of completed cases for FY07, will be $118,657. This increased level of funding does not appear to be sustainable given that Congress recently passed a HUD budget with a reduction in funding for fair housing activities. In addition, this reduced pot of fair housing dollars will be distributed to an ever increasing number of fair housing assistance programs (of which the HRC is but on of over one hundred). 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 2007 BUDGET RECOMMENDATIONS
Human Rights Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	364,384	353,522	358,682	379,094
Operating Expenses	70,228	83,468	83,468	78,912
Grants	(9,369)	0	0	0
TOTAL	425,243	436,990	442,150	458,006
FUND TYPE				
General Fund	273,148	277,299	282,459	288,006
Federal Revenue Fund	152,095	159,691	159,691	170,000
TOTAL	425,243	436,990	442,150	458,006

Department Mission Statement

The Department of Liquor Control purchases, distributes, and sell distilled spirits through its agency stores; enforces Vermont's alcohol and tobacco statutes, with a strong emphasis on limiting youth access; educates licensees; and promotes responsibility. An integral part of our mission is to control the distribution of alcoholic beverages, while providing excellent customer service and effective public safety, for the general good of the state.

Description of Appropriations, Divisions, & Programs

Administration Appropriation:

The Department of Liquor Control is funded through an Enterprise Fund primarily consisting of alcohol receipts from the sale of spirituous liquor. These monies go toward the operation of both the business and regulatory functions.

The Administrative division of the department is responsible for business and retail functions. The department's objectives are to provide a controlled distribution system that removes alcoholic beverages from the private marketplace and 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.

The Liquor Control Board, Commissioner and support personnel supervise and manage the sale of spirituous liquors as well as enforce laws and regulations under V.S.A. Title 7. Supervisory staff 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.

Warehousing and Distribution Appropriation:

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.

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, 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, 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.

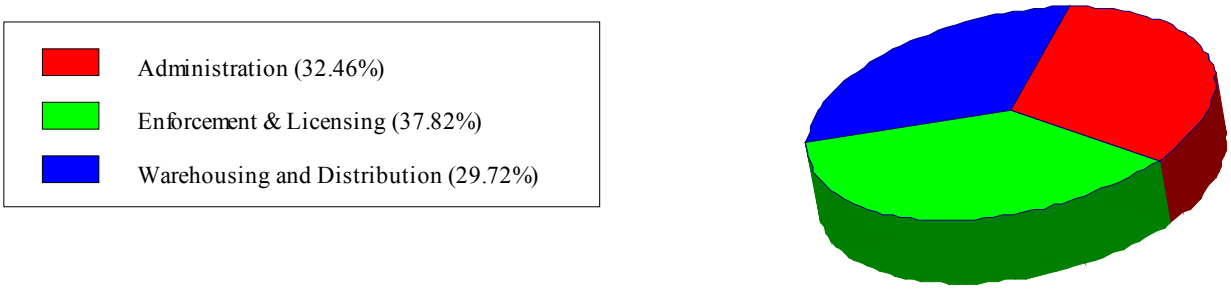
The Education Unit provides licensee server training for business owners and their employees. They also process statistical seminar activity. Their primary function is to provide mandatory server/seller training as mandated by 7 V.S.A. Sec.239(c). Tobacco compliance testing also has been mandated by 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 are now two Education Investigators and a Training Specialist working together to improve the department's educational programs. The section has been developing updated programs for licensees, as well as working 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 2007 BUDGET RECOMMENDATIONS
Liquor Control

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Enforcement & Licensing	23	24	24	1,747,381	1,713,154	1,757,477	1,951,455
Administration	19	19	19	1,501,958	1,602,675	1,621,029	1,674,730
Warehousing and Distribution	14	14	14	840,020	882,019	863,342	1,533,556
TOTAL	56	57	57	4,089,359	4,197,848	4,241,848	5,159,741
FUND TYPE							
General Fund				215	0	0	0
Special Fund				289,998	289,768	292,741	289,768
Enterprise Fund				3,759,095	3,908,080	3,919,007	4,869,973
Interdepartmental Transfer				40,051	0	30,100	0
TOTAL				4,089,359	4,197,848	4,241,848	5,159,741



Appropriation Key Budget Issues

Enforcement, Licensing & Education

The 2006 Executive Fee Bill- DLC is requesting fee increases and the reallocation of these fees to DLC's Enforcement and Licensing Division. The rationale partly for this change: It is based upon a 2004 study requested by the Agency of Administration and conducted by Management Analysis, Inc, found that "*license fees charged by the State of Vermont for parties wishing to sell beer, wine, and liquor are among the lowest in the nation. Increases of between 50 and 100 percent would bring Vermont in line with typical state license structures*". Also, fees are allocated in an inconsistent manner between the General Fund and Liquor Control. Liquor Control performs the regulatory functions for all these licenses and permits, yet receives a very small percentage of these fees to cover its costs. With the change in the fee structure and amounts, the state is moving toward covering the cost of the service performed with the fees. The amount, of $753,794 from new revenue is being allocated to the Department of Liquor Control to fund critical Enforcement & Licensing functions. DLC should receive the benefit of these fee increases in FY07. The General Fund and the Towns and Cities are being be held harmless in this fee request.

Tobacco Settlement money ($289,768) 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. 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 2007 BUDGET RECOMMENDATIONS
Enforcement & Licensing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,513,175	1,557,469	1,571,529	1,616,703
Operating Expenses	234,206	155,685	182,975	334,752
Grants	0	0	2,973	0
TOTAL	1,747,381	1,713,154	1,757,477	1,951,455
FUND TYPE				
Special Fund	289,998	289,768	292,741	289,768
Enterprise Fund	1,417,332	1,423,386	1,434,636	1,661,687
Interdepartmental Transfer	40,051	0	30,100	0
TOTAL	1,747,381	1,713,154	1,757,477	1,951,455

Appropriation Key Budget Issues

Administration

One of the summary recommendations from the MAI Study in 2004: Volume I Summary Report *#9* suggests that the state *establish a "business reinvestment" fund or cost center for the DLC to facilitate its entrepreneurial efforts. This change would allow the DLC to operate more as a business, continually reinvesting efficiency savings.* It's about building a reserve from which DLC could fund major projects such as a Warehouse Automation System (See Warehouse Key Budget Issues). Those monies no longer taken out of the Enterprise Fund to pay for Enforcement (See Enforcement Licensing, & Education Key Budget Issues) will pay for the first phase of this project. A cost-benefits study is currently underway which will make recommendations for an automated warehousing system. The amount of $500,000 is included be in the budget to pay for services of the contractor, training, software, hardware, and any equipment. Any additional monies that might result from the re-allocation of fees (see Enforcement, Licensing & Education Key budget issues) will be used to build up a reserve for future projects as recommended by the MAI Study.

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 reducing the loss of revenue due to cross-border purchasing. This strategy has succeeded with sales increasing from $34,931,651 in 1996 to $50,000,000 in FY2005. Sales for the first five months of FY2006 are more than $1.3 million over last year and could be up by an additional $2.5 to $3 million by year-end. Tax revenue to the General Fund has increased due to the upward sales trends that are prevailing in all categories of spirits sales.

The Department of Liquor Control has offered a responsible budget request based on its ability to generate appropriate revenues. As a control state, Vermont has the ability to do two important things: first, to limit the availability of alcohol beverages in ways that can reduce consumption and problems, and second, to help limit the physical and social damage caused by the misuse of alcohol and reduce the costs borne by the citizens of this state that result from abusive alcohol consumption.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,223,763	1,250,029	1,250,029	1,304,489
Operating Expenses	278,195	352,646	371,000	370,241
TOTAL	1,501,958	1,602,675	1,621,029	1,674,730
FUND TYPE				
General Fund	215	0	0	0
Enterprise Fund	1,501,743	1,602,675	1,621,029	1,674,730
TOTAL	1,501,958	1,602,675	1,621,029	1,674,730

Appropriation Key Budget Issues

Warehouse & Distribution

DLC's budget request for FY07 includes $500,000 for the first phase of a new warehousing system. Approximately $250,000 of this is contractor and training of warehouse personnel and $250,000 is for hardware, software, and equipment for automated storage and retrieval.

Two of the summary recommendations from the MAI Study of 2004 are the basis for this budget request:

1. *Consider contracting for a complete warehouse and purchasing operations systems analysis and requirements definition study to identify current and out-year requirements for stock management data, data collection, data storage, data reporting, and data security. The study should provide a significant level of detail of analysis and the production of resulting requirements statements so that its final product is a suite of recommendations with current year and proposed implementation year costs for the purchase, installation, and maintenance of both hardware and software*.

2. *Install a new inventory management system as the first phase of an integrated warehouse and purchasing operations system.*

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Warehousing and Distribution

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	616,737	716,954	696,354	1,190,029
Operating Expenses	223,283	165,065	166,988	343,527
TOTAL	840,020	882,019	863,342	1,533,556
FUND TYPE				
Enterprise Fund	840,020	882,019	863,342	1,533,556
TOTAL	840,020	882,019	863,342	1,533,556

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 Disabilities, 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 elders and people with developmental diabilities from abuse, neglect, and exploitation.

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 65 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 many 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

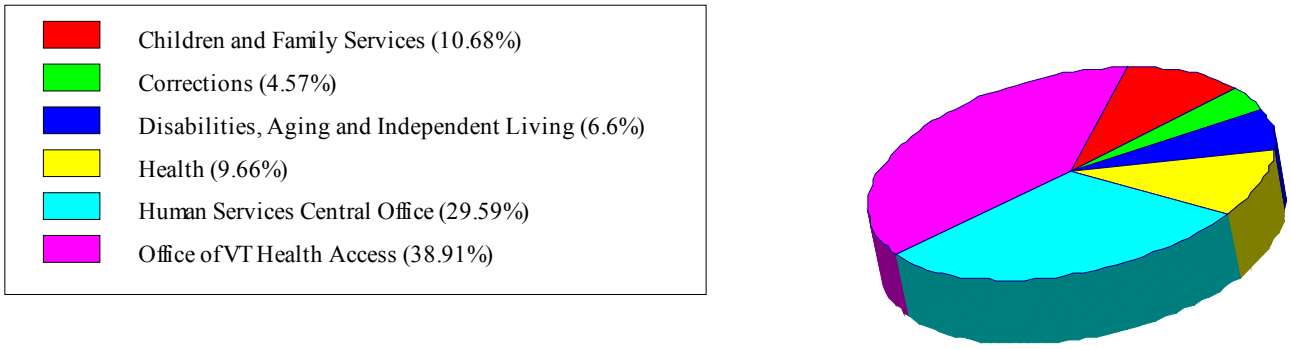
communities. Social services seek to break the cycle of abuse, neglect, and delinquency. Child care services take a lead role in developing quality child care services in Vermont. The Division of Child Support enforces state and federal statutes to ensure that children receive financial support from 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 2007 BUDGET RECOMMENDATIONS
Agency of Human Services

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Human Services Central Office	55	60	105	13,187,281	14,155,061	555,475,191	772,957,165
Office of VT Health Access	59	59	88	635,696,985	617,544,231	874,447,086	1,016,625,146
Health	838	859	871	215,180,328	220,240,377	230,705,747	252,296,796
Children and Family Services	985	982	915	270,874,843	269,462,876	285,991,016	278,958,507
Disabilities, Aging and Independent Living	288	288	297	149,452,251	157,801,219	164,200,325	172,411,178
Corrections	1,164	1,167	1,171	103,269,291	111,381,067	117,775,956	119,278,542
TOTAL	3,389	3,415	3,447	1,387,660,979	1,390,584,831	2,228,595,321	2,612,527,334
FUND TYPE							
General Fund				322,184,071	341,521,424	357,858,090	377,915,194
Transportation Fund				1,643,760	1,637,082	1,627,248	0
Special Fund				302,687,277	303,901,174	198,951,889	157,000,662
Federal Revenue Fund				733,167,772	714,100,576	743,597,081	762,653,444
Permanent Trust Fund				0	10,000	10,000	10,000
Global Commitment Fund				0	0	911,475,140	1,298,151,501
Internal Service Fund				2,682,026	3,123,012	3,123,012	3,322,612
Interdepartmental Transfer				25,296,073	26,291,563	11,952,861	13,473,921
TOTAL				1,387,660,979	1,390,584,831	2,228,595,321	2,612,527,334



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

Division of Administrative Services: Including Fiscal, Office of the Chief Information and Network Systems, Personnel and Rate Setting Units:

Division of Administration and Planning:

The Division is responsible for the operations of the Agency and supports the Agency's departments and offices regarding fiscal, rate-setting, information technology, personnel and human resource functions. The Division also supports agency-wide programs, such as planning, housing and transportation, investigations, trauma, human services board, and the Vermont Developmental Disabilities Council. This Division is also the locus of responsibility for the new Global Commitment to Health 1115 Medicaid demonstration waiver. Currently, the Drug Education, Treatment, Enforcement and Rehabilitation Program (DETER) is administered through this Division; however, the Governor's Budget for FY07 is recommending that this initiative now be administered by the Department of Health.

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.

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 (DCF). Through the application of its rules, the Unit evaluates the

reasonableness and allowability of program budgets and expenditures to ensure both cost containment and quality of care.

Office of the Chief Information 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.

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.

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 its constituencies across all relevant forums, included 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 the AHS mission. Two of the most basic life supports for AHS clients are housing and transportation. In order for this position and AHS 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. On top of labor related issues this Unit investigates incidents within the Department of Corrections to include 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 citizen's panel consisting of seven members created by the Legislature. 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.

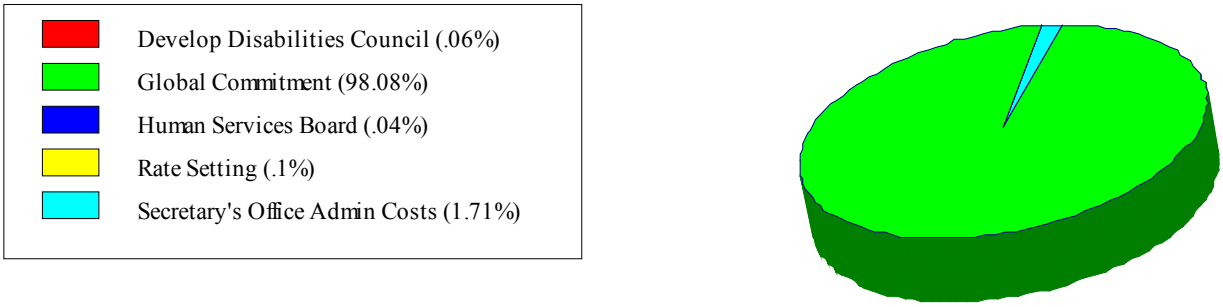
Vermont Developmental Disabilities Council:

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.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Human Services Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Secretary's Office Admin Costs	40	45	89	9,522,137	12,623,500	12,590,445	13,245,979
Juv Accountability Block Grant	0	0	0	1,430	0	0	0
Global Commitment	0	0	0	0	0	541,354,651	758,103,799
Rate Setting	9	9	10	581,333	724,435	724,435	778,190
Develop Disabilities Council	2	2	2	528,687	488,385	488,385	488,284
Human Services Board	4	4	4	291,059	318,741	317,275	340,913
Gov Com on Emp of People w/Dis	0	0	0	6,342	0	0	0
Administrative Management Fund	0	0	0	2,256,293	0	0	0
TOTAL	55	60	105	13,187,281	14,155,061	555,475,191	772,957,165
FUND TYPE							
General Fund				5,461,656	4,635,147	106,734,208	143,491,933
Special Fund				2,817,159	1,375,845	1,375,845	979,734
Federal Revenue Fund				3,543,592	6,365,265	307,973,967	423,366,129
Global Commitment Fund				0	0	137,612,367	196,285,564
Interdepartmental Transfer				1,364,874	1,778,804	1,778,804	8,833,805
TOTAL				13,187,281	14,155,061	555,475,191	772,957,165



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Secretary's Office Admin Costs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,606,360	3,746,236	3,713,181	6,522,771
Operating Expenses	1,763,887	1,243,328	1,243,328	2,220,100
Grants	4,151,890	7,633,936	7,633,936	4,503,108
TOTAL	9,522,137	12,623,500	12,590,445	13,245,979
FUND TYPE				
General Fund	5,249,908	4,505,454	4,472,399	4,416,811
Special Fund	560,866	1,375,845	1,375,845	979,734
Federal Revenue Fund	2,928,106	5,742,201	5,742,201	5,987,778
Interdepartmental Transfer	783,257	1,000,000	1,000,000	1,861,656
TOTAL	9,522,137	12,623,500	12,590,445	13,245,979

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Juv Accountability Block Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	1,430	0	0	0
TOTAL	1,430	0	0	0
FUND TYPE				
Federal Revenue Fund	1,430	0	0	0
TOTAL	1,430	0	0	0

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Global Commitment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	0	541,354,651	758,103,799
TOTAL	0	0	541,354,651	758,103,799
FUND TYPE				
General Fund	0	0	102,133,582	138,895,182
Federal Revenue Fund	0	0	301,608,702	416,749,094
Global Commitment Fund	0	0	137,612,367	196,285,564
Interdepartmental Transfer	0	0	0	6,173,959
TOTAL	0	0	541,354,651	758,103,799

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	529,047	632,040	632,040	685,795
Operating Expenses	52,286	92,395	92,395	92,395
TOTAL	581,333	724,435	724,435	778,190
FUND TYPE				
Interdepartmental Transfer	581,333	724,435	724,435	778,190
TOTAL	581,333	724,435	724,435	778,190

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Develop Disabilities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	143,689	110,310	110,310	139,974
Operating Expenses	29,088	27,237	27,237	33,310
Grants	355,910	350,838	350,838	315,000
TOTAL	528,687	488,385	488,385	488,284
FUND TYPE				
Federal Revenue Fund	528,687	488,385	488,385	488,284
TOTAL	528,687	488,385	488,385	488,284

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Human Services Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	257,189	278,443	276,977	290,456
Operating Expenses	33,870	40,298	40,298	50,457
TOTAL	291,059	318,741	317,275	340,913
FUND TYPE				
General Fund	211,748	129,693	128,227	179,940
Federal Revenue Fund	79,027	134,679	134,679	140,973
Interdepartmental Transfer	284	54,369	54,369	20,000
TOTAL	291,059	318,741	317,275	340,913

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Gov Com on Emp of People w/Dis

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,000	0	0	0
Operating Expenses	4,342	0	0	0
TOTAL	6,342	0	0	0
FUND TYPE				
Federal Revenue Fund	6,342	0	0	0
TOTAL	6,342	0	0	0

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Administrative Management Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	400,393	0	0	0
Operating Expenses	1,855,900	0	0	0
TOTAL	2,256,293	0	0	0
FUND TYPE				
Special Fund	2,256,293	0	0	0
TOTAL	2,256,293	0	0	0

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 FY 1999 to cover children with family income up to 300% Federal Poverty Level (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 FY 1999 for parents and caretakers with income up to 185% FPL. Medicaid also funds Ladies First, which is a breast cancer program and the Qualified Medicare Beneficiary (QMB) and Specified Low Income Medicare Beneficiary (SLMB) Medicare cost sharing programs to cover Medicare Part B premiums and Medicare deductibles and coinsurance. FY 2006 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 who are not on Medicare. Because of the change to a Medicare-sponsored Part D coverage, many of those previously on VHAP-Pharmacy were converted to VPharm (see below) as of January 1, 2006.

FY 2006 Est. Avg. VHAP Caseload = 22,733 beneficiaries/mo.
FY 2006 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) who are not on Medicare. The benefit covers the cost of maintenance drugs. 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. VScript Expanded is fully state-funded. Because of the change to a Medicare-sponsored Part D coverage, many of those previously on VScript and VScript Expanded were converted to VPharm (see below) as of January 1, 2006.

FY 2006 Est. Avg. VScript Caseload = 2,847 beneficiaries/mo.
FY 2006 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. Those who also on Medicare receive coverage only for drugs in classes that are excluded from the Part D coverage.

FY 2006 Est. Avg. Healthy Vermonters Caseload = 11,355 beneficiaries/mo.

VPharm - As a result of the Medicare Modernization Act, Vermont had to develop a response to the changes in our programs that were required. As of January 1st, 2006, Medicare became the primary insurer for prescription drugs for its beneficiaries. That included those on Medicaid who are also on Medicare, and those in our pharmacy programs (VHAP-Pharmacy, VScript, VScript expanded, and Healthy Vermonters) who were also on Medicare. The state's decision was to develop a wraparound program called VPharm.

Medicaid and Medicare beneficiaries receive a cost-sharing subsidy from the federal government, so their only costs are prescription copayments that range from one dollar to five dollars, depending on income and brand vs. generic drug. Act 71 of the 2005 Vermont legislature established that Medicaid beneficiaries would be responsible for their own copayments. However, Medicare prescription drug benefit does not cover all classes of drugs. Vermont's decision was to continue to cover drugs in excluded classes that it was currently covering in the pharmacy benefit. In that way, beneficiaries would be held harmless from losing coverage for drugs in any therapeutic class for which they were currently receiving benefits.

VPharm for the beneficiaries in the pharmacy programs covers not only drugs in the excluded classes, but also cost-sharing that is not included in the federal subsidy. Thus, beneficiaries in VHAP-Pharmacy, VScript, and VScript expanded continue to pay premiums to the state, pay no other costs for their drugs, and are also held harmless from losing coverage for drugs in any therapeutic class for which they were currently receiving benefits. Healthy Vermonters beneficiaries will continue to be eligible to pay the state's Medicaid rate for drugs in the excluded classes.

Protections are built into the program so that beneficiaries who are in a Part D prescription drug plan, have appealed for coverage of a drug that is not on the plan’s formulary, and have exhausted their appeal rights through the Independent Review Entity, can ask the Office of Vermont Health Access to cover that drug. If the drug is determined to be medically necessary, the state will pay for it.

Long-Term Care - On October 1, 2005, The Department of Disabilities, Aging and Independent Living's, DAIL's, Choices for Care 1115 Long Term Care, LTC, Waiver officially began. This new 1115 LTC waiver equalizes the entitlement to both home and community based services with nursing home services for all long term care medicaid eligible Vermonters. DAIL is the lead on the 1115 LTC waiver but works with both the Office of Vermont Health Access and the Department for Children and Families on implementing this waiver.

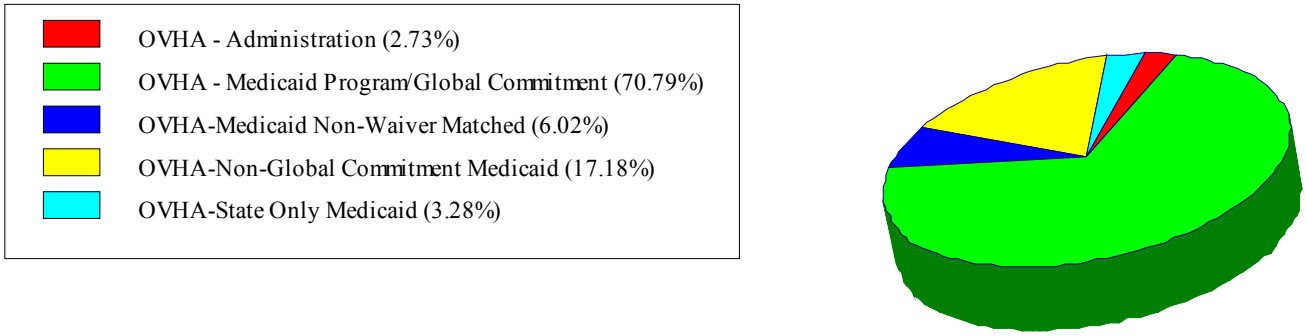
The Office of Vermont Health Access and The Department of Disabilities, Aging and Independent Living are working together on implementing two other coordinated care efforts. First, the Project for All Inclusive Care for the Elderly (PACE) project is moving forward after 4 years of planning. PACE offers comprehensive coordinated care services for frail elderly at a PACE center which is an adult day center with a health care clinic. The State of Vermont is working with PACE Vermont, a coalition of local providers in both Rutland and Chittenden counties, on submitting a provider application to the Centers for Medicare and Medicaid Services to operate PACE centers in Vermont in the fall of 2006. The provider application is expected to be submitted to CMS in January 2006 with approval by September of 2006. The PACE center will be paid by both Medicare and Medicaid capitation payments and PACE Vermont will assume all of the risk for this frail population. The first PACE center in Vermont will be at the former convent which is attached to the Fanny Allen Hospital buildings which are part of Fletcher Allen Health Care.

Vermont was awarded a Real Choices Comprehensive System Change grant in 2004. OVHA and DAIL are working together on the implementation of this grant. The purpose of this $2.1 million dollar planning grant is to follow up on the work of PACE. Specifically, the grant allows OVHA and DAIL to work with interested community providers on planning for an integrated care delivery system (acute, primary and long term care services) and hire a contractor, Bailitt Health Purchasing of Wellesley Massachusetts to assist the state in developing an integrated care delivery system for either younger physically disabled Vermonters or frail elderly that can not access a PACE center. The center that is developed will be reimbursed using both Medicaid and Medicare capitation payments. This is a 3 year planning grant which began in 2005 and will end in 2008. At the end of the grant the state hopes to have a provider that will work with the state on submitting a waiver to the federal government or a specialty needs application or SNP, application to CMS. A SNP is a new provider designation that is allowed as a result of the Medicare Modernization Act of 2003 and allows other coordinated care capitated funded providers to submit applications to CMS for permanent provider status.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Office of VT Health Access

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
OVHA - Administration	59	59	88	635,696,985	27,944,458	27,944,458	27,724,990
OVHA - Medicaid Program/Global Commitment	0	0	0	0	589,599,773	679,453,810	719,674,277
OVHA-Non-Global Commitment Medicaid	0	0	0	0	0	154,036,661	174,688,214
OVHA-State Only Medicaid	0	0	0	0	0	13,012,157	33,374,576
OVHA-Medicaid Non-Waiver Matched	0	0	0	0	0	0	61,163,089
TOTAL	59	59	88	635,696,985	617,544,231	874,447,086	1,016,625,146
FUND TYPE							
General Fund				1,066,438	0	0	0
Special Fund				250,539,100	256,870,058	145,736,566	118,789,153
Federal Revenue Fund				384,091,447	360,674,173	187,355,353	139,732,194
Global Commitment Fund				0	0	541,355,167	758,103,799
TOTAL				635,696,985	617,544,231	874,447,086	1,016,625,146



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
OVHA - Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	25,657,991	27,263,444	27,263,444	26,611,976
Operating Expenses	759,844	681,014	681,014	1,113,014
Grants	609,279,150	0	0	0
TOTAL	635,696,985	27,944,458	27,944,458	27,724,990
FUND TYPE				
General Fund	1,066,438	0	0	0
Special Fund	250,539,100	13,585,633	3,397,783	0
Federal Revenue Fund	384,091,447	14,358,825	3,588,332	0
Global Commitment Fund	0	0	20,958,343	27,724,990
TOTAL	635,696,985	27,944,458	27,944,458	27,724,990

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
OVHA - Medicaid Program/Global Commitment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	589,599,773	679,453,810	719,674,277
TOTAL	0	589,599,773	679,453,810	719,674,277
FUND TYPE				
Special Fund	0	243,284,425	66,358,780	0
Federal Revenue Fund	0	346,315,348	92,698,206	0
Global Commitment Fund	0	0	520,396,824	719,674,277
TOTAL	0	589,599,773	679,453,810	719,674,277

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
OVHA-Non-Global Commitment Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	0	154,036,661	174,688,214
TOTAL	0	0	154,036,661	174,688,214
FUND TYPE				
Special Fund	0	0	62,967,846	71,538,399
Federal Revenue Fund	0	0	91,068,815	103,149,815
TOTAL	0	0	154,036,661	174,688,214

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
OVHA-State Only Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	0	13,012,157	33,374,576
TOTAL	0	0	13,012,157	33,374,576
FUND TYPE				
Special Fund	0	0	13,012,157	22,670,044
Global Commitment Fund	0	0	0	10,704,532
TOTAL	0	0	13,012,157	33,374,576

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
OVHA-Medicaid Non-Waiver Matched

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	0	0	61,163,089
TOTAL	0	0	0	61,163,089
FUND TYPE				
Special Fund	0	0	0	24,580,710
Federal Revenue Fund	0	0	0	36,582,379
TOTAL	0	0	0	61,163,089

Department Mission Statement

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

To lead Vermont and its 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.

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 and the Vermont State Hospital) plus the Board of Medical Practice.

Working with partners throughout Vermont and nationally, the Health Department seeks to protect the health of the public. 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 of improving public health. Premier Initiatives include: Fit and Healthy, Blueprint for Health, DETER, Emergency Preparedness, and Mental Health Futures.

The **Administration** appropriation includes:
The Commissioner's Office, which 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 well-being through press releases, press conferences and responding to multiple daily press inquiries 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.

Operations and Systems Support, comprised of:

- Information Technology Services, whose 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.
- Strategic Implementation Services, which assists in the development of integrated

services across the department. The Blueprint for Health is the foundation for this support with staff specializing in health systems, provider practice, community development and individual behavior change. The Blueprint also supports a public private partnership fostering improved health outcomes, particularly in the area of chronic disease.

- Training and Development, responsible for department-wide work force development issues, with particular emphasis on public health preparedness for emergencies.
- Facilities, the unit which handles departmental space and telecommunications issues as well as the mailroom, central copying, and building reception.

The **Health Protection** appropriation includes:

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; the childhood lead poisoning prevention program; and the 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:
This unit investigates and monitors reportable diseases and operates programs that provide services and prevention for sexually transmitted disease, HIV/AIDS, hepatitis, and tuberculosis.

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

Public Health Statistics:
This 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.

Office of the Chief Medical Examiner:
Performs autopsies and investigates unexpected deaths from violence, injury, suicide, drugs or other circumstances.

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 Rural Health and Primary Care Programs, Diabetes Control Program, and Nutrition Services. 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. Fit and Healthy Vermonters is a project to expand the infrastructure for and develop new approaches to prevention of overweight in Vermont.

Hospital Licensing, which implements hospital licensing and the addressing of consumer complaints about Vermont hospitals under the Board of Health and Departmental supervision.

Family Planning, which 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; Women's Health, including WiseWoman 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. State funds are used primarily to meet federal match requirements.

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.

The 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, as enhanced through the DETER program, includes outpatient, intensive outpatient, residential and pharmacological treatment, recovery services, and student assistance professionals in schools, 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 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 12,345 clients received these community-based mental health services in FY2005.

In addition, approximately 10,122 children and adolescents and their families received community-based mental health services in FY2005. 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 with symptoms such 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 6,226 Vermonters were served through these emergency programs in 2005.

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 FY2005, VSH served 218 individuals and had 200 admissions, with an average daily census of 52.

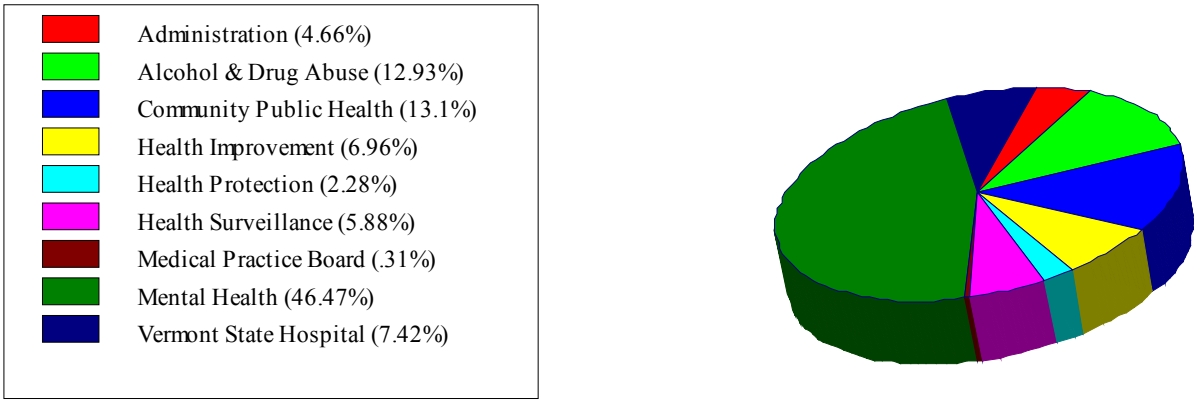
The **Board of Medical Practice** appropriation funds:

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.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Health

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration	100	104	96	8,572,928	7,084,162	9,615,270	11,759,485
Health Protection	54	47	47	6,254,695	5,814,238	5,507,758	5,740,007
Health Surveillance	120	133	133	13,294,437	11,617,822	14,183,616	14,843,599
Health Improvement	82	78	78	17,410,116	18,868,498	17,525,289	17,565,399
Community Public Health	210	210	210	25,071,440	25,123,757	31,078,277	33,042,904
Alcohol & Drug Abuse	35	40	40	21,118,193	21,953,179	26,883,351	32,624,188
Mental Health	25	38	38	107,663,089	110,581,845	107,844,730	117,229,908
Vermont State Hospital	206	203	223	15,033,031	18,396,803	17,296,789	18,708,479
Medical Practice Board	6	6	6	762,399	800,073	770,667	782,827
TOTAL	838	859	871	215,180,328	220,240,377	230,705,747	252,296,796
FUND TYPE							
General Fund				57,150,541	66,938,087	25,270,748	27,391,384
Special Fund				19,765,735	18,074,436	19,677,428	12,024,659
Federal Revenue Fund				118,789,471	114,769,278	76,066,861	53,389,804
Permanent Trust Fund				0	10,000	10,000	10,000
Global Commitment Fund				0	0	104,293,010	158,577,405
Interdepartmental Transfer				19,474,581	20,448,576	5,387,700	903,544
TOTAL				215,180,328	220,240,377	230,705,747	252,296,796



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	5,991,156	5,606,480	6,753,970	8,309,240
Operating Expenses	2,529,454	1,477,682	2,513,300	2,729,245
Grants	52,318	0	348,000	721,000
TOTAL	8,572,928	7,084,162	9,615,270	11,759,485
FUND TYPE				
General Fund	2,092,549	1,863,936	2,847,320	0
Special Fund	22,883	1,701	19,130	24,525
Federal Revenue Fund	6,457,369	5,214,525	6,386,057	5,402,321
Global Commitment Fund	0	0	358,763	6,328,639
Interdepartmental Transfer	127	4,000	4,000	4,000
TOTAL	8,572,928	7,084,162	9,615,270	11,759,485

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	3,893,888	3,561,696	2,938,013	3,282,307
Operating Expenses	932,068	678,142	768,200	768,200
Grants	1,428,739	1,574,400	1,801,545	1,689,500
TOTAL	6,254,695	5,814,238	5,507,758	5,740,007
FUND TYPE				
General Fund	1,326,646	1,163,281	147,492	238,513
Special Fund	1,016,244	942,000	937,672	904,000
Federal Revenue Fund	3,462,385	3,321,732	3,994,049	4,239,401
Global Commitment Fund	0	0	41,320	55,093
Interdepartmental Transfer	449,420	387,225	387,225	303,000
TOTAL	6,254,695	5,814,238	5,507,758	5,740,007

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	7,500,702	7,258,188	8,809,171	9,523,745
Operating Expenses	2,772,558	1,898,074	2,824,600	2,845,354
Grants	3,021,177	2,461,560	2,549,845	2,474,500
TOTAL	13,294,437	11,617,822	14,183,616	14,843,599
FUND TYPE				
General Fund	3,526,388	3,560,157	3,788,706	3,667,404
Special Fund	529,851	1,254,750	1,298,885	1,307,500
Federal Revenue Fund	9,219,319	6,672,515	8,325,300	8,856,354
Permanent Trust Fund	0	10,000	10,000	10,000
Global Commitment Fund	0	0	648,025	937,797
Interdepartmental Transfer	18,879	120,400	112,700	64,544
TOTAL	13,294,437	11,617,822	14,183,616	14,843,599

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	7,114,911	8,355,130	7,591,299	7,659,905
Operating Expenses	955,442	1,151,282	1,051,300	1,051,300
Grants	9,339,763	9,362,086	8,882,690	8,854,194
TOTAL	17,410,116	18,868,498	17,525,289	17,565,399
FUND TYPE				
General Fund	3,319,812	3,540,996	459,320	753,363
Special Fund	3,600,306	4,214,925	4,231,782	3,459,183
Federal Revenue Fund	10,340,809	11,105,577	7,895,644	8,253,734
Global Commitment Fund	0	0	4,930,543	5,092,119
Interdepartmental Transfer	149,189	7,000	8,000	7,000
TOTAL	17,410,116	18,868,498	17,525,289	17,565,399

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Community Public Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	11,153,061	11,727,467	12,089,715	12,543,385
Operating Expenses	1,921,916	1,613,770	2,049,350	2,145,389
Grants	11,996,463	11,782,520	16,939,212	18,354,130
TOTAL	25,071,440	25,123,757	31,078,277	33,042,904
FUND TYPE				
General Fund	3,752,133	4,132,133	2,662,053	2,243,606
Special Fund	53,371	477,110	3,938,072	2,858,290
Federal Revenue Fund	21,135,035	20,362,014	21,428,834	16,760,384
Global Commitment Fund	0	0	2,934,318	11,065,624
Interdepartmental Transfer	130,901	152,500	115,000	115,000
TOTAL	25,071,440	25,123,757	31,078,277	33,042,904

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,451,343	2,391,227	8,657,785	9,228,703
Operating Expenses	1,604,624	836,119	1,042,315	1,130,648
Grants	16,062,226	18,725,833	17,183,251	22,264,837
TOTAL	21,118,193	21,953,179	26,883,351	32,624,188
FUND TYPE				
General Fund	3,168,270	5,772,374	3,496,739	2,190,019
Special Fund	4,022,613	3,328,266	3,122,423	2,578,334
Federal Revenue Fund	13,796,810	12,394,539	9,259,244	9,877,610
Global Commitment Fund	0	0	10,566,945	17,868,225
Interdepartmental Transfer	130,500	458,000	438,000	110,000
TOTAL	21,118,193	21,953,179	26,883,351	32,624,188

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Mental Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,747,390	3,404,696	4,161,143	4,245,156
Operating Expenses	283,315	502,540	621,819	645,735
Grants	104,632,384	106,674,609	103,061,768	112,339,017
TOTAL	107,663,089	110,581,845	107,844,730	117,229,908
FUND TYPE				
General Fund	39,909,551	44,487,511	(5,017,671)	0
Special Fund	9,582,450	6,945,611	5,248,797	0
Federal Revenue Fund	53,850,986	55,125,950	18,777,733	0
Global Commitment Fund	0	0	84,813,096	117,229,908
Interdepartmental Transfer	4,320,102	4,022,773	4,022,775	0
TOTAL	107,663,089	110,581,845	107,844,730	117,229,908

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont State Hospital

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	13,213,738	16,580,497	15,480,483	17,362,523
Operating Expenses	1,819,293	1,813,306	1,813,306	1,342,956
Grants	0	3,000	3,000	3,000
TOTAL	15,033,031	18,396,803	17,296,789	18,708,479
FUND TYPE				
General Fund	55,192	2,417,699	16,886,789	18,298,479
Special Fund	175,618	110,000	110,000	110,000
Federal Revenue Fund	526,758	572,426	0	0
Interdepartmental Transfer	14,275,463	15,296,678	300,000	300,000
TOTAL	15,033,031	18,396,803	17,296,789	18,708,479

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Medical Practice Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	526,828	669,764	453,967	466,127
Operating Expenses	235,571	130,309	316,700	316,700
TOTAL	762,399	800,073	770,667	782,827
FUND TYPE				
Special Fund	762,399	800,073	770,667	782,827
TOTAL	762,399	800,073	770,667	782,827

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Department for Children and Families is comprised of the commissioner's office, four divisions and three offices:

Child Development Division (CDD). CDD supports the well being of Vermont's children through the development of and support to comprehensive child development services. The Division consists of the following six units: Licensing, Subsidy, Workforce Development, Operations, Comprehensive Systems Development and Integrated Children's Services.

Family Services Division. This division consists of the following four units: Child Protective Services, System of Care, Child Safety and Youth Justice.

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

Field Services Division (FSD). This division, unlike other aspects of the DCF organization, has broad responsibility for the operations of all Agency of Human Services functions within each region. Regional Field Directors are charged with assuring the optimal functioning of the Agency, oversight of district offices and mobilization of the local community to design and implement a human services system which contributes to the health and well-being of all Vermonters.

Office of Disability Determinations Services (DDS). DDS determines medical eligibility for disability benefits under Social Security and Supplemental Security (SSI) and Medicaid.

Office of Child Support (OCS). This office manages the Vermont child support program. It enforces ordered child support obligations; establishes child and medical support and parentage orders; and locates missing non-custodial parents.

Office of Economic Opportunity (OEO). OEO supports community-based antipoverty programs with

grants management; resource identification and development; training and technical assistance; and advocacy.

Commissioner's Office

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 seeks to improve the well being of Vermont's children by ensuring access to high quality, economically viable, child development services. The CDD provides program and grants management, resource identification and development, technical assistance and professional development and licensing and regulatory oversight to community based child development programs and their workforce.

Population Served:
The division provides services to children from pre-birth through sixteen and their families. The services include family support, primary prevention, early intervention and therapeutic services.

Major Programs/Services:
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 684 Licensed Centers, 1,299 Registered Homes and 1,501 Certified Legally Exempt providers. The regulated child care system serves approximately 38,000 children ages 6 weeks to 13 years. The Licensing Unit processes applications for child care, including over 40,000 criminal record and child abuse screens annually. Consumer education services are part of this unit. The child care consumer concern line receives over 2,400 calls annually.

Children's Services: This unit brings together early intervention and primary prevention services to build a more seamless continuum of services for children and families. Programs include: The Healthy Babies, Kids & Families program which provides home visiting, nursing and family support services to pregnant women and children up to 5 who are receiving Medicaid benefits. 4,181 women and children were served in FY 2005.

The Family, Infant and Toddler Program which 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 1,233 children served in FY 2005.

The CUPS Program which is the main vehicle for providing early childhood mental health services in

Vermont. CUPS served 577 children and their families with direct therapeutic services is FY 2005 and provided 1,568 mental health consultations to early childhood programs.

Specialized child care which includes protective services, family support and special needs child care as well as the therapeutic child care programs currently located in 5 regions of the state.

Success by Six provides primary prevention services such as playgroups, literacy, welcome baby visits and community resource fairs. An estimated 35,645 children were supported with Success by Six funds in FY 2005.

Subsidy: The Subsidy Unit manages the child care financial assistance program to aid eligible families with the cost of their child care. Eligibility is based on income or familial risk factors. The program serves between 7,000-8,000 children at any given time. The child care subsidy program is funded with the Federal Child Care Development Fund and State General Funds.

Workforce Development: This unit manages all initiatives that support improving the quality of child development services. Major initiatives include promoting the ongoing professional development of the workforce through the Northern Lights Career Development Center and the Step Ahead Recognition System (STARS).

Comprehensive Systems Development: This unit supports external work with community, state and federal partners to establish, sustain and enhance the infrastructure and direct service capacity of Vermont's Child Development System, including early childhood and school age services. Specific services and initiatives include:

The State Head Start Collaboration Office;
Building Bright Futures: The Vermont Alliance for Children;
The Early Childhood Comprehensive Systems Grant;
Healthy Child Care Vermont;
The School Age Care Network and Out of School Time Initiative;
The Children's Trust Fund; and
Parent Child Centers

Key Budget Issues

Changing Federal Requirements:
New federal requirements for the Family, Infant and Toddler Program under the Child Abuse, Prevention and Treatment Act (CAPTA) related to services for children under 3 who are substantiated victims of child abuse or neglect, as well as requirements for tracking outcomes for all children served by the program, will require additional resources for direct services and for the development and management of data systems.

TANF reauthorization will likely result in an increased demand for subsidized child care as families receiving TANF benefits will have more rigorous work requirements.

Pressures on the Child Care Subsidy Program:
The growing gap between the subsidy rates paid by the state and the market rate for care has led to the Child Care Bureau within Health and Human Services advising Vermont that we need to address this issue in order to assure access to appropriate child care options for eligible families.
Vermont has not adjusted the income guidelines for the subsidy program to align with federal poverty guidelines since 1999. This negatively impacts access for subsidized families.

Complexity of Children's Needs:
An increasing number of young children in child development services are requiring more intensive services due to changing needs of Vermont's families. These include the impact of incarcerated parents, addiction issues, homelessness, and military deployment. This is requiring more specialized services to be provided within the child development programs.

Family Services Division

Program Focus:
Child abuse and neglect investigations: The division is responsible for responding to reports alleging that children are abuse or neglected. When an intake results in a child abuse investigation, a social worker must see the child within 72 hours. The focus is on the child's immediate safety. Frequently, 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: The division focuses on providing the most appropriate out-of-home living situation. Whenever possible, children are placed in their own school districts. The division is actively focused on ensuring a permanent home for children as soon as possible, preferably with the child's own family.

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 care are often eligible for financial supports due to their special needs. In addition,

adoptive families are provided with post-adoption services to ensure their success as parents through the predictably difficult times they will face in parenting children with special needs.

The Emergency Services Program: Provides after-hours support for foster parents and other families. In addition, the Emergency Services Program staff 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 Family Services Central Office: Provides necessary supports to ensure quality services, such as planning, policy development, quality assurance, budget development and oversight, support of the foster and residential care system, oversight on the contracted services system, etc.

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 the current systems for placement and treatment.

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

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

Assuring that there are 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 nearly 1400 adopted children with special needs. These children, adopted at an older age, continue to need supportive services after adoption.

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 health care programs, Reach Up, Food Stamps, 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, or 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. 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 who are pursuing a two- or four-year college education.

In FY 2007, the estimated average Reachup Caseload is expected to be 11,900 participants a month.

Aid to the Aged, Blind, & Disabled (AABD) - The AABD appropriation funds the State Supplement to federal Supplemental Security Income (SSI) benefits that 13,500 Vermonters receive from the Social Security Administration. The majority lives 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.

In FY 2007 the estimated average AABD Caseload is expected to be 13,400 recipients a month and the Essential Person Program Caseload should be approximately 197 recipients a month.

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.

In FY 2007 the estimated average GA Caseload is expected to be 2,500 applications a month.

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.

In FY 2007 the estimated average Cash-Out Caseload should be 8,084 recipients a month and the Total Food Stamp Program Caseload should be 45,915 recipients a month.

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. ESD has a formal agreement with the five Community Action Programs to operate the Crisis Component of the Fuel Program.

In FY 2007 the estimated average Fuel Caseload should be 41,133 recipients per season.

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, Congress has continued TANF funding through a series of legislative extensions; the current one continues funding through December 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.

To meet the challenges of the expected changes, DCF will have to develop job and work placements across the state, fund additional childcare needs, and provide more intensive barrier removal services.

Long term-care (LTC) Medicaid administration: 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): The MMA, due to be implemented on January 1, will 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 continues to 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: 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 benefit of some Medicaid savings when a child shifts to private health care coverage. However, the implementation of this initiative 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.

Stretching the heating dollar: ESD also 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. In the 2004/2005 heating season, 19,327 Vermont families received a seasonal fuel assistance benefit. The crisis component of the program was also able to help approximately 5707 households avert a heating emergency. The caseload is expected to be higher in the 2005/2006 heating season.

Field Services Division

Program Focus:

The Field Services Division was formed during FY 2005 as part of the reorganization of AHS. The Division was created for the purpose of maximizing the effectiveness of human services provision 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 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 for the Agency of Human Services, as well as 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 the Agency's 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 were serious issues around respect, access, and service coordination. In addition, it was realized that Vermont needed to become better at addressing problems earlier.

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 continues to oversee the process for a period of three years.

Population Served:
The mission of the Field Services Division is to optimize all the operations of the Agency of Human Services. The primary mandate of the Division is to assist the system and service providers to view the world through the eyes of actual and potential service participants and through a community lens. Field Directors work with local branches of the Agency to create functional systems and identify barriers to the success of the Agency in reaching its goals. 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:
Regional Field Directors work with local state managers, private sector managers, community partnerships, education, the community, and with individuals participating in services to develop and implement effective service delivery systems. To achieve that end, they utilize the following specific programmatic strategies in addition to their ongoing connections and participation in the larger community initiatives:

District Leadership Teams: comprised of local leaders, both state and private, engaged in community-wide planning and assessment to support the Field Director in implementing the agenda of the Agency of Human Services to increase the health and well-being of all Vermonters.
Regional Advisory Councils: made up of current and past service participants who advise, support and guide the Field Director in the development and implementation of strategies to improve the functioning of the Agency of Human Services.
Contracted Service Coordinators: this position is designed to offer service coordination to those individuals or families with complex needs who do not have access to this function or to assist existing teams to identify a lead service coordinator and to assist in the creation of a coordinated service plan.
Direct Service Dollars: designed to be flexible in nature, these dollars are allocated to the Field Directors to temporarily assist individuals and families in need when gaps in the system are identified.
Contracted Peer Navigator: this position was created to offer participants within the system contact with someone who has experienced the system first-hand and can assist with access and navigating within the complexities of service provision.

Office of Disability Determination Services

Program Focus:
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 DDS workload (5% in FFY 2004) involves medical eligibility for Medicaid based on the Social Security regulatory definition of disability. The funds expended by DDS to process Social Security and SSI disability claims are 100% federally reimbursed.

Key Budget Issues:

The transition to electronic claim files and business processes will slow DDS case processing time in the short term. 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. Ergonomic issues may arise with DDS workforce, as adjudicators must adapt to reading a large volume of medical records on a computer screen.

Over half the adjudicators have less than 3 years experience. The experienced adjudicators must handle both case processing and staff development, mentoring and training. A similar situation exists with DDS program technician staff, 50% of which require more training.

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.

OCS was funded with approximately $1.5 million in general fund for FY 2006 and it is anticipated that the $1.5 M will generate child support collections in excess of $55.3 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 ($55.3 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.

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.

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 2004, Vermont CAAs provided over 129,000 direct service units to more than 41,000 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 FY 2005, 3,898 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 2005, 154 new businesses were started, and 245 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 in the early days of the program was provided solely by the US Department of Energy (USDOE). This changed in 1990 when the Vermont State Legislature passed legislation 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 fuel 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 of 80.8% from state funds and 19.2% from USDOE. Services available to income-eligible people include:

- Comprehensive "whole house" assessment of energy related problems,

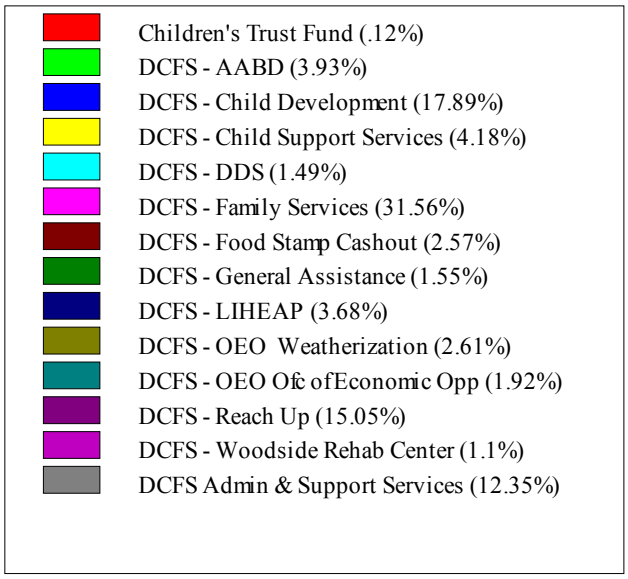
- State-of-the-art building diagnostics including: blower door testing, carbon monoxide and heating system testing and infrared scans.

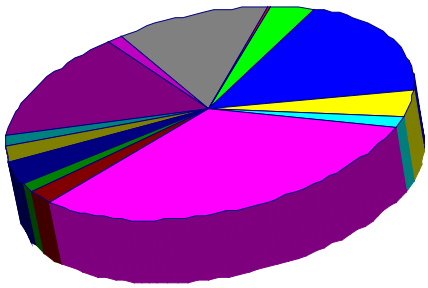
- "Full-service" energy efficiency retrofits including: dense-pack sidewall insulation, air sealing, attic insulation, heating system upgrades and replacements.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
DCFS Admin & Support Services	445	445	445	34,288,674	32,991,403	33,140,677	34,456,667
DCFS - Family Services	294	291	289	81,378,710	83,135,131	85,254,654	88,039,473
DCFS - Child Development	41	41	41	46,584,338	48,055,595	48,796,876	49,899,280
DCFS - Child Support Services	135	135	134	10,757,681	11,015,023	10,980,604	11,659,625
DCFS - AABD	0	0	0	10,731,308	10,702,867	10,903,464	10,963,435
DCFS - General Assistance	0	0	0	4,463,309	4,326,260	4,326,260	4,326,260
DCFS - Food Stamp Cashout	0	0	0	6,960,103	6,141,229	7,875,615	7,178,725
DCFS - Reach Up	0	0	0	43,228,908	43,217,279	42,772,967	41,996,096
DCFS - LIHEAP	0	0	0	13,873,104	10,256,117	22,154,929	10,256,117
DCFS - OEO Ofc of Economic Opp	4	4	4	5,426,267	5,386,146	5,385,927	5,357,036
DCFS - OEO Weatherization	2	2	2	6,768,617	7,269,438	7,269,438	7,269,438
DCFS - Woodside Rehab Center	33	33	0	2,899,084	2,793,284	2,922,201	3,069,218
DCFS - DDS	31	31	0	3,204,089	3,832,213	3,866,513	4,146,246
Children's Trust Fund	0	0	0	310,651	340,891	340,891	340,891
TOTAL	985	982	915	270,874,843	269,462,876	285,991,016	278,958,507
FUND TYPE							
General Fund				105,940,763	105,077,193	92,491,642	81,384,282
Transportation Fund				60,249	60,732	60,732	0
Special Fund				25,921,791	23,248,957	27,716,508	22,273,790
Federal Revenue Fund				137,821,188	140,192,032	126,429,393	121,421,813
Global Commitment Fund				0	0	38,408,779	52,993,288
Interdepartmental Transfer				1,130,852	883,962	883,962	885,334
TOTAL				270,874,843	269,462,876	285,991,016	278,958,507

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Children and Family Services





STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS Admin & Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	28,995,908	26,563,475	26,712,749	27,880,515
Operating Expenses	4,527,089	5,013,253	5,013,253	4,947,217
Grants	765,677	1,414,675	1,414,675	1,628,935
TOTAL	34,288,674	32,991,403	33,140,677	34,456,667
FUND TYPE				
General Fund	13,355,189	13,914,156	11,293,501	10,693,826
Special Fund	856,770	1,401,422	670,161	429,190
Federal Revenue Fund	20,076,715	17,675,825	14,498,095	13,449,632
Global Commitment Fund	0	0	6,678,920	9,884,019
TOTAL	34,288,674	32,991,403	33,140,677	34,456,667

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - Family Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	17,955,706	18,261,673	18,089,353	19,332,140
Operating Expenses	3,243,576	2,840,550	2,840,550	2,952,440
Grants	60,179,428	62,032,908	64,324,751	65,754,893
TOTAL	81,378,710	83,135,131	85,254,654	88,039,473
FUND TYPE				
General Fund	38,010,750	38,412,579	27,942,950	26,335,418
Special Fund	1,798,094	1,381,152	1,381,152	1,381,152
Federal Revenue Fund	41,270,270	43,341,400	30,557,305	26,354,730
Global Commitment Fund	0	0	25,373,247	33,968,173
Interdepartmental Transfer	299,596	0	0	0
TOTAL	81,378,710	83,135,131	85,254,654	88,039,473

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - Child Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,200,280	2,412,885	2,401,166	2,793,150
Operating Expenses	615,668	464,465	464,465	762,969
Grants	42,768,390	45,178,245	45,931,245	46,343,161
TOTAL	46,584,338	48,055,595	48,796,876	49,899,280
FUND TYPE				
General Fund	18,727,003	19,265,483	19,335,015	19,705,012
Transportation Fund	60,249	60,732	60,732	0
Special Fund	1,039,635	1,230,722	1,230,722	1,230,722
Federal Revenue Fund	26,614,794	27,272,906	27,703,406	27,705,701
Global Commitment Fund	0	0	241,249	1,032,093
Interdepartmental Transfer	142,657	225,752	225,752	225,752
TOTAL	46,584,338	48,055,595	48,796,876	49,899,280

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - Child Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	7,454,616	8,220,005	8,074,586	8,778,807
Operating Expenses	3,303,065	2,795,018	2,906,018	2,880,818
TOTAL	10,757,681	11,015,023	10,980,604	11,659,625
FUND TYPE				
General Fund	1,420,008	1,548,410	1,513,991	1,706,430
Special Fund	451,125	638,014	638,014	657,751
Federal Revenue Fund	8,634,588	8,721,499	8,721,499	9,188,344
Interdepartmental Transfer	251,960	107,100	107,100	107,100
TOTAL	10,757,681	11,015,023	10,980,604	11,659,625

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - AABD

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,397,333	1,365,966	1,365,966	1,365,966
Grants	9,333,975	9,336,901	9,537,498	9,597,469
TOTAL	10,731,308	10,702,867	10,903,464	10,963,435
FUND TYPE				
General Fund	10,731,308	10,702,867	5,350,601	3,629,932
Global Commitment Fund	0	0	5,552,863	7,333,503
TOTAL	10,731,308	10,702,867	10,903,464	10,963,435

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Grants	4,463,309	4,326,260	4,326,260	4,326,260
TOTAL	4,463,309	4,326,260	4,326,260	4,326,260
FUND TYPE				
General Fund	3,234,141	3,214,939	2,652,439	2,464,939
Special Fund	0	1	1	1
Federal Revenue Fund	1,229,168	1,111,320	1,111,320	1,111,320
Global Commitment Fund	0	0	562,500	750,000
TOTAL	4,463,309	4,326,260	4,326,260	4,326,260

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - Food Stamp Cashout

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	6,960,103	6,141,229	7,875,615	7,178,725
TOTAL	6,960,103	6,141,229	7,875,615	7,178,725
FUND TYPE				
Federal Revenue Fund	6,960,103	6,141,229	7,875,615	7,178,725
TOTAL	6,960,103	6,141,229	7,875,615	7,178,725

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - Reach Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	43,228,908	43,217,279	42,772,967	41,996,096
TOTAL	43,228,908	43,217,279	42,772,967	41,996,096
FUND TYPE				
General Fund	16,679,779	14,290,063	13,845,751	12,808,023
Special Fund	2,200,000	2,200,000	2,200,000	2,200,000
Federal Revenue Fund	24,349,129	26,727,216	26,727,216	26,962,573
Global Commitment Fund	0	0	0	25,500
TOTAL	43,228,908	43,217,279	42,772,967	41,996,096

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - LIHEAP

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	16,256	20,000	20,000	20,000
Operating Expenses	91,055	90,000	90,000	90,000
Grants	13,765,793	10,146,117	22,044,929	10,146,117
TOTAL	13,873,104	10,256,117	22,154,929	10,256,117
FUND TYPE				
General Fund	0	0	6,700,000	0
Special Fund	13,873,104	10,256,117	15,454,929	10,256,117
TOTAL	13,873,104	10,256,117	22,154,929	10,256,117

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	235,777	261,733	261,514	202,462
Operating Expenses	66,429	89,023	89,023	85,023
Grants	5,124,061	5,035,390	5,035,390	5,069,551
TOTAL	5,426,267	5,386,146	5,385,927	5,357,036
FUND TYPE				
General Fund	837,742	889,653	889,434	925,725
Special Fund	54,247	80,012	80,012	57,340
Federal Revenue Fund	4,252,737	4,165,408	4,165,408	4,122,898
Interdepartmental Transfer	281,541	251,073	251,073	251,073
TOTAL	5,426,267	5,386,146	5,385,927	5,357,036

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	96,086	150,478	150,478	154,488
Operating Expenses	110,868	39,950	39,950	129,950
Grants	6,561,663	7,079,010	7,079,010	6,985,000
TOTAL	6,768,617	7,269,438	7,269,438	7,269,438
FUND TYPE				
Special Fund	5,578,816	5,991,517	5,991,517	5,991,517
Federal Revenue Fund	1,189,801	1,277,921	1,277,921	1,277,921
TOTAL	6,768,617	7,269,438	7,269,438	7,269,438

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - Woodside Rehab Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,395,574	2,361,201	2,480,927	2,598,093
Operating Expenses	503,510	432,083	441,274	471,125
TOTAL	2,899,084	2,793,284	2,922,201	3,069,218
FUND TYPE				
General Fund	2,844,192	2,738,392	2,867,309	3,014,326
Interdepartmental Transfer	54,892	54,892	54,892	54,892
TOTAL	2,899,084	2,793,284	2,922,201	3,069,218

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DCFS - DDS

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	2,786,446	3,337,193	3,337,193	3,587,857
Operating Expenses	417,643	495,020	529,320	558,389
TOTAL	3,204,089	3,832,213	3,866,513	4,146,246
FUND TYPE				
Federal Revenue Fund	3,103,883	3,587,068	3,621,368	3,899,729
Interdepartmental Transfer	100,206	245,145	245,145	246,517
TOTAL	3,204,089	3,832,213	3,866,513	4,146,246

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Children's Trust Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	310,651	340,891	340,891	340,891
TOTAL	310,651	340,891	340,891	340,891
FUND TYPE				
General Fund	100,651	100,651	100,651	100,651
Special Fund	70,000	70,000	70,000	70,000
Federal Revenue Fund	140,000	170,240	170,240	170,240
TOTAL	310,651	340,891	340,891	340,891

Department Mission Statement

The Department's mission is to make Vermont the best state in the nation to grow old or live with a disability, with dignity, respect and independence.

Description of Appropriations, Divisions, & Programs

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

The Division of Disabilities and Aging Services manages a wide variety of programs and services for elders and adults with physical and developmental 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 LTC Section 1115 Choices for Care Waiver (managed by DAIL, but the funds are in OVHA); the Developmental Services Waiver (now part of the Global Commitment); Flexible Family Funding; all Older Americans Act programs in the Area Agencies on Aging, including case management and nutrition programs; Adult Day Services; and the Attendant Services Program; the Office of Public Guardian; Children's Personal Care Services (managed in DDAS, but the funds are in OVHA); and the High Tech Program (managed in DDAS, but the funds are in OVHA).

The Division of 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.

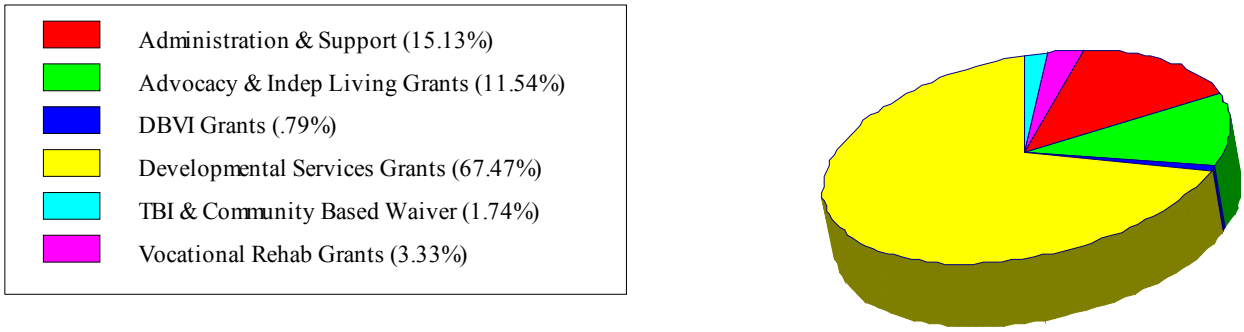
The Division for the Blind and Visually Impaired (DBVI) assists blind and visually impaired Vermonters to enter or return to work, much the same as VR. It also provides some funds for independent living services, to help blind or visually impaired individuals to live and contribute in their communities. 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 many health care services and protecting vulnerable adults from abuse, neglect and exploitation. Major programs in DLP include: Survey and Certification which involves inspections and surveys of all Medicare and Medicaid facilities and organizations including nursing homes and home health agencies; State licensure of residential care homes; and Adult Protective Services, which investigates abuse, neglect and exploitation of vulnerable adults.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration & Support	288	288	297	22,062,935	24,112,533	24,835,596	26,084,838
Advocacy & Indep Living Grants	0	0	0	20,380,719	20,577,895	20,618,347	19,896,993
DBVI Grants	0	0	0	1,271,210	1,359,000	1,367,110	1,367,110
Vocational Rehab Grants	0	0	0	6,406,444	5,402,643	6,203,146	5,736,907
Developmental Services Grants	0	0	0	96,695,199	103,600,138	108,344,377	116,332,320
TBI & Community Based Waiver	0	0	0	2,635,744	2,749,010	2,831,749	2,993,010
TOTAL	288	288	297	149,452,251	157,801,219	164,200,325	172,411,178
FUND TYPE							
General Fund				56,437,810	61,865,574	24,386,186	16,889,632
Transportation Fund				419,330	422,692	422,692	0
Special Fund				2,442,021	2,702,680	2,815,634	1,295,909
Federal Revenue Fund				87,564,550	90,205,118	43,876,797	22,848,794
Global Commitment Fund				0	0	89,805,817	129,441,301
Interdepartmental Transfer				2,588,540	2,605,155	2,893,199	1,935,542
TOTAL				149,452,251	157,801,219	164,200,325	172,411,178



APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	18,757,779	20,691,990	21,385,592	22,413,228
Operating Expenses	3,305,156	3,420,543	3,450,004	3,671,610
TOTAL	22,062,935	24,112,533	24,835,596	26,084,838
FUND TYPE				
General Fund	7,467,134	7,975,708	5,565,180	6,377,473
Special Fund	715,870	823,719	823,719	278,928
Federal Revenue Fund	12,749,444	14,045,169	12,285,778	11,062,286
Global Commitment Fund	0	0	4,892,982	6,956,996
Interdepartmental Transfer	1,130,487	1,267,937	1,267,937	1,409,155
TOTAL	22,062,935	24,112,533	24,835,596	26,084,838

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Advocacy & Indep Living Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	20,380,719	20,577,895	20,618,347	19,896,993
TOTAL	20,380,719	20,577,895	20,618,347	19,896,993
FUND TYPE				
General Fund	9,238,552	9,162,065	8,158,854	7,642,584
Transportation Fund	419,330	422,692	422,692	0
Special Fund	751,980	851,981	874,590	801,981
Federal Revenue Fund	9,893,857	10,064,157	7,638,730	7,313,453
Global Commitment Fund	0	0	3,446,481	4,061,975
Interdepartmental Transfer	77,000	77,000	77,000	77,000
TOTAL	20,380,719	20,577,895	20,618,347	19,896,993

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
DBVI Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	1,271,210	1,359,000	1,367,110	1,367,110
TOTAL	1,271,210	1,359,000	1,367,110	1,367,110
FUND TYPE				
General Fund	564,064	564,064	374,689	314,064
Special Fund	55,868	145,000	145,000	215,000
Federal Revenue Fund	651,278	649,936	658,046	588,046
Global Commitment Fund	0	0	189,375	250,000
TOTAL	1,271,210	1,359,000	1,367,110	1,367,110

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vocational Rehab Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	6,406,444	5,402,643	6,203,146	5,736,907
TOTAL	6,406,444	5,402,643	6,203,146	5,736,907
FUND TYPE				
General Fund	1,599,195	1,599,195	1,599,195	1,599,195
Special Fund	40,000	40,000	0	0
Federal Revenue Fund	4,544,703	3,564,061	4,404,564	3,688,325
Interdepartmental Transfer	222,546	199,387	199,387	449,387
TOTAL	6,406,444	5,402,643	6,203,146	5,736,907

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Developmental Services Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	96,695,199	103,600,138	108,344,377	116,332,320
TOTAL	96,695,199	103,600,138	108,344,377	116,332,320
FUND TYPE				
General Fund	36,539,902	41,434,699	8,383,862	956,316
Special Fund	878,303	841,980	972,325	0
Federal Revenue Fund	58,118,487	60,262,628	18,436,371	196,684
Global Commitment Fund	0	0	79,215,222	115,179,320
Interdepartmental Transfer	1,158,507	1,060,831	1,336,597	0
TOTAL	96,695,199	103,600,138	108,344,377	116,332,320

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
TBI & Community Based Waiver

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	2,635,744	2,749,010	2,831,749	2,993,010
TOTAL	2,635,744	2,749,010	2,831,749	2,993,010
FUND TYPE				
General Fund	1,028,963	1,129,843	304,406	0
Federal Revenue Fund	1,606,781	1,619,167	453,308	0
Global Commitment Fund	0	0	2,061,757	2,993,010
Interdepartmental Transfer	0	0	12,278	0
TOTAL	2,635,744	2,749,010	2,831,749	2,993,010

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. This is accomplished through a commitment to excellence that promotes continuous improvement, respect for diversity, legal rights, human dignity, and productivity. The Vision Statement for the Department puts it more broadly: To be valued by the citizens of Vermont as a partner in the prevention, research, control, and treatment of criminal behavior.

Description of Appropriations, Divisions, & Programs

ADMINISTRATION

Corrections has five basic goals: to involve the community; to address the needs of victims; to restore the community; to ensure that offenders are responsible; 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. The commissioner is supported by 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 reviews all inmates in statutory reviews, and makes site visits to all facilities, including those located outside of Vermont, to hold 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; to improve their knowledge, skills, and abilities to function as meaningful participants in the community who have attained the Vital Results of Public Education: Communication; Reasoning and Problem Solving; Personal Development; Civic and Social Responsibility".

Performance Indicators	FY01	FY02	FY03	FY04	FY05
Student Hours (000s)	180	194	173	182	206
Assessments	1997	1836	1997	1788	1940
Trade/Industry Cert.	0	283	255	356	187
High School Credit Awarded	0	809	1013	1338	2242
Grad Plans Implemented	0	223	259	308	402
HS Diploma	69	74	91	104	136

CORRECTIONAL SERVICES

Correctional Services administers for the courts six levels of **Sanction**:

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. Within the probation sanction is the reparative probation program, which allows citizens on community panels to determine the quality of restitution made to the victim and repair of harm to the community, consistent with 28 VSA Chapter 12.

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, as agreed by the Commissioner, under the supervision of the Parole Board. The offender is a step closer to incarceration: violation occurs as a Parole Hearing, with lesser standards of proof and representation.

Level 3 -- Pre-approved Furlough The offender is sentenced to a term of confinement, but with prior approval of the Commissioner, for immediate furlough. Furlough status is a community placement, but the revocation is administrative, and the rules for behavior 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 conditional reentry by the Commissioner.

Level 5 - Conditional Reentry: Up to 90 days prior to 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, supervised by Corrections.

The Programs: There are two sets of Correctional program:

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

Risk Management Services comprises the bulk of corrections resources:

- Three central correctional facilities (Northern State [Newport], Northwest State [St. Albans], and Southern State [Springfield]) hold 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 types of incarceration for appropriate minimum security offenders working for the community.
- The Dale State Correctional facility and the Southeast State Correctional for women offenders.
- Twelve Probation and Parole Offices manage offenders in the community who need, supervision, treatment, surveillance, and custody.
- In addition, some 450 inmates are housed under contract with Corrections Corporation of America, in facilities located in Kentucky, Tennessee, and elsewhere.

Key outcomes are Public Safety and Quality Assurance. 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 providers. Offenders are entitled to standards of care such as nutrition, sanitation, recreation, education, religious, basic safety, medical, dental, and mental health. More detailed data is presented in Facts and Figures, the Department's annual data book.

Reparative Services consists of 12 Probation and Parole Offices that provide information to the courts at sentencing and eligibility determination for program placement, and assist Community Justice Centers and Reparative Boards in creating appropriate reparative sanctions to low risk offenders. The services provided by this track include Restitution and Community Service. Key Outcomes for this track include Community and Victim Reparation, and Community Involvement. There are currently some 13 Community Justice Centers, that assist 65 reparative boards operating in 36 different Vermont communities, involving over 750 citizen volunteers, that developed sanctions and restorative plans for 1,331 offenders under Corrections Probation supervision, and a large number who were diverted from prosecution in Community Justice Centers last year. These offices also monitor probation conditions for some 8,400 offenders.

Performance Indicators (Further detail in Facts and Figures)

1. Public Safety

Failure to Return	FY99	FY00	FY01	FY02	FY03	FY04	FY05
ADP on furlough	446	460	554	705	819	838	843
# Furloughed	1341	1401	1448	1779	1804	1832	1824
Failures to Return	76	95	94	126	141	128	127

2. Recidivism

Release Year	FY95	FY96	FY97	FY98	FY99	FY00	FY01
Prison	56%	59%	60%	55%	52%	52%	54%
Number in cohort	1612	1640	1842	2076	2338	2494	2390

(3-year follow-up after release) new conviction within 36 months.

3. New Charges during Supervision:

New Charge rate	FY01	FY02	FY03	FY04	FY05
Int. Sanction	7.4%	9.3%	9.7%	10.5%	10.3%
Furlough	14.6%	17.6%	18.9%	16.4%	17.2%
Probation	13.9%	14.5%	14.5%	11.9%	12.0%
Parole	9.6%	9.8%	8.9%	7.2%	8.1%

4. Reparation to victims and community

Year	FY99	FY00	FY01	FY02	FY03	FY04	FY05
Collectd $ 000	1,673	1,827	2,045	2,101	2,252	2,322	*
Workhours 000	432	429	454	430	422	426	385

Note: * DOC no longer collects restitution to victims. The function has been transferred to the Center for Crime Victims.

5. Community involvement

Year	FY99	FY00	FY01	FY02	FY03	FY04	FY05
Volunteers	1,246	1,077	1,147	1,267	1,288	1,300	1,450

CORRECTION FACILITIES - RECREATION

The recreation fund is funded by the receipts from inmate commissaries and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities. In addition, several of the inmate boards have decided to make substantive donations to victim activities. The recreation fund is also used to allow inmates to pay for postage and to provide for support for reentry after release including housing. Recently, since tobacco products have been banned from all correctional facilities, there has been a drop in receipts in the recreation fund.

VERMONT OFFENDER WORK PROGRAMS (VOWP)

Vermont Offender Work Programs administers industrial and training programs in correctional facilities, including a print shop, a silk screen 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 performing a wide variety of reparative services. Recently, the Windsor Correctional Facility, long the site of the license plate shop and sign shop, has become a Women's correctional facility. This has resulted in a restructuring of the shops, but continuation of the same production levels for both types of products.

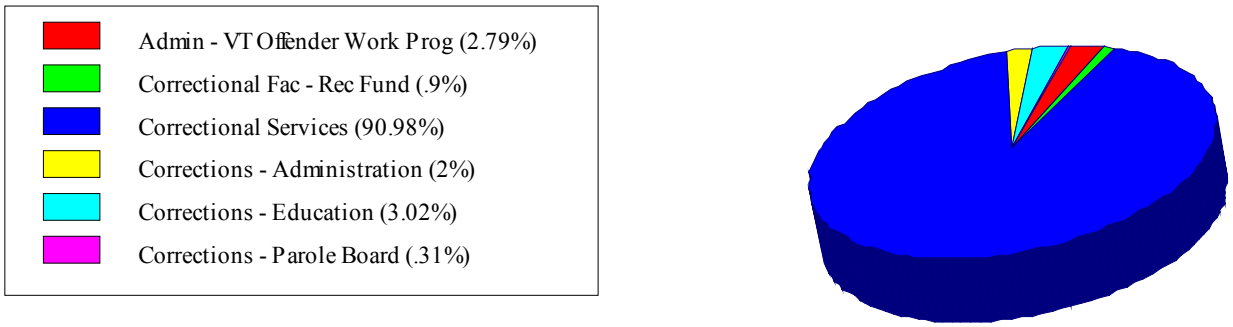
The Vermont Offender Work Programs also works with the Community Service Work Crews composed of offenders on probation and intermediate sanctions providing work service to communities across Vermont. Among many other projects, correctional community work service crews maintain all 110 Fishing Access Areas managed by the Department of Fish and Wildlife, 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.

Vermont Offender Work Programs also is a net revenue source for the State of Vermont. More than 385,000 hours of offender labor has been contributed to local communities, at little or no cost.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Corrections

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Corrections - Administration	29	31	28	2,473,753	2,431,912	2,518,499	2,381,328
Corrections - Parole Board	3	3	3	308,988	298,277	421,051	365,308
Corrections - Education	55	55	55	3,597,329	3,507,886	4,177,870	3,607,042
Correctional Services	1,048	1,048	1,055	93,255,650	101,027,782	106,542,616	108,525,254
Correctional Fac - Rec Fund	9	10	10	951,545	992,198	992,908	1,076,998
Admin - VT Offender Work Prog	20	20	20	2,682,026	3,123,012	3,123,012	3,322,612
TOTAL	1,164	1,167	1,171	103,269,291	111,381,067	117,775,956	119,278,542
FUND TYPE							
General Fund				96,126,863	103,005,423	108,975,306	108,757,963
Transportation Fund				1,164,181	1,153,658	1,143,824	0
Special Fund				1,201,471	1,629,198	1,629,908	1,637,417
Federal Revenue Fund				1,357,524	1,894,710	1,894,710	1,894,710
Global Commitment Fund				0	0	0	2,750,144
Internal Service Fund				2,682,026	3,123,012	3,123,012	3,322,612
Interdepartmental Transfer				737,226	575,066	1,009,196	915,696
TOTAL				103,269,291	111,381,067	117,775,956	119,278,542



Appropriation Key Budget Issues

The Commissioner's Office faces a myriad of fiscal and programmatic challenges this year. These challenges include dealing with caseload, offender safety issues and investigations, overcrowding, and increasing demands from advocates for both victims and offenders. Budget ups include annualization of pay act, the 2.3% Medical Increase, VISION/HRMS increases, and normal inflation.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	2,090,364	2,109,825	2,196,412	2,065,241
Operating Expenses	383,389	322,087	322,087	316,087
TOTAL	2,473,753	2,431,912	2,518,499	2,381,328
FUND TYPE				
General Fund	2,199,441	2,270,042	2,453,499	2,316,328
Federal Revenue Fund	177,500	65,000	65,000	65,000
Interdepartmental Transfer	96,812	96,870	0	0
TOTAL	2,473,753	2,431,912	2,518,499	2,381,328

Appropriation Key Budget Issues

The Parole board is an autonomous function, funded under the Department of Corrections for administrative purposes. The population served by the parole board continues to increase as the incarcerated population grows and is released. The parole board also reviews an increasing number of offenders on parole after serving a sentence on Supervised Community Sentence status. The statutory requirement for periodic review of inmates serving sentences in out of state facilities was reduced, reducing the budget pressure for parole board member trips out of state. The Board has recently rewritten its procedures manual, and is implementing a system of using actuarial risk indicators to help guide the release decision. The 2005 legislature approved increased per-diems for Parole Board Members, and increased the salary of the chair. These costs are reflected in the FY2007 request.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Corrections - Parole Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	237,318	232,722	355,356	299,753
Operating Expenses	71,670	65,555	65,695	65,555
TOTAL	308,988	298,277	421,051	365,308
FUND TYPE				
General Fund	308,988	298,277	421,051	365,308
TOTAL	308,988	298,277	421,051	365,308

Appropriation Key Budget Issues

Corrections is statutorily mandated to provide education services for offenders in custody who are under the age of 22. Critical issues facing the education program include the provision of appropriate educational services to the offenders who are special education students.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	3,146,222	3,164,224	3,733,208	3,263,380
Operating Expenses	451,107	343,662	444,662	343,662
TOTAL	3,597,329	3,507,886	4,177,870	3,607,042
FUND TYPE				
General Fund	3,115,103	3,110,736	3,249,720	3,209,892
Interdepartmental Transfer	482,226	397,150	928,150	397,150
TOTAL	3,597,329	3,507,886	4,177,870	3,607,042

Appropriation Key Budget Issues

The largest budget issue in Correctional Services is the reclassification of corrections officers that was approved by the department of Human Resources in the Fall of 2005. This item should provide an incentive to reduce turnover among correction officers, which has been as high as 44%. Funding increases also are for fee-for-space, medical contract inflation, and caseload adjustments.

Funding is included to establish a capacity for Civil Commitment in the Northern State Correctional Facility in Newport beginning October 1, 2006.

Various programs have been implemented over the past few years in an attempt to stem the growth of the demand for incarceration. DOC is committed to continue the implementation of these types of programs. In line with these initiatives, the caseload is budgeted at a conservative growth rate of 2 per month.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	65,339,464	68,370,252	69,593,567	71,171,959
Operating Expenses	26,521,760	30,603,030	34,894,549	35,288,795
Grants	1,394,426	2,054,500	2,054,500	2,064,500
TOTAL	93,255,650	101,027,782	106,542,616	108,525,254
FUND TYPE				
General Fund	90,503,331	97,326,368	102,851,036	102,791,435
Transportation Fund	1,164,181	1,153,658	1,143,824	0
Special Fund	249,926	637,000	637,000	635,419
Federal Revenue Fund	1,180,024	1,829,710	1,829,710	1,829,710
Global Commitment Fund	0	0	0	2,750,144
Interdepartmental Transfer	158,188	81,046	81,046	518,546
TOTAL	93,255,650	101,027,782	106,542,616	108,525,254

Appropriation Key Budget Issues

The recreation fund is funded by the receipts from inmate commissaries and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities. In addition, several of the inmate boards have decided to make substantive donations to victim activities. Funds that are not expended in the year in which they are collected remain in the Recreation Fund to be used for this purpose in a subsequent year. In addition, in response to legislative mandate, inmate postage stamps are provided from this fund, as are some monies in support of the successful reentry of the offenders.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	485,779	518,212	518,212	603,012
Operating Expenses	465,766	473,986	474,696	473,986
TOTAL	951,545	992,198	992,908	1,076,998
FUND TYPE				
General Fund	0	0	0	75,000
Special Fund	951,545	992,198	992,908	1,001,998
TOTAL	951,545	992,198	992,908	1,076,998

Appropriation Key Budget Issues

The Vermont Offender Work Programs (VOWP) is a self-funded operation, providing offender work and vocational training at no cost to the general fund. Funding increases in FY 2007 includes pay act and the 2.3% medical increase.

Service Impacts

In addition to the programmatic value of preparing offenders for the work force, the VOWP adds value in several other ways. Virtually all VOWP expenses represent money put back into the economy that would not have been there otherwise. The majority of this money is spent in Vermont. All raw materials are purchased in the private sector and many services are as well. These purchases amounted to roughly $1.4 million that was put back in the Vermont economy as a result of VOWP activities in FY 2005. Wages to offenders and VOWP staff are also spent mostly in the Vermont economy.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,079,636	1,391,272	1,391,272	1,363,572
Operating Expenses	1,602,390	1,731,740	1,731,740	1,959,040
TOTAL	2,682,026	3,123,012	3,123,012	3,322,612
FUND TYPE				
Internal Service Fund	2,682,026	3,123,012	3,123,012	3,322,612
TOTAL	2,682,026	3,123,012	3,123,012	3,322,612

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
GF Approp to Health Access Trust Fd

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
GF Approp to Health Access Trust Fd	0	0	0	0	78,104,989	78,104,989	101,648,886
TOTAL	0	0	0	0	78,104,989	78,104,989	101,648,886
FUND TYPE							
General Fund				0	78,104,989	78,104,989	101,648,886
TOTAL				0	78,104,989	78,104,989	101,648,886

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
GF Approp to Health Access Trust Fd

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	78,104,989	78,104,989	101,648,886
TOTAL	0	78,104,989	78,104,989	101,648,886
FUND TYPE				
General Fund	0	78,104,989	78,104,989	101,648,886
TOTAL	0	78,104,989	78,104,989	101,648,886

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Tobacco Approp to Health Access Trust Fd

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Tobacco Approp to Health Access Trust Fd	0	0	0	0	17,250,000	17,250,000	17,250,000
TOTAL	0	0	0	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

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Tobacco Approp to Health Access Trust Fd

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 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 Veterans' Home is "Fulfilling the Promise" to Veterans. The Vermont Veterans' Home has over a century's tradition of caring for veterans. The modern Vermont Veterans' Home continues this proud tradition while now providing care for veterans' spouses and Gold Star Parents. The home proudly meets the medical and psychological needs of veterans by way of skilled nursing services, skilled mental health services, an intensive recreational therapy program, rehabilitative services, domiciliary care and an acclaimed dementia program, "Namaste".

The Vermont Veterans' Home continues to focus on the recognition that each Veteran and resident are unique individuals who deserve lives, regardless of where they reside, that include a sense of dignity, self-respect, and choice. This goal is reached by way of a dedicated staff, many with long periods of longevity, who recognize the special role we play in the care of Veterans and their family members.

To achieve the highest level of care possible for Veterans and their family members, the administration of the Vermont Veterans' Home will strive to:

- Assess and implement efficiencies without detriment to our provided services.
- Continue to hire and retain high-quality health care professionals and line staff.
- Continue to pursue best practice programs and care interventions.
- Continue to foster and encourage the self-determination of each resident while providing the care and services necessary for their well-being.

In FY 2007, the home will implement programmatic changes to benefit the residents, including:

- Institution of a Clinical Care Coordinator program within each resident care unit.
- Development of a Sub-Acute Care and Rehabilitation program and a Recreational Therapy program for a younger resident population.
- Implementation of the majority of recommendations from the State Audit report.

Description of Appropriations, Divisions, & Programs

The Vermont Veterans' Home is a component of the State of Vermont that provides skilled nursing, rehabilitative, psychological and domiciliary care to Veterans, spouses of Veterans and Gold Star Parents. The home generated over $14 million of revenue in SFY '05 and provided over 60,000 days of patient care. Sources of funding were Medicare, Vermont and New York Medicaid, Private funds, other insurances and the stipends from the Veterans Administration. The budget revenue is based on a census of 157 residents per day, which represents our average year-to-date census and fills the nursing home to 89 % of available beds.

PROGRAMS:

The Vermont Veterans' has developed specialized programs to address the acute needs of our Veterans and their family members.

1) **DEMENTIA CARE** - The Vermont Veterans' Home is the site of "Namaste", a world acknowledged dementia program. This program has the demonstrated the ability to facilitate contact with the inner being of residents diagnosed with advanced dementia. The program has been so successful that it has been the focus of many conferences, here and abroad.

2) **PALLIATIVE CARE** - The Reagan Room allows residents to die with dignity and within a supportive environment. Residents are surrounded by the pictures of loved ones and familiar and reassuring music. Additionally, families of residents are able to be comfortable and near their loved one during the end stage of life. Guest accommodations are available and are especially helpful to those who live a distance from the home. The palliative care library serves as both a quiet place to go and a resource for end of life issues. The Chapel continues to be available for both the resident and their families.

3) **PAIN MANAGEMENT** - Pain management is a critical component to the care at the Vermont Veterans' Home. Continuous education is provided to staff to assist in identifying pain related issues and to intervene and advocate for our residents so that they are as comfortable as is humanly possible. The home will continue to focus on a delivery of care that includes the management of pain.

4) **WOUND CARE** - The Vermont Veterans Home has a skilled and effective wound care team. Cutting edge technology and care interventions are used with significant success. We are justifiably proud of our wound healing successes.

5) **SKILLED REHABILITATION** - The Vermont Veterans' Home has a professional team of occupational therapists, physical therapists and speech language pathologists. The Home has been successful in rehabilitating many residents to their previous levels of functioning so that they may return home. Additionally, the Vermont Veterans' Home now provides outpatient therapy services for veterans who resides outside the facility.

6) **RESTORATIVE NURSING** - The Vermont Veterans' Home has a team of licensed nurse assistants under the supervision of a skilled restorative registered nurse. This team ensures that our residents retain their abilities to eat, walk, move themselves from sitting to standing, bath, and dress for as long as their bodies will allow.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Care and Support Services	219	219	219	14,397,900	15,962,190	16,716,190	16,051,290
TOTAL	219	219	219	14,397,900	15,962,190	16,716,190	16,051,290
FUND TYPE							
General Fund				49,750	912,495	912,495	913,047
Special Fund				9,524,921	10,239,126	10,993,126	10,193,494
Federal Revenue Fund				4,823,229	4,810,569	4,810,569	4,944,749
TOTAL				14,397,900	15,962,190	16,716,190	16,051,290

Appropriation Key Budget Issues

VERMONT VETERANS HOME
BUDGET DEVELOPMENT ASSUMPTIONS

- The 2007 budget is based on a resident census of 157.
- Payer mix based on the current experience.
- The private pay room charge is being increased by $20.
- The Medicare rate is based on our current case-mix. Other payers are budgeted at small increases.
- Contract therapists continue as a cost effective way to provide services that generate higher Medicare reimbursement
- Direct care staffing level will range between 3.0 and 3.5 per patient day.
- Bed tax,based on 184 beds, will be no higher than $700,000.
- There is a planned reduction in food cost to bring it in line with other nursing facilities.
- The General Fund will not be transferred in SFY 2007.
- The budget assumes that the VA rental and contract continues.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	11,660,339	12,833,472	12,858,472	12,927,871
Operating Expenses	2,737,561	3,128,718	3,857,718	3,123,419
TOTAL	14,397,900	15,962,190	16,716,190	16,051,290
FUND TYPE				
General Fund	49,750	912,495	912,495	913,047
Special Fund	9,524,921	10,239,126	10,993,126	10,193,494
Federal Revenue Fund	4,823,229	4,810,569	4,810,569	4,944,749
TOTAL	14,397,900	15,962,190	16,716,190	16,051,290

Department Mission Statement

The Vermont Commission on Women (VCW), as a state agency, works to shape policy by educating and informing the public. The Commission works to find long-term solutions to the problems that confront women and their families by increasing educational, economic, social and health-related opportunities.

Core Values: The Commission 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 its 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 livable wages.
Goal: Workplaces will be free of gender bias and harassment.

PRIORITY AREA #2: LEADERSHIP & PUBLIC LIFE
Goal: Legislature will increase its knowledge of women's issues.
Goal: Women will be influential leaders.
Goal: Vermonters will value the contributions of women now and in the future by better understanding their past.

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

PRIORITY AREA #4: EDUCATION AND HUMAN DEVELOPMENT

Goal: Schools will be free of gender bias and harassment.
Goal: Women and girls will have equal access to math, science, and technology education.
Goal: Women will be supported at all key points in their lifelong development.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Commission on Women

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Commission on Women	3	3	3	254,643	255,421	279,479	261,487
TOTAL	3	3	3	254,643	255,421	279,479	261,487
FUND TYPE							
General Fund				254,593	250,421	274,479	256,487
Special Fund				50	5,000	5,000	5,000
TOTAL				254,643	255,421	279,479	261,487

Appropriation Key Budget Issues

Seventy-seven percent of the Commission's budget is for personal services, providing for 2.75 FTE staff positions.

The remaining twenty-three percent covers all operating expenses, such as commissioner and staff travel, phone, publications, postage, fee-for-space and VISION/HRMS charges.

The Vermont Commission on Women operates efficiently and effectively 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 2007 BUDGET RECOMMENDATIONS
Vermont Commission on Women

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	205,505	194,319	215,377	201,837
Operating Expenses	49,138	61,102	64,102	59,650
TOTAL	254,643	255,421	279,479	261,487
FUND TYPE				
General Fund	254,593	250,421	274,479	256,487
Special Fund	50	5,000	5,000	5,000
TOTAL	254,643	255,421	279,479	261,487

Department Mission Statement

State funding to RSVP, which amounts to 10%-15% of the projects operating budget, helps to further the mission of meeting local community needs through the utilization of the skills and talents of volunteers.

Description of Appropriations, Divisions, & Programs

The Retired and Senior Volunteer Program is one of three volunteer programs within the Senior Corps funded by the Corporation for National and Community Service by the National Service Trust Act of 1993. RSVP recruits persons 55 and older to serve as volunteers in a variety of non-profit agencies and health care facilities. RSVP volunteers provide a wide range of services to meet critical community needs. They may serve as from as little as 1 to as many as 40 hours a week. Their volunteer service is non-stipended.

In Vermont there are currently over 2,642 volunteers who, in grant year 2005, gave 370,240 hours of service to over 687 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 Green Mountain RSVP serving Bennington, Windam, and Windsor Counties.
- Central VT Council on Aging, Grantee for RSVP for Central Vermont (Washington, Orange, Lamoille Counties) and Northeast Kingdom (Orleans, Essex & Caledonia Counties).

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Retired Senior Volunteer Program	0	0	0	131,096	131,096	131,096	131,096
TOTAL	0	0	0	131,096	131,096	131,096	131,096
FUND TYPE							
General Fund				131,096	131,096	131,096	131,096
TOTAL				131,096	131,096	131,096	131,096

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	131,096	131,096	131,096	131,096
TOTAL	131,096	131,096	131,096	131,096
FUND TYPE				
General Fund	131,096	131,096	131,096	131,096
TOTAL	131,096	131,096	131,096	131,096

Department Mission Statement

The Vermont Department of Labor is dedicated to helping develop and maintain the economic health and safety of Vermont businesses and workers by providing labor market information and various programs supporting safety and health, workforce development, wage and other compensation protection.

Description of Appropriations, Divisions, & Programs

Departmental Merger - On July 1, 2005 the Department of Labor and Industry and the Department of Employment and Training merged to become the Department of Labor. The merger created one-stop shopping for business, workers, and job seekers that include VOSHA, job training programs, worker and job matching services, economic and labor market statistics, workers' compensation, job health and safety consultation, unemployment insurance and wage and hour issues. The merger has already produced a number of benefits including enlisting the expertise of Project WorkSafe to provide safety training to apprentices and improved responses to wage and hour law complaints.

During this next year the department will look for further ways to improve service to Vermont's businesses and workforce. The department is updating its website to assist the user to more easily access information and services from all divisions. The department, with federal funding, is developing an internet based employer reporting system and is working with the Tax Department and Secretary of State to create an internet based employer registration system. The Unemployment Insurance and Wages Division is also developing a cross-match program with the Social Security Administration to prevent identity theft and fraud.

The Department of Labor's fiscal '07 request is approximately $28.5 million. Seventy-two percent of the funding is federal with 10 percent special funds, 8 percent general funds and 10% interdepartmental transfer.

Economic and Labor Market Information

The Economic and Labor Market Information Division, in cooperation with the US Bureau of Labor Statistics, surveys business and utilizes information from the Current Population Survey to produce a wide variety of information on jobs, the labor force, occupations, and workplace injuries and deaths. The division also produces a number of reports for the US Department of Labor's Employment and Training Administration. The Economic and Labor Market Information Division has 16 employees. Its funding is 100% federal.

Unemployment Insurance and Wages

The 85 employees of the Unemployment Insurance and Wages Division process claims for

unemployment compensation, ensure employers are covered, and collect the necessary contributions. The division also provides information about wage and hour laws and resolves wage disputes. The division processes 350,000 weekly claims for unemployment benefits, resolves 14,000 disputed claims and processes 88,000 employer reports annually. Benefit payments in calendar year 2004 totaled $82 million. Wage and hour staff receive 12,000 inquiries from businesses and workers and pursue about 400 wage claims each year. Federal funds account for 97 percent of the division's resources and pay for unemployment insurance activities. The 2.5 FTE wage and hour staff are supported with general funds.

Workers' Compensation and Safety

The Workers' Compensation and Safety Division offers a number of services focused upon workplace safety and resolving disputes between injured workers and their employers. The programs include:

- The Workers' Compensation program of the division ensures that workers who are injured because of work receive medical and disability compensation from the employer or employer's insurance company. The 17 staff provide dispute resolution, including form audits, mediation, and adjudication. Annually the division receives 20,000 injury reports. Approximately 7,500 of the injuries involve lost work time of three or more days. 5,000 cases involve dispute resolution and 70 to 80 go to formal hearing. Workers' compensation is funded by an assessment on business' workers' compensation premiums.
- The Vermont Occupational Safety and Health Administration (VOSHA) assures that all persons are provided safe and healthful conditions at their workplace. Activities include inspecting workplaces for violations of VOSHA standards and imposing penalties when violations are not corrected. In addition compliance officers investigate serious workplace accidents. The 13 employees are funded on a 50 percent federal, 50% general fund basis.
- Project WorkSafe provides consulting services to employers wishing to improve the health and safety condition of the workplace. Its six employees are funded with a combination of federal and state funds. Seventy-five to eighty percent of the funding is federal and the remainder is a mixture of general funds and funding from the workers' compensation administrative fund.
- The Passenger Tramway Program inspects the construction, operation and maintenance of ski tows, lifts and trams and monitors them for compliance with state regulations. Each year there are about 250 injuries related to ski lifts over the course of 4 million skier days. Vermont's 26 ski areas pay the cost of this program.

Workforce Development

The Workforce Development Division provides employment services and training assistance to business and workers. Programs include:

- The Workforce Investment Act serves 1,300 disadvantaged youth, adults, and dislocated workers with case management and training assistance.

- The apprenticeship program assists employers and 800 incumbent workers to learn new skills through a combination of on-the-job training and classroom instruction. The apprenticeship program is supported with 70 percent general funds and 30 percent special funds.
- The Employment Service helps match employers and job seekers. Twelve thousand individuals, 76 per cent of those exiting programs, find employment after receiving services through this program.
- The Workforce Education and Training fund has $365,000 from the general fund to assist businesses develop and implement training to improve skills and to assist unemployed and under-employed workers.
- Under an agreement with the Department for Children and Families, the division provides case management and employment services to more than 1,500 individuals on public assistance.

Administration

Administration consists of the commissioner's office, the business office, human resources, information technology, building maintenance and other support activities. The cost of administration is allocated across the various programs based upon a federally approved allocation formula, which focuses upon personal services costs.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Department of Labor

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
VDOL Program	276	276	276	23,841,833	24,828,390	25,576,989	25,011,229
VDOL Administration	40	40	40	3,564,439	3,614,195	3,725,886	3,300,893
Domestic Violence	0	0	0	0	0	0	30,000
TOTAL	316	316	316	27,406,272	28,442,585	29,302,875	28,342,122
FUND TYPE							
General Fund				2,037,114	2,227,384	3,087,674	2,390,220
Special Fund				1,955,104	2,834,326	2,834,326	2,906,651
Federal Revenue Fund				19,660,896	20,611,841	20,611,841	20,701,413
Interdepartmental Transfer				3,753,158	2,769,034	2,769,034	2,343,838
TOTAL				27,406,272	28,442,585	29,302,875	28,342,122

Appropriation Key Budget Issues

The Vermont labor market is facing a number of challenges. Population growth for Vermont is slower than the national average. The existing workforce is aging which makes it more susceptible to workplace injury and the baby boom generation is approaching retirement. These demographic changes are creating difficulty for many businesses. Skilled workers are leaving and there is difficulty finding suitable replacements. There is increased demand for services to help locate and train workers needed to replace retiring crafts people. There are also increased requests for assistance in helping avoid workplace accidents and injuries. As a means of mitigating these stresses on Vermont family farms the Governor has included $50,000 in the VDOL's budget for use in supporting a Vermont Youth in Agriculture initiative.

While demand for services is strong and growing, federal support for many VDOL programs is declining and for other programs is relatively static. Reduced resources have been met with reduced staffing and reduced service hours in some geographic areas. It has also led to many efficiencies such as a centralized, highly automated UI claim center, increased use of on-line services such as Vermontjoblink, and projects to develop on-line employer reporting.

An expected continued tightness in both federal and state budgets will focus the department even more on the Strategic Enterprise Initiative (SEI). It will use SEI to find additional efficiencies.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
VDOL Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	17,999,444	18,646,155	19,308,405	19,264,611
Operating Expenses	3,649,777	4,492,024	4,578,373	4,136,325
Grants	2,192,612	1,690,211	1,690,211	1,610,293
TOTAL	23,841,833	24,828,390	25,576,989	25,011,229
FUND TYPE				
General Fund	1,853,774	2,006,573	2,755,172	2,169,812
Special Fund	1,689,632	2,448,514	2,448,514	2,529,209
Federal Revenue Fund	17,104,980	17,987,343	17,987,343	18,315,506
Interdepartmental Transfer	3,193,447	2,385,960	2,385,960	1,996,702
TOTAL	23,841,833	24,828,390	25,576,989	25,011,229

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	2,920,356	2,821,479	2,920,267	2,603,442
Operating Expenses	644,083	792,716	805,619	697,451
TOTAL	3,564,439	3,614,195	3,725,886	3,300,893
FUND TYPE				
General Fund	183,340	220,811	332,502	190,408
Special Fund	265,472	385,812	385,812	377,442
Federal Revenue Fund	2,555,916	2,624,498	2,624,498	2,385,907
Interdepartmental Transfer	559,711	383,074	383,074	347,136
TOTAL	3,564,439	3,614,195	3,725,886	3,300,893

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Domestic Violence

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	0	0	0	30,000
TOTAL	0	0	0	30,000
FUND TYPE				
General Fund	0	0	0	30,000
TOTAL	0	0	0	30,000

Mission
We 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 2004, and the Board adopted the Strategic Plan at its meeting on June 9, 2004. In June 2005, the Board revisited the plan and chose focus strategies for the upcoming year. 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

Finance and Administration: Provides the operating functions of the department including information technology, business and financial management, human resources, school district accounting, Medicaid and special education administration and accounting, legal support and complaint investigation, and public relations and legislative support. The budgets for the Commissioner's office and the State Board of Education are also included.

Education Programs: The 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 Agency's for non-mainstream special education services and residential placements for students placed by the Department of Social and Rehabilitation Services or the Department of Mental Health in a school district outside of the parents' district of residence.

Capital Debt Service Aid: Formula grants to eligible school districts for principal and interest on capital construction projects. This aid has dramatically been reduced by the higher funding levels of Act 68.

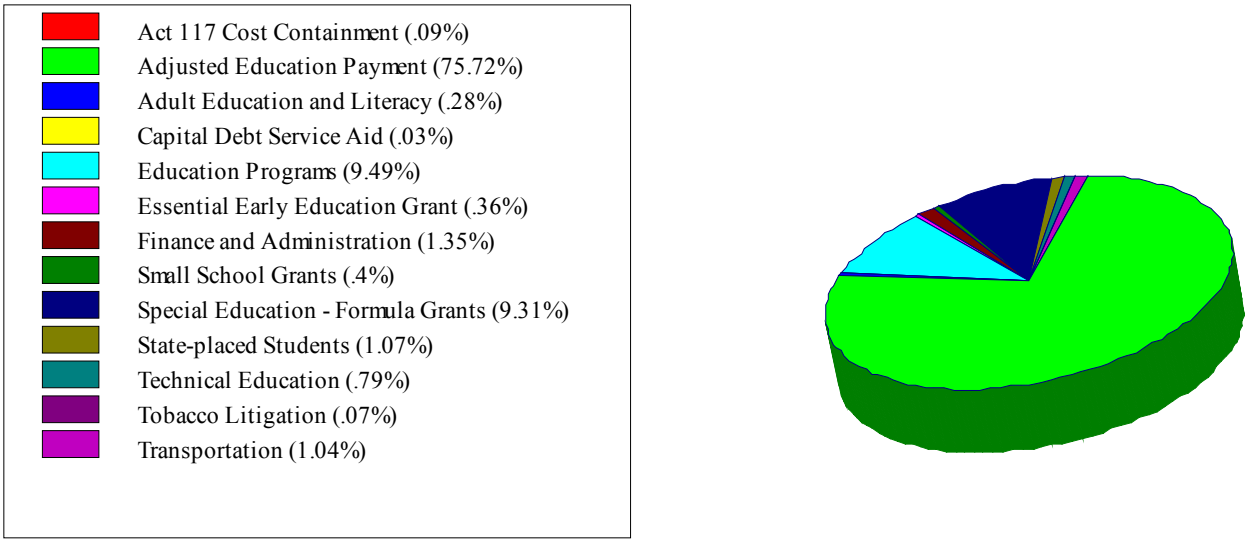
Transportation: Funds used for formula reimbursement for a portion of school transportation expenses.

Education Grant: Funding for education spending under act 68 being implemented for the first time in FY 2005. The education spending amount makes up about 80 percent of school budgets statewide.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Education

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Finance and Administration	59	63	63	16,905,158	16,528,454	18,005,684	18,202,446
Education Programs	129	134	134	121,702,959	122,399,739	126,160,952	127,607,276
Special Education - Formula Grants	0	0	0	105,257,251	116,120,000	116,120,000	125,280,000
State-placed Students	0	0	0	11,842,849	12,500,000	14,400,000	14,416,000
Adult Education and Literacy	0	0	0	4,060,061	3,951,017	3,951,017	3,701,017
Adjusted Education Payment	0	0	0	914,697,118	966,000,000	966,000,000	1,018,388,625
Transportation	0	0	0	13,190,790	13,496,399	13,496,399	13,978,220
Small School Grants	0	0	0	5,213,066	5,250,000	5,250,000	5,360,000
Capital Debt Service Aid	0	0	0	459,546	450,355	450,355	380,000
Tobacco Litigation	3	2	2	852,140	984,007	1,074,303	990,668
Essential Early Education Grant	0	0	0	0	4,379,337	4,379,337	4,838,045
Technical Education	0	0	0	0	9,836,396	9,836,396	10,598,329
Act 117 Cost Containment	15	14	14	1,020,507	1,139,176	1,131,032	1,222,004
TOTAL	206	213	213	1,195,201,445	1,273,034,880	1,280,255,475	1,344,962,630
FUND TYPE							
General Fund				14,005,428	13,001,885	13,191,211	13,816,960



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	4,323,770	4,533,633	4,535,127	4,579,438
Operating Expenses	1,074,277	1,374,821	1,453,557	1,623,008
Grants	11,507,111	10,620,000	12,017,000	12,000,000
TOTAL	16,905,158	16,528,454	18,005,684	18,202,446
FUND TYPE				
General Fund	3,143,224	3,162,887	3,305,478	3,389,969
Special Fund	17,482	63,697	70,855	69,894
Federal Revenue Fund	1,992,559	1,968,752	1,871,419	1,964,748
Interdepartmental Transfer	11,751,893	11,333,118	12,757,932	12,777,835
TOTAL	16,905,158	16,528,454	18,005,684	18,202,446

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	10,506,438	12,107,019	12,634,065	13,445,907
Operating Expenses	2,295,736	1,970,112	2,199,226	2,026,972
Grants	108,900,785	108,322,608	111,327,661	112,134,397
TOTAL	121,702,959	122,399,739	126,160,952	127,607,276
FUND TYPE				
General Fund	8,144,805	7,121,600	7,168,435	7,709,593
Transportation Fund	541,753	524,846	561,467	0
Education Fund	9,533,400	0	0	0
Special Fund	1,118,122	1,139,188	1,151,579	1,256,914
Federal Revenue Fund	101,373,878	112,461,461	116,026,003	117,452,874
Interdepartmental Transfer	991,001	1,152,644	1,253,468	1,187,895
TOTAL	121,702,959	122,399,739	126,160,952	127,607,276

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Special Education - Formula Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	105,257,251	116,120,000	116,120,000	125,280,000
TOTAL	105,257,251	116,120,000	116,120,000	125,280,000
FUND TYPE				
Education Fund	105,257,251	116,120,000	116,120,000	125,280,000
TOTAL	105,257,251	116,120,000	116,120,000	125,280,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State-placed Students

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	11,842,849	12,500,000	14,400,000	14,416,000
TOTAL	11,842,849	12,500,000	14,400,000	14,416,000
FUND TYPE				
Education Fund	11,842,849	12,500,000	14,400,000	14,416,000
TOTAL	11,842,849	12,500,000	14,400,000	14,416,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Adult Education and Literacy

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	4,060,061	3,951,017	3,951,017	3,701,017
TOTAL	4,060,061	3,951,017	3,951,017	3,701,017
FUND TYPE				
General Fund	2,717,399	2,717,398	2,717,398	2,717,398
Education Fund	434,431	250,000	250,000	0
Federal Revenue Fund	908,231	983,619	983,619	983,619
TOTAL	4,060,061	3,951,017	3,951,017	3,701,017

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Adjusted Education Payment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	914,697,118	966,000,000	966,000,000	1,018,388,625
TOTAL	914,697,118	966,000,000	966,000,000	1,018,388,625
FUND TYPE				
Education Fund	914,697,118	966,000,000	966,000,000	1,018,388,625
TOTAL	914,697,118	966,000,000	966,000,000	1,018,388,625

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Grants	13,190,790	13,496,399	13,496,399	13,978,220
TOTAL	13,190,790	13,496,399	13,496,399	13,978,220
FUND TYPE				
Education Fund	13,190,790	13,496,399	13,496,399	13,978,220
TOTAL	13,190,790	13,496,399	13,496,399	13,978,220

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Small School Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	5,213,066	5,250,000	5,250,000	5,360,000
TOTAL	5,213,066	5,250,000	5,250,000	5,360,000
FUND TYPE				
Education Fund	5,213,066	5,250,000	5,250,000	5,360,000
TOTAL	5,213,066	5,250,000	5,250,000	5,360,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Capital Debt Service Aid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	459,546	450,355	450,355	380,000
TOTAL	459,546	450,355	450,355	380,000
FUND TYPE				
Education Fund	459,546	450,355	450,355	380,000
TOTAL	459,546	450,355	450,355	380,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Tobacco Litigation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	147,992	116,151	122,177	130,133
Operating Expenses	27,536	25,073	18,084	17,752
Grants	676,612	842,783	934,042	842,783
TOTAL	852,140	984,007	1,074,303	990,668
FUND TYPE				
Special Fund	852,140	984,007	1,074,303	990,668
TOTAL	852,140	984,007	1,074,303	990,668

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Essential Early Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	4,379,337	4,379,337	4,838,045
TOTAL	0	4,379,337	4,379,337	4,838,045
FUND TYPE				
Education Fund	0	4,379,337	4,379,337	4,838,045
TOTAL	0	4,379,337	4,379,337	4,838,045

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Technical Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Grants	0	9,836,396	9,836,396	10,598,329
TOTAL	0	9,836,396	9,836,396	10,598,329
FUND TYPE				
Education Fund	0	9,836,396	9,836,396	10,598,329
TOTAL	0	9,836,396	9,836,396	10,598,329

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Act 117 Cost Containment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	848,724	969,605	930,561	1,013,923
Operating Expenses	113,306	104,571	109,471	117,081
Grants	58,477	65,000	91,000	91,000
TOTAL	1,020,507	1,139,176	1,131,032	1,222,004
FUND TYPE				
Interdepartmental Transfer	1,020,507	1,139,176	1,131,032	1,222,004
TOTAL	1,020,507	1,139,176	1,131,032	1,222,004

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
General Fund Approp to Ed Fund	0	0	0	249,300,000	259,300,000	259,300,000	293,746,282
TOTAL	0	0	0	249,300,000	259,300,000	259,300,000	293,746,282
FUND TYPE							
General Fund				249,300,000	259,300,000	259,300,000	293,746,282
TOTAL				249,300,000	259,300,000	259,300,000	293,746,282

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	249,300,000	259,300,000	259,300,000	293,746,282
TOTAL	249,300,000	259,300,000	259,300,000	293,746,282
FUND TYPE				
General Fund	249,300,000	259,300,000	259,300,000	293,746,282
TOTAL	249,300,000	259,300,000	259,300,000	293,746,282

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 10,744 active members, 2,906 inactive members, 568 vested terminated members and approximately 4,592 retirees and beneficiaries.

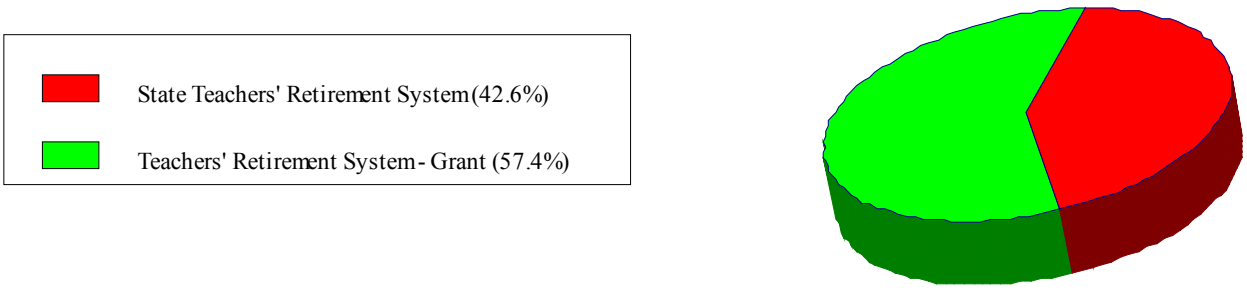
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was about $1,334 million as of June 30, 2005, compared with about $1,245 million as of June 30, 2004. The system paid $61.934 million in retirement benefits during fiscal year 2005.

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 2007 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Teachers' Retirement System - Grant	0	0	0	24,446,282	24,446,282	24,446,282	27,686,729
State Teachers' Retirement System	0	0	0	14,841,912	17,903,869	17,903,869	20,544,360
TOTAL	0	0	0	39,288,194	42,350,151	42,350,151	48,231,089
FUND TYPE							
General Fund				24,446,282	24,446,282	24,446,282	0
Education Fund				0	0	0	27,686,729
Pension Trust Fund				14,841,912	17,903,869	17,903,869	20,544,360
TOTAL				39,288,194	42,350,151	42,350,151	48,231,089



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	24,446,282	24,446,282	24,446,282	27,686,729
TOTAL	24,446,282	24,446,282	24,446,282	27,686,729
FUND TYPE				
General Fund	24,446,282	24,446,282	24,446,282	0
Education Fund	0	0	0	27,686,729
TOTAL	24,446,282	24,446,282	24,446,282	27,686,729

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	14,060,951	17,061,408	17,061,408	19,745,437
Operating Expenses	780,961	842,461	842,461	798,923
TOTAL	14,841,912	17,903,869	17,903,869	20,544,360
FUND TYPE				
Pension Trust Fund	14,841,912	17,903,869	17,903,869	20,544,360
TOTAL	14,841,912	17,903,869	17,903,869	20,544,360

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 2005 all municipalities receive $9.80 per grand list parcel per year to help with the cost of lister training, reappraisals and maintenance of their grand lists. This year the Governor is recommending a $.30 per parcel payment reduction saving the Education Fund approximately $97,000 over FY06 estimated expenditures. The current lister training program, which is funded through this $.30 per parcel funding source, will receive an alternative source of funds thereby reducing this expense. This program is administered by the Property Valuation and Review Division within the Tax Department.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Reappraisal and Listing Payments	0	0	0	2,264,906	3,210,000	3,226,614	3,211,695
TOTAL	0	0	0	2,264,906	3,210,000	3,226,614	3,211,695
FUND TYPE							
Education Fund				2,264,906	3,210,000	3,226,614	3,211,695
TOTAL				2,264,906	3,210,000	3,226,614	3,211,695

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	2,264,906	3,210,000	3,226,614	3,211,695
TOTAL	2,264,906	3,210,000	3,226,614	3,211,695
FUND TYPE				
Education Fund	2,264,906	3,210,000	3,226,614	3,211,695
TOTAL	2,264,906	3,210,000	3,226,614	3,211,695

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 ensuring 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 that administers this program through the development and distribution of forms, educational services, and processing and verification of claims. This initiative extends property tax relief to nearly 115,000 homeowners and renters.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Property Tax Assistance	0	0	0	104,463,736	118,966,276	119,367,073	133,900,000
TOTAL	0	0	0	104,463,736	118,966,276	119,367,073	133,900,000
FUND TYPE							
General Fund				8,680,000	7,988,056	7,988,056	16,995,000
Transportation Fund				3,520,000	2,378,220	2,728,220	0
Education Fund				92,263,736	108,600,000	108,650,797	116,905,000
TOTAL				104,463,736	118,966,276	119,367,073	133,900,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Property Tax Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	104,463,736	118,966,276	119,367,073	133,900,000
TOTAL	104,463,736	118,966,276	119,367,073	133,900,000
FUND TYPE				
General Fund	8,680,000	7,988,056	7,988,056	16,995,000
Transportation Fund	3,520,000	2,378,220	2,728,220	0
Education Fund	92,263,736	108,600,000	108,650,797	116,905,000
TOTAL	104,463,736	118,966,276	119,367,073	133,900,000

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 Science, the College of Education and Social Services, the College of Engineering and Mathematical Sciences, the School of Business Administration, the College of Nursing and Health Sciences, the Rubenstein School of Environment and Natural Resources), 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 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 5.0% base state appropriation increase will allow the university to continue to provide these services.

A one-time, one-million dollar request will address new initiatives and equipment to further expand the University's role in Vermont economic development around innovative and sustainable technologies.

The University stresses the importance of educating individuals providing the State with strong leadership, good citizens, entrepreneurship, and social responsibility. In addition to high quality education, the University of Vermont is a distinguished, comprehensive research institution of nationally renown 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 42% (Fall 2005 4,890 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.

  It is estimated that about 70% of Vermont undergraduates will receive some form of financial aid this year. Over $8.6 million in financial aid from the University's own funds went to Vermonters in FY 2005.

- The University provides continuing education to more than 6,000 adults annually.

The University of Vermont: A Research Enterprise to the State

- In FY 2005, UVM was granted $123.1 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 business development program located at the University, links 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 Proctor Maple Laboratory and the Center for Sustainable Agriculture.

The University of Vermont: Service to Vermont

- UVM students perform more than 117,000 hours of community and internship service annually.
- Medical, nursing, and allied health students provide health care services to help meet community needs. 306 graduates of the College of Medicine are practicing physicians in 54 different Vermont communities. Graduates and residents trained in UVM/Fletcher Allen programs account for over a third (35%) of the physicians practicing in Vermont.
- The University's Agricultural Extension programs made over 100,000 statewide contacts to assist Vermonters with agricultural and land use issues. The Extension's 4-H Program serves over 10,000 Vermont youth.
- The University's George Bishop Lane Series, among Vermont's premier presents of performing arts, entertained over 10,000 patrons last year.

The University of Vermont: A Major Vermont Industry

- More than 26,000 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 almost $267 million this year.

- The direct economic impact of University, faculty, staff, student, and visitor spending in Vermont is estimated to be $300 million/year. Using a conservative multiplier of 2.0, the University's total economic benefit to Vermont is estimated to be $600 million 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:

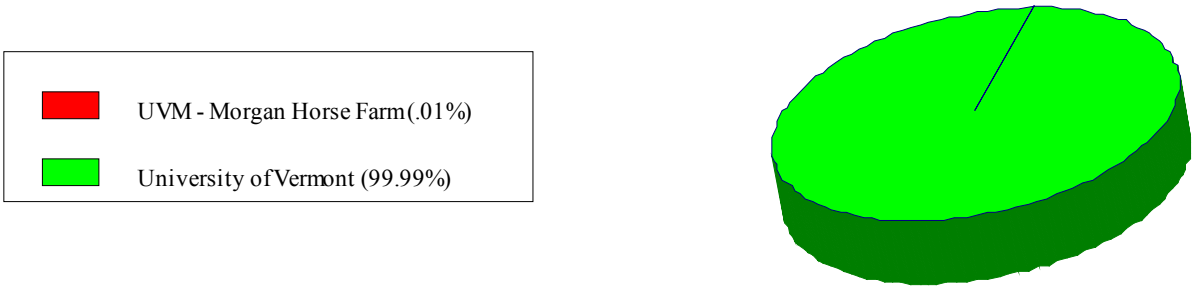
· Nurture and promote a reputation for academic excellence;
· Recruit and retain high quality faculty and staff;
· Construct and maintain excellent facilities;
· Invest in state-of-the art technology; and,
· Provide adequate financial aid for students who need it.

These investments will allow the University of Vermont to maintain its position as a distinguished institution of higher learning, critical to the long-term economic security and overall vitality of Vermont. The University's plan to improve its competitive position involves strategic cost reductions, focused academic programming, and garnering additional resources from multiple sources including planned growth in the student body, private giving, and sponsored research. Increased State investment is another key source of support and will be critical to our success.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
University of Vermont

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
University of Vermont	0	0	0	38,037,512	39,271,166	39,271,166	40,744,022
UVM - Morgan Horse Farm	0	0	0	5,000	5,000	5,000	5,000
TOTAL	0	0	0	38,042,512	39,276,166	39,276,166	40,749,022
FUND TYPE							
General Fund				38,042,512	39,276,166	39,276,166	40,749,022
TOTAL				38,042,512	39,276,166	39,276,166	40,749,022



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
University of Vermont

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Grants	38,037,512	39,271,166	39,271,166	40,744,022
TOTAL	38,037,512	39,271,166	39,271,166	40,744,022
FUND TYPE				
General Fund	38,037,512	39,271,166	39,271,166	40,744,022
TOTAL	38,037,512	39,271,166	39,271,166	40,744,022

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 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 public television network, educates, informs, entertains and inspires lifelong learning and community engagement through broadcast programming and outreach. Vermont Public Television has a responsibility to listen to & address the needs and interests of local viewers and meets these demands by providing a full schedule of local & national programming. VPT's outreach activities extend the value of this programming beyond the screen.

Vermont Public Television is an independent, locally owned broadcaster whose bottom line is service. It strives to respect the viewer, treating viewers as citizens and not just consumers. Commercial-free programs inspire children to ask questions, solve problems, read books and explore science, nature and history. VPT serves the youngest, the oldest and everyone in between who is open and curious. Vermont Public Television is an essential part of life in Vermont.

Description of Appropriations, Divisions, & Programs

State funds invested in VPT reach statewide to Vermonters of all ages, all income levels and all backgrounds. Each week, tens of thousands of viewers tune in and hundreds contact VPT with questions and comments. The impact of the state's investment is huge relative to the dollars appropriated and is increasingly important in an environment of federal reductions. Its importance to Vermonters' can be seen in the fact that voluntary contributions support the public television network at a level beyond the national average. Vermonters, as a whole, treasure public television and VPT is honored to have their support.

Following are highlights of services on air and in the community that the state supports through its investment in Vermont Public Television.

Programming and Services That Educate:

VPT helps prepare preschoolers to learn and older children to stay engaged as they grow by inspiring them to explore, ask questions and be active. The Student Press Conference with the Governor brings teens to the studio for workshops and a firsthand experience with TV journalism.

VPT's programs and services help parents and teachers provide the quality education Vermont's children deserve and for the past two years, educators have named PBS their number one video resource. Besides offering PBS educational programs, VPT produces instructional programming about Vermont -- programs on Lake Champlain history, the granite industry and the 1927 flood, for example.

Outreach activities bring Vermonters to VPT and VPT to Vermonters in ways that go far beyond the TV screen. Workshops given around the state help adults use the power of educational television to assist preschoolers in developing the basic language and literacy skills they need to succeed in school. VPT's annual Reading Rainbow Young Writers and Illustrators contest challenges and celebrates the creativity of the youngest viewers. Educational station tours, family days, teacher guides, the vast Scholastic media library, hundreds of free grant-supported videos of VPT documentaries sent to schools and libraries are all part of the outreach service.

Since fall 2004, when VPT expanded its community outreach efforts, there has been greater collaboration with other community organizations to address Vermonters' needs. A recent example is a grant-funded project called What About Teens? that featured nine community meetings around the state to address young people's concerns and make recommendations to the Legislature. VPT also hosted a meeting called "Promoting Community Leadership: Preserving Vermont's Working Landscape While Building Local Economies" that brought together leaders from various disciplines to explore ways VPT can help advance community initiatives.

VPT supports the community with public service information on air, online and more. Vermonters benefit from and are involved with VPT in ways that make it more than just a TV station.

Programming and Services That Promote Lifelong Learning:

VPT gives lifelong learners inspiration and information to explore history, arts, culture and science. Nova, Great Performances, Live From Lincoln Center, American Experience and Ken Burns' documentaries are among the most valued from PBS. Leading local productions include Fran Stoddard's weekly Profile interviews with Vermont's writers, artists, performers, thinkers and leaders; the documentaries Discovering Lake Champlain and Vermont's Great Flood; and concerts with the Vermont Youth Orchestra and Vermont Symphony Orchestra. VPT's staff travel the state and light up the studios to produce programming that reveals Vermont to Vermonters -- and to viewers in neighboring New York, New Hampshire and Canada.

In the 2005-2006 season, VPT will devote hours of its schedule to airing national and local programming about issues of health, having identified this as an issue of prime statewide concern. Local programs like Vermont Vital Signs, produced with Fletcher Allen Health Care; and Health Minutes, produced with Rutland Regional Medical Center, provide valuable information. VPT received a grant to participate in an outreach project on child health that began in November.

Programming and Services That Promote Community Engagement:

VPT gives Vermonters information and encouragement to participate in civic affairs, with news, analysis and public affairs programming like the NewsHour With Jim Lehrer, NOW, Washington Week and Frontline from PBS. In local productions like Vermont This Week, Report From Montpelier, 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 public affairs programs are call-in shows where viewers speak to the state's leaders directly. 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.

VPT's newest local program is Public Square, a monthly focus on an issue of concern to Vermonters. In Community Listening Sessions held around the state, Vermonters tell VPT what issues are of greatest concern to them. These sessions spark collaborations with community organizations on programs and outreach to address issues on air and in outreach. Public Square combines the talents of the production and community outreach staff with the power of a broadcast network that reaches statewide.

Programming and Services That Foster Appreciation for the Environment and Working Landscape:

PBS programs like Nature and National Geographic have helped generations of viewers appreciate the natural world. VPT's popular Outdoor Journal is in its fifth season of celebrating the state's rich traditions of recreation and conservation. The series was honored with two Emmy nominations and six Outdoor Writers Assn. of America awards in 2005. VPT encourages appreciation for agriculture and local products in its VPT Cooks productions. Recent shows featured Vermont berries and maple.

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. VPT makes space available at its transmission sites to public service and safety organizations including the NOAA weather service, FBI, FAA, Vermont Dept. of Public Safety and ham radio groups.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Public Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Public Television	0	0	0	563,832	573,832	573,832	596,785
TOTAL	0	0	0	563,832	573,832	573,832	596,785
FUND TYPE							
General Fund				563,832	573,832	573,832	596,785
TOTAL				563,832	573,832	573,832	596,785

Appropriation Key Budget Issues

The cost to run Vermont Public Television in FY 2006 will be about $5.8 million. From the deep state funding cut in FY 97 through several tough years for the region's economy, VPT has struggled to sustain the services Vermonters depend on. Rescissions and level funding from the State of Vermont have been part of the challenge. In real dollars, VPT is now receiving far less than in 1975.

Vermont Public Television's resources have been stretched thin for years, primarily because of reductions in staff. VPT cannot raise the price of its programming and educational services, nor would VPT want them to be anything but free, so the staff works hard to raise voluntary contributions, the primary source of revenue. Unfortunately, contributions have not kept pace with the cost of operating the state's public television network. Although VPT is careful in spending and diligent in fundraising, the station has had operating deficits ever since the state funding cuts of FY 97. On the positive side, VPT has been able to reduce deficits each year from FY 02 through FY 05.

VPT's operating costs for FY 07 are expected to rise beyond the rate of inflation, just as they did this year. On top of salaries, medical and other benefits that all agencies and departments face, programming costs rose by 11.5%, electricity rose by 4%, and corporate insurance rose by 9%.

VPT is a small item in the state budget, but state support is a very important component of VPT's revenue [9%]. The annual state appropriation 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 local support that enables VPT to claim federal matching dollars. For every dollar VPT gets from the state, it raises about $9 from non-state sources, including hundreds of business supporters and about 27,000 member households. State funding is critical to everything VPT does, from buying and producing programs to transmitting them statewide to community outreach.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Public Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	563,832	573,832	573,832	596,785
TOTAL	563,832	573,832	573,832	596,785
FUND TYPE				
General Fund	563,832	573,832	573,832	596,785
TOTAL	563,832	573,832	573,832	596,785

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 are **Nursing** and **Allied Health.** Nursing was transferred from the Vermont Department of Education beginning FY1995. The Nursing and Allied Health program provide curricula to teach students to become nurses, respiratory therapists and dental hygienists. The Nursing and Allied Health program are key to helping meet Vermont's critical shortage of health care workers. Nursing programs are located at its Thompson Campus in Brattleboro, Putnam Campus in Bennington, Fanny Allen Campus in Williston, on the Vermont Tech campus in Randolph Center, and via Vermont Interactive Television where the nursing program is offered at five additional locations throughout the State. Dental Hygiene is located at the Williston Campus and Respiratory Therapy is located in Williston, Rutland and Newport.

Yet another addition to VSC Board oversight that is also separately tracked within the VSC's State operating appropriation is the Vermont Manufacturing Extension Center (VMEC). Beginning in

FY2002, the State of Vermont's investment in VMEC shifted from passing through the Vermont Department of Economic Development to being a line item in the VSC budget. VMEC staff operate from offices located throughout the state, with VMEC's headquarters based centrally on the main Vermont Tech campus. VMEC services and training help Vermont manufacturers across the state increase productivity, modernize manufacturing and business processes, adopt advanced technologies, reduce costs, and improve their competitiveness.

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, General Electric, Central Vermont Hospital, as well as 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.

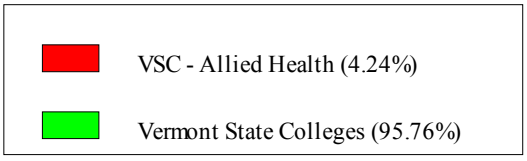
Specific to higher education, colleges within the VSC are this year enrolling record numbers that for the overall system total 12,051 students of which fully 84% are Vermonters--the latter derived from the fact that more than half of all Vermont residents attending college in state do so at one of the VSC institutions. Additionally notable is the sizable portion of VSC students who are the first generation in their families to go to college, though regrettable is that the majority of all VSC students require some extent of financial aid to afford VSC's close to 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.

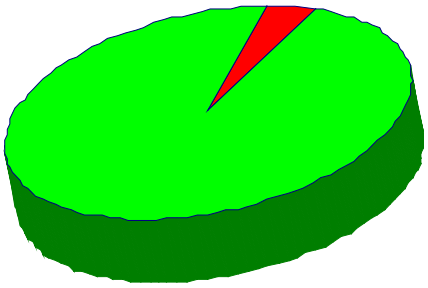
The range of academic services within the VSC includes credit and non-credit bearing, on-site as well as distance learning, remedial coursework, certificate training, plus associates, bachelors, and masters degree programs. Consistent with its mission the VSC does strive to provide professional and career-oriented 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 2007 BUDGET RECOMMENDATIONS
Vermont State Colleges

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont State Colleges	0	0	0	21,867,742	22,532,878	22,532,878	23,274,111
VSC - Allied Health	0	0	0	620,661	993,527	993,527	1,030,784
TOTAL	0	0	0	22,488,403	23,526,405	23,526,405	24,304,895
FUND TYPE							
General Fund				22,488,403	23,526,405	23,526,405	24,304,895
TOTAL				22,488,403	23,526,405	23,526,405	24,304,895





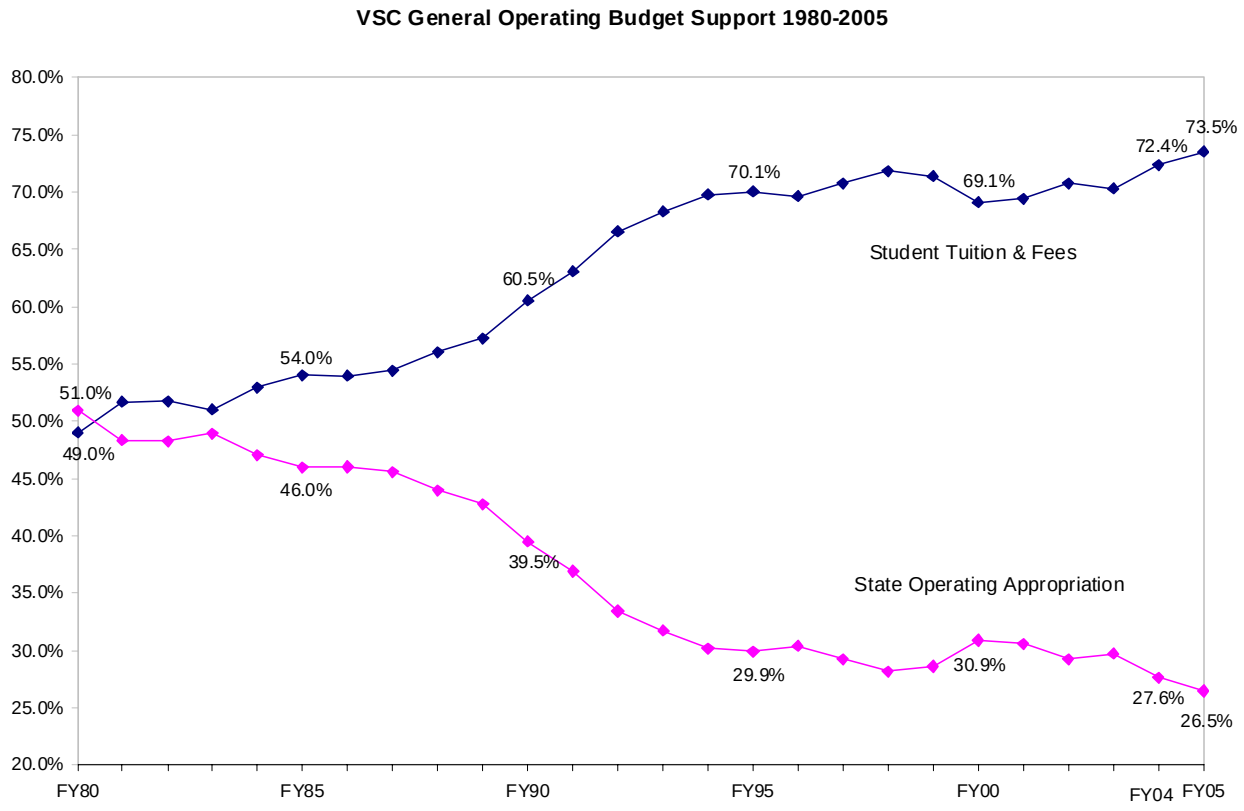
Appropriation Key Budget Issues

During the forty five years since VSC came into being the proportion of State funding for the System's general operating budget has consistently declined, from originally around two-thirds down to just under 55% in 1980 to less than one-third presently. In fact, the VSC now receives less appropriation per Vermont FTE in 2005 than it did in 1986 - these are pure dollars, not adjusted for inflation. One outcome of this is that the VSC's current 31% of general operating budget support from the State compares with 68% for like institutions across the nation and 45% for other public higher education systems in New England. Recent national studies indicate that over the past two decades the proportion of State funding support for public higher education in Vermont (VSC, UVM, & VSAC) declined more than any other state in the country--nearly a 38% reduction vs. the national average of under 18%.

To help offset reduced State support the VSC has made concerted efforts toward cost containment. This can be more negative than positive as it poses a constant challenge to VSC in maintaining the quality of education needed to prepare students for good jobs in 21st century Vermont and elsewhere.

Thankfully cost containment along with enrollment growth has enabled the VSC's annual tuition rate increases to, since the early 1990's, average among the lowest for public colleges in the northeast. Still Vermont's 50th in the nation in percent of state budget allocated to higher education, 49th in funding per capita and 47th in funding per $1,000 of AGI perpetuates the VSC's nearly highest in the nation tuitions and fee--contributing directly to some VSC graduates being harnessed with student loan indebtedness approaching $20,000.

Following is graphically illustrated that in the early 1980's VSC support from the State was around the same as from students, then starting about 1990 the State portion plunged such that since the mid-1990's less than 1/3 State funding has burdened students with funding over 2/3 of VSC operating support.


VSC General Operating Budget Support 1980-2005
80.0%
75.0%
70.0%
65.0%
60.0%
55.0%
50.0%
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
FY80
FY85
FY90
FY95
FY00
FY04
FY05
Student Tuition & Fees
State Operating Appropriation
51.0%
49.0%
54.0%
46.0%
60.5%
39.5%
70.1%
29.9%
69.1%
30.9%
72.4%
27.6%
73.5%
26.5%

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont State Colleges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	21,867,742	22,532,878	22,532,878	23,274,111
TOTAL	21,867,742	22,532,878	22,532,878	23,274,111
FUND TYPE				
General Fund	21,867,742	22,532,878	22,532,878	23,274,111
TOTAL	21,867,742	22,532,878	22,532,878	23,274,111

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
VSC - Allied Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Grants	620,661	993,527	993,527	1,030,784
TOTAL	620,661	993,527	993,527	1,030,784
FUND TYPE				
General Fund	620,661	993,527	993,527	1,030,784
TOTAL	620,661	993,527	993,527	1,030,784

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 are 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 will be adding a **15th site in Montpelier** in Spring/Summer 2006. VIT also has satellite downlinking capabilities, a direct connection to UVM's Distance Learning Network and the Vermont Criminal Justice Training Council (Police Academy), connections to CCV's internet protocol based network and the Department of Corrections in-house videoconferencing system, 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. **60%** of VIT's use comes from **Vermont State Colleges and UVM**, making it possible for them to meet their mission of delivering programs statewide. VIT offers **worldwide videoconferencing services,** making it possible for Vermont's small and medium sized businesses to easily communicate with clients and partners anywhere in the world, **staying competitive** in the world of **international trade.**

2. Government has used VIT for public hearings, but overall VIT has been underutilized by State Agencies. **VIT is part of the solution to permanently cut costs in the State budget**. Consistent use of VIT can save State Agencies a significant amount of money. VIT use can reduce travel reimbursement and lost productivity costs. For example, an average in-person meeting costs $1,440 when personnel and mileage costs are considered. Doing the same meeting on VIT would cost $435- a 70% savings. As a result, the Agency of Administration has directed all State Agencies to convert in-person meetings to Vermont Interactive Television meetings, whenever possible. VIT worked closely with all agencies over the past two years and held over 85 demonstrations and many informational meetings for all levels of agency staff. Work with agencies continues.

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 bimonthly 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 FY2007 VIT expects to bring in an estimated $270,615 in participant fees, derived from rates charged to clients to use the system as well as from consulting services.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Interactive Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Interactive Television	0	0	0	795,331	815,331	815,331	839,791
TOTAL	0	0	0	795,331	815,331	815,331	839,791
FUND TYPE							
General Fund				795,331	815,331	815,331	839,791
TOTAL				795,331	815,331	815,331	839,791

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. VIT received capital funding for a Montpelier site during the 2005 legislative season and VIT staff has been working with the Agency of Administration and the Department of Buildings & General Services to identify a host institution. VIT hopes to have this site established and available to agencies by Spring 2006 at the latest. Agencies have repeatedly noted 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) **Identify a host institution and establish the Montpelier VIT site for use by state agencies, the Legislature, the Governor's Office and other interested users as soon as possible**
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) Complete installation of the Vermont Criminal Justice Training Council system
Deliver technical and event training to VJCTC staff
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 eighteen years:

Total online hours -167,267
Total participants (turnstile count) -287,936
Total clients served this past year-500+

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Interactive Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	795,331	815,331	815,331	839,791
TOTAL	795,331	815,331	815,331	839,791
FUND TYPE				
General Fund	795,331	815,331	815,331	839,791
TOTAL	795,331	815,331	815,331	839,791

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:	FY95	FY97	FY99	FY01	FY03	FY05	Change: FY95–FY05 #	%
Number of Applicants	15,613	15,704	16,216	15,843	16,799	17,332	1,719	11.0%
Number of Recipients	8,837	9,421	9,411	8,919	9,245	9,736	899	10.2%
Amount Awarded	$10,469,699	$9,964,276	$11,440,129	$12,928,055	$15,078,021	$14,787,727	$4,318,028	41.2%
Average Grant	$1,185	$1,058	$1,216	$1,449	$1,631	$1,519	$334	28.2%

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 goals of the Non-Degree Grant have remained helping individuals get, keep, or improve their jobs.

NON-DEGREE GRANT PROGRAM	FY95	FY97	FY99	FY01	FY03	FY05	Change: FY95-FY05 #	Change: FY95-FY05 %
Number of Applicants	1,779	2,115	1,872	1,803	1,693	2,011	232	13.0%
Number of Recipients	1,042	1,278	1,041	1,045	921	1,100	58	5.6%
Amount Awarded	$345,289	$457,081	$419,480	$643,815	$668,727	$856,276	$510,987	148.0%
Average Grant	$331	$358	$403	$616	$726	$778	$447	134.8%

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.

PART-TIME GRANT PROGRAM:	FY95	FY97	FY99	FY01	FY03	FY05	Change: FY95–FY05 #	Change: FY95–FY05 %
Number of Applicants	4,814	4,873	4,718	4,509	4,141	4,555	-259	-5.4%
Number of Recipients	2,607	2,747	2,600	2,323	2,025	2,220	-387	-14.8%
Amount Awarded	$993,954	$887,358	$998,494	$980,780	$965,221	$951,614	-$42,340	-4.3%
Average Grant	$381	$323	$384	$422	$477	$429	$48	12.5%

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vt Student Assistance Corp	0	0	0	17,167,609	17,771,050	17,771,050	18,437,464
TOTAL	0	0	0	17,167,609	17,771,050	17,771,050	18,437,464
FUND TYPE							
General Fund				17,167,609	17,771,050	17,771,050	18,437,464
TOTAL				17,167,609	17,771,050	17,771,050	18,437,464

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	17,167,609	17,771,050	17,771,050	18,437,464
TOTAL	17,167,609	17,771,050	17,771,050	18,437,464
FUND TYPE				
General Fund	17,167,609	17,771,050	17,771,050	18,437,464
TOTAL	17,167,609	17,771,050	17,771,050	18,437,464

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 2007 BUDGET RECOMMENDATIONS
NE Higher Education Compact

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
NE Higher Education Compact	0	0	0	88,840	80,000	80,000	80,000
TOTAL	0	0	0	88,840	80,000	80,000	80,000
FUND TYPE							
General Fund				88,840	80,000	80,000	80,000
TOTAL				88,840	80,000	80,000	80,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
NE Higher Education Compact

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	88,840	80,000	80,000	80,000
TOTAL	88,840	80,000	80,000	80,000
FUND TYPE				
General Fund	88,840	80,000	80,000	80,000
TOTAL	88,840	80,000	80,000	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

In 2004, 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 FY07, the Governor’s proposed budget provides a continuing commitment for the Clean and Clear Action Plan programs in the Agency of Natural Resources, and recommends further enhancement of those programs.

For FY07, the ANR general fund budget proposes: additional support for community based watershed action planning, further strengthening the stream stability program, better control of erosion at construction sites, a feasibility study of phosphorus control in the sediments of St Albans Bay, and

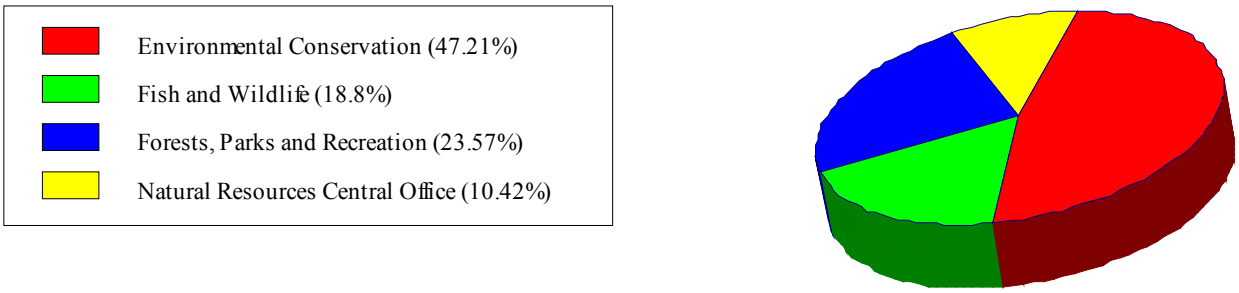
additional research for phosphorus accounting.

The capital budget also includes funding for wastewater treatment, wetlands protection, grants for stream stability, and funds for stormwater management, that complement the proposed general fund budget.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Agency of Natural Resources

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Natural Resources Central Office	54	59	59	7,035,821	7,389,632	8,272,071	8,090,291
Fish and Wildlife	131	131	131	14,590,366	14,283,291	15,352,186	14,593,296
Forests, Parks and Recreation	126	121	121	18,753,772	17,319,684	20,744,315	18,293,229
Environmental Conservation	290	298	300	31,506,580	36,050,779	41,790,829	36,640,251
TOTAL	601	609	611	71,886,539	75,043,386	86,159,401	77,617,067
FUND TYPE							
General Fund				18,966,987	20,757,302	23,296,207	23,933,500
Transportation Fund				1,290,683	1,274,482	1,351,519	0
Fish & Wildlife Fund				12,232,766	12,188,720	13,045,950	12,481,014
Special Fund				21,445,076	24,651,936	27,112,975	25,358,603
Federal Revenue Fund				14,001,639	13,616,796	18,493,118	13,315,451
Interdepartmental Transfer				3,949,388	2,554,150	2,859,632	2,528,499
TOTAL				71,886,539	75,043,386	86,159,401	77,617,067



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:

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.

Legal Division - The Legal Division provides legal assistance and counsel to the Agency's three departments. These responsibilities include drafting and reviewing policies and permits, rule making and providing general advice on Agency matters. Agency attorneys also represent the Agency in Act 250 proceedings and litigation before the Environmental Court and other administrative bodies. A separate legal and investigative unit provides the enforcement function for the Agency.

Policy Research and Planning Division - Members of the Policy Research and Planning Division coordinate policy development and compliance, and coordinate policy positions in relation to other state agencies, federal agencies and outside stakeholders. Staff members also organize and direct the Agency's comprehensive strategic planning process, coordinate other Agency planning activities and provide a liaison with the Lake Champlain Basin Program (LCBP).

Environmental Litigation Group - The Environmental Litigation Group represents the Agency in proceedings before the Environmental Court, the Public Service Board, and the Natural Resources Board. These proceedings may include: (1) Appeals of Agency actions such as the issuance or denial of permits, (2) Appeals of Act 250 permits to the Environmental Court from Environmental Commissions, and (3) the review of proposed projects seeking a certificate of public good before the Public Service Board.

Division of Regulatory Management and Act 250 Review - Members of this Division manage the Agency's review of Act 250 applications and coordinate staff review teams for Act 250 and, along with the Environmental Litigation Group, coordinate staff review of other regulatory processes, including Public Service Board and federal EIS processes. The attorneys represent the Agency in Act 250 proceedings and in other forums, including the Environmental Court and the Public Service Board. The Division publishes a weekly list of Act 250, Environmental Court and Public Service Board applications and maintains a data base of Act 250 records. The Division provides case management for large, complex projects in both pre application work and throughout the regulatory process.

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 includes the addition of increased capacity in general litigation support and

in policy development and compliance.

Funding is maintained to fully support the Clean and Clear strategic initiative.

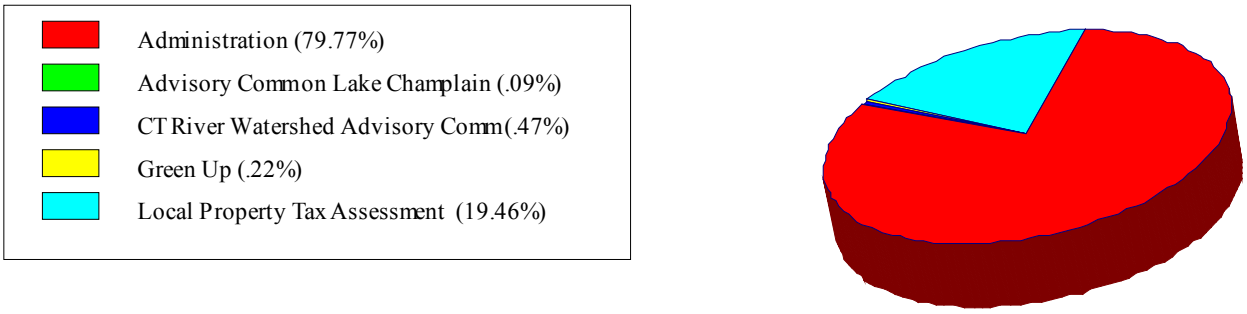
Federal funding for IT is increased due to approval of the next phase of the EPA's Environmental Information Exchange Program as well as additional funding for the Environmental Results Program for development of performance data and regulatory reporting in the retail gasoline sector.

The payment in lieu of taxes budget has been increased by $125,000 due to reappraisals of Agency-owned properties.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration	54	59	59	5,757,734	5,877,936	6,660,375	6,453,293
CT River Watershed Advisory Comm	0	0	0	34,200	38,000	38,000	38,000
Advisory Comm on Lake Champlain	0	0	0	7,437	7,500	7,500	7,500
Local Property Tax Assessment	0	0	0	1,221,864	1,449,000	1,549,000	1,574,000
Green Up	0	0	0	14,586	17,196	17,196	17,498
TOTAL	54	59	59	7,035,821	7,389,632	8,272,071	8,090,291
FUND TYPE							
General Fund				3,531,422	5,334,855	6,237,294	6,138,284
Transportation Fund				211,123	212,816	212,816	0
Special Fund				936,661	1,052,700	1,052,700	1,079,756
Federal Revenue Fund				313,013	353,855	333,855	434,000
Interdepartmental Transfer				2,043,602	435,406	435,406	438,251
TOTAL				7,035,821	7,389,632	8,272,071	8,090,291



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	3,902,678	4,138,173	4,689,712	4,620,324
Operating Expenses	1,767,036	1,649,583	1,875,983	1,801,469
Grants	88,020	90,180	94,680	31,500
TOTAL	5,757,734	5,877,936	6,660,375	6,453,293
FUND TYPE				
General Fund	2,750,008	4,323,525	5,125,964	4,773,336
Special Fund	928,111	1,042,150	1,042,150	1,069,206
Federal Revenue Fund	297,513	338,355	318,355	434,000
Interdepartmental Transfer	1,782,102	173,906	173,906	176,751
TOTAL	5,757,734	5,877,936	6,660,375	6,453,293

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	34,200	38,000	38,000	38,000
TOTAL	34,200	38,000	38,000	38,000
FUND TYPE				
General Fund	18,700	22,500	22,500	38,000
Federal Revenue Fund	15,500	15,500	15,500	0
TOTAL	34,200	38,000	38,000	38,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,625	3,800	3,600	3,600
Operating Expenses	3,812	3,700	3,900	3,900
TOTAL	7,437	7,500	7,500	7,500
FUND TYPE				
General Fund	7,437	7,500	7,500	7,500
TOTAL	7,437	7,500	7,500	7,500

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Local Property Tax Assessment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	1,221,864	1,449,000	1,549,000	1,574,000
TOTAL	1,221,864	1,449,000	1,549,000	1,574,000
FUND TYPE				
General Fund	749,241	974,684	1,074,684	1,312,500
Transportation Fund	211,123	212,816	212,816	0
Interdepartmental Transfer	261,500	261,500	261,500	261,500
TOTAL	1,221,864	1,449,000	1,549,000	1,574,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Green Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Operating Expenses	6,002	0	6,646	6,948
Grants	8,584	17,196	10,550	10,550
TOTAL	14,586	17,196	17,196	17,498
FUND TYPE				
General Fund	6,036	6,646	6,646	6,948
Special Fund	8,550	10,550	10,550	10,550
TOTAL	14,586	17,196	17,196	17,498

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 FY07 these core services will include: managing wildlife habitat on Wildlife Management Areas; conserving, restoring and enhancing natural communities and high-value habitats such as deer wintering areas and wetlands; inventorying, monitoring and managing game species to ensure sustainable population levels are maintained; inventorying, monitoring, and managing species that are not hunted and developing recovery initiatives for species that are threatened or endangered; promoting and providing a diversity of hunting and angling opportunities; promoting and facilitating a land stewardship ethic in Vermont; providing viewing and photography opportunities of fish and wildlife; 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.

Department Key Budget Issues

Revenues from hunting, fishing and trapping license sales, which are the Department's primary source of state revenue, continue to decline (down 4.4%) through November 2005. Decline in state license revenues, coupled with continued increases in base costs and demands for services, remains a significant fiscal and administrative challenge. Difficulty in capturing Federal funds is increased as state match revenues become limiting.

The Department did receive an unexpected increase in Federal funds in FY06, which helped to offset upward pressures. This increase was caused by a change in the formula that determines Vermont's share of Federal tax revenues. This change is expected to be permanent.

The Department continues to hold an average of 11 positions vacant, one less than in FY06. This has been accomplished while simultaneously working to improve and increase the delivery of products and services to the public.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Fish and Wildlife

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Support & Field Services	131	131	131	14,518,800	14,232,630	15,279,186	14,518,296
Watershed Improvement	0	0	0	71,566	50,661	73,000	75,000
TOTAL	131	131	131	14,590,366	14,283,291	15,352,186	14,593,296
FUND TYPE							
General Fund				1,981,756	1,726,645	1,893,310	2,094,779
Transportation Fund				364,670	367,926	367,926	0
Fish & Wildlife Fund				12,232,766	12,188,720	13,045,950	12,481,014
Special Fund				0	0	45,000	0
Interdepartmental Transfer				11,174	0	0	17,503
TOTAL				14,590,366	14,283,291	15,352,186	14,593,296

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	9,907,158	9,566,015	10,332,302	9,847,289
Operating Expenses	4,287,338	4,004,162	4,505,744	4,229,867
Grants	324,304	662,453	441,140	441,140
TOTAL	14,518,800	14,232,630	15,279,186	14,518,296
FUND TYPE				
General Fund	1,981,756	1,726,645	1,893,310	2,094,779
Transportation Fund	364,670	367,926	367,926	0
Fish & Wildlife Fund	12,161,200	12,138,059	12,972,950	12,406,014
Special Fund	0	0	45,000	0
Interdepartmental Transfer	11,174	0	0	17,503
TOTAL	14,518,800	14,232,630	15,279,186	14,518,296

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Watershed Improvement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	366	0	0	0
Grants	71,200	50,661	73,000	75,000
TOTAL	71,566	50,661	73,000	75,000
FUND TYPE				
Fish & Wildlife Fund	71,566	50,661	73,000	75,000
TOTAL	71,566	50,661	73,000	75,000

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

Administration - The Administration Division is responsible for leadership and oversight of all Department programs, financial management, personnel management, policy development and legal services, as well as administering recreation grant programs.

Forestry - Forestry programs 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 important economic resource base supporting a diverse forest products industry through sustainable timber management, the basis for biological diversity, natural communities, wildlife habitats, scenic landscapes, tourism and recreation. The Division has responsibility for administration and oversight of the 1.4 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 342,000 acres of state-owned 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 planning 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 52 developed parks.

Land Administration - This Division has Agency-wide responsibility for the administration and real estate activity of all state-owned lands managed by ANR (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; assistance with long-range management planning; statewide comprehensive outdoor recreation planning; survey and mapping of ANR lands, and coordinating wetland restoration activities through the Clean & Clear Initiative.

Vermont Youth Conservation Corps - Administration of 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 consisting of approximately 500 miles of roads.

Department Key Budget Issues

The FY07 budget appropriation for the Department of Forests, Parks & Recreation will allow for the continuation of ongoing operations and base programs.

The FY07 budget reflects the same 8 vacancies/position reductions as in FY06.

The continued expansion in enrollment in the State Use Value Appraisal Program is resulting in increased forest land conservation and economic development in the forestry sector. This expansion will continue to add responsibilities to the county foresters.

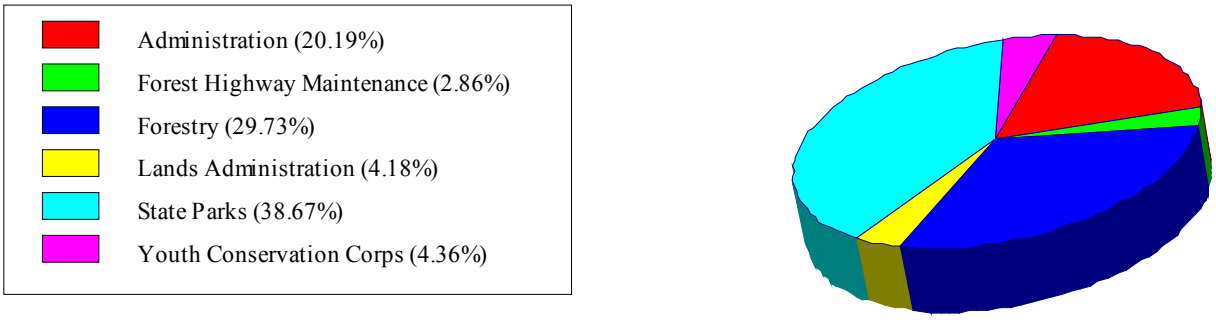
The Parks' Special Fund receipts have recovered somewhat from previous years due to the fine summer weather of 2005 and Parks' promotions. FY07 receipt projections look very positive due to some fee increases, the cabin program and continued marketing efforts. Weather conditions continue to be the unpredictable factor influencing Parks' Special Fund receipts.

A Parks' financial future program is underway to investigate and implement appropriate funding alternatives.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration	14	12	12	3,549,809	3,321,533	3,634,685	3,694,231
Forestry	69	67	67	5,219,155	5,367,880	5,415,666	5,437,734
State Parks	36	35	35	6,448,189	6,434,204	6,756,914	7,074,387
Lands Administration	7	7	7	2,048,546	759,599	3,425,528	764,531
Youth Conservation Corps	0	0	0	890,099	912,490	912,490	798,368
Forest Highway Maintenance	0	0	0	597,974	523,978	599,032	523,978
TOTAL	126	121	121	18,753,772	17,319,684	20,744,315	18,293,229
FUND TYPE							
General Fund				5,881,251	5,635,336	5,758,136	6,725,662
Transportation Fund				528,563	508,558	583,558	0
Special Fund				7,937,622	7,992,790	8,576,621	8,505,768
Federal Revenue Fund				3,955,592	2,679,000	5,282,000	2,549,000
Interdepartmental Transfer				450,744	504,000	544,000	512,799
TOTAL				18,753,772	17,319,684	20,744,315	18,293,229



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	906,528	849,194	890,064	873,790
Operating Expenses	893,882	474,239	546,521	604,341
Grants	1,749,399	1,998,100	2,198,100	2,216,100
TOTAL	3,549,809	3,321,533	3,634,685	3,694,231
FUND TYPE				
General Fund	1,161,722	982,533	995,685	1,023,231
Special Fund	1,236,092	1,046,000	1,346,000	1,466,000
Federal Revenue Fund	1,151,995	1,293,000	1,293,000	1,205,000
TOTAL	3,549,809	3,321,533	3,634,685	3,694,231

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	4,462,277	4,514,728	4,557,187	4,533,422
Operating Expenses	393,242	500,152	505,479	616,312
Grants	363,636	353,000	353,000	288,000
TOTAL	5,219,155	5,367,880	5,415,666	5,437,734
FUND TYPE				
General Fund	3,284,427	3,481,380	3,529,166	3,644,935
Transportation Fund	21,500	21,500	21,500	0
Special Fund	357,930	360,000	360,000	360,000
Federal Revenue Fund	1,321,297	1,291,000	1,291,000	1,200,000
Interdepartmental Transfer	234,001	214,000	214,000	232,799
TOTAL	5,219,155	5,367,880	5,415,666	5,437,734

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
State Parks

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	4,663,539	4,538,235	4,774,945	4,870,037
Operating Expenses	1,773,495	1,890,969	1,976,969	2,199,350
Grants	11,155	5,000	5,000	5,000
TOTAL	6,448,189	6,434,204	6,756,914	7,074,387
FUND TYPE				
General Fund	917,493	609,904	648,783	993,987
Special Fund	5,530,696	5,824,300	6,108,131	6,080,400
TOTAL	6,448,189	6,434,204	6,756,914	7,074,387

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	397,298	521,610	548,759	533,420
Operating Expenses	1,639,571	237,989	2,866,769	231,111
Grants	11,677	0	10,000	0
TOTAL	2,048,546	759,599	3,425,528	764,531
FUND TYPE				
General Fund	426,698	524,599	547,528	539,531
Special Fund	192,105	195,000	195,000	145,000
Federal Revenue Fund	1,403,000	0	2,603,000	50,000
Interdepartmental Transfer	26,743	40,000	80,000	30,000
TOTAL	2,048,546	759,599	3,425,528	764,531

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Youth Conservation Corps

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	321,860	387,133	387,133	388,775
Operating Expenses	17,112	25,357	25,357	9,593
Grants	551,127	500,000	500,000	400,000
TOTAL	890,099	912,490	912,490	798,368
FUND TYPE				
Special Fund	620,799	567,490	567,490	454,368
Federal Revenue Fund	79,300	95,000	95,000	94,000
Interdepartmental Transfer	190,000	250,000	250,000	250,000
TOTAL	890,099	912,490	912,490	798,368

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	318,155	222,978	282,978	222,978
Operating Expenses	273,819	301,000	316,054	301,000
Grants	6,000	0	0	0
TOTAL	597,974	523,978	599,032	523,978
FUND TYPE				
General Fund	90,911	36,920	36,974	523,978
Transportation Fund	507,063	487,058	562,058	0
TOTAL	597,974	523,978	599,032	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, 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, neighboring states environmental programs, 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 has been active in the development of a Northeastern states and Eastern Canadian

climate action plan as well as a "cap and trade" program for carbon dioxide emissions within seven states in the Northeast. 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 and 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, review and permitting for dam alteration or construction projects, and assures that stream flows below dams, water withdrawals and hydropower reservoirs meet minimum standards.

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 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 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, general fund increases to address some inflationary pressures, increases to address both a new Brownfields position and the first phase of federal revenue reductions, 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.

This budget requires an average of 9 vacancies, which will be held vacant on a rotating basis. This is up from the average of 3 rotating vacancies required in FY06.

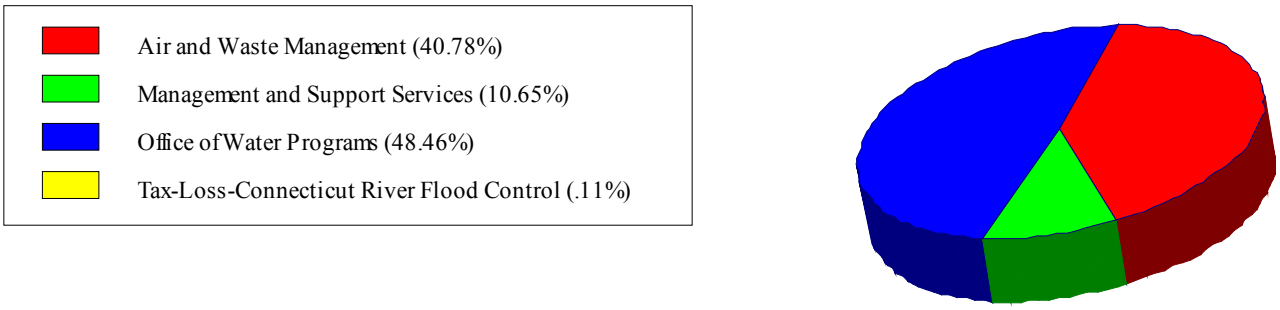
The Clean & Clear Action Plan includes aggressive strategies to clean up waters throughout Vermont and to accelerate to the extent possible the deadlines established in the Phosphorus Total Maximum Daily Load (TMDL) for Lake Champlain. Two new positions in the Office of Water will help the Clean and Clear Action Plan through enhanced watershed action planning and public involvement, and improved erosion control at construction sites. Program efforts moved to regional offices include wetland and river encroachment permitting, and watershed planning.

The Environmental Contingency Fund has experienced declining revenue and increased costs due in part, to superfund state matching responsibilities for Elizabeth Mine and Pownal Tannery, this fund is projected to have a $650,000 deficit by the end of SFY'07. DEC is working with Finance and Management to resolve this issue with a combination of one-time funding and legislative proposal for a transfer of Solid Waste Management Assistance Revenue.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Environmental Conservation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Management and Support Services	39	40	40	3,527,251	3,754,469	4,022,850	3,902,437
Air and Waste Management	82	83	83	12,156,972	14,978,363	17,445,148	14,942,226
Office of Water Programs	169	175	177	15,791,127	17,277,947	20,282,831	17,755,588
Tax-Loss-Connecticut River Flood Control	0	0	0	31,230	40,000	40,000	40,000
TOTAL	290	298	300	31,506,580	36,050,779	41,790,829	36,640,251
FUND TYPE							
General Fund				7,572,558	8,060,466	9,407,467	8,974,775
Transportation Fund				186,327	185,182	187,219	0
Special Fund				12,570,793	15,606,446	17,438,654	15,773,079
Federal Revenue Fund				9,733,034	10,583,941	12,877,263	10,332,451
Interdepartmental Transfer				1,443,868	1,614,744	1,880,226	1,559,946
TOTAL				31,506,580	36,050,779	41,790,829	36,640,251



APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,564,988	2,835,084	3,020,470	2,931,319
Operating Expenses	887,875	823,118	860,949	887,118
Grants	74,388	96,267	141,431	84,000
TOTAL	3,527,251	3,754,469	4,022,850	3,902,437
FUND TYPE				
General Fund	1,126,684	1,123,601	1,275,714	1,310,330
Special Fund	594,361	701,255	736,955	679,476
Federal Revenue Fund	1,007,560	1,023,119	1,090,166	993,471
Interdepartmental Transfer	798,646	906,494	920,015	919,160
TOTAL	3,527,251	3,754,469	4,022,850	3,902,437

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	5,534,434	6,944,360	7,610,053	7,056,543
Operating Expenses	5,733,084	6,328,003	7,445,000	6,176,683
Grants	889,454	1,706,000	2,390,095	1,709,000
TOTAL	12,156,972	14,978,363	17,445,148	14,942,226
FUND TYPE				
General Fund	562,980	715,896	896,691	815,555
Special Fund	8,753,964	11,147,684	12,655,646	11,137,141
Federal Revenue Fund	2,700,471	2,944,783	3,502,936	2,815,544
Interdepartmental Transfer	139,557	170,000	389,875	173,986
TOTAL	12,156,972	14,978,363	17,445,148	14,942,226

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Office of Water Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	11,751,253	12,236,776	13,796,121	12,629,486
Operating Expenses	2,263,262	2,087,669	2,276,948	2,235,066
Grants	1,776,612	2,953,502	4,209,762	2,891,036
TOTAL	15,791,127	17,277,947	20,282,831	17,755,588
FUND TYPE				
General Fund	5,882,894	6,220,969	7,235,062	6,848,890
Transportation Fund	186,327	185,182	187,219	0
Special Fund	3,191,238	3,717,507	4,006,053	3,916,462
Federal Revenue Fund	6,025,003	6,616,039	8,284,161	6,523,436
Interdepartmental Transfer	505,665	538,250	570,336	466,800
TOTAL	15,791,127	17,277,947	20,282,831	17,755,588

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	31,230	40,000	40,000	40,000
TOTAL	31,230	40,000	40,000	40,000
FUND TYPE				
Special Fund	31,230	40,000	40,000	40,000
TOTAL	31,230	40,000	40,000	40,000

Department Mission Statement

The Environmental Board and the Water Resources Board were statutorily eliminated effective January 31, 2005. The Natural Resources Board has taken the place of both Boards and commenced operations on February 1, 2005. The new Board is 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 Panel also has major responsiblities for procedural and substantive rulemaking in the area of land use and in order to fully implement Act 250.

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 on February 1, 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.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Natural Resources Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Natural Resources Board	32	32	31	2,866,416	2,712,331	2,851,641	2,748,609
TOTAL	32	32	31	2,866,416	2,712,331	2,851,641	2,748,609
FUND TYPE							
General Fund				1,186,199	1,063,114	1,202,424	1,058,883
Special Fund				1,656,158	1,649,217	1,649,217	1,689,726
Interdepartmental Transfer				24,059	0	0	0
TOTAL				2,866,416	2,712,331	2,851,641	2,748,609

Appropriation Key Budget Issues

The key budget issue facing the new Natural Resources Board in FY 2007 is the challenge of maintaining a level of service commensurate with the services previously provided by the Environmental Board and the Water Resources Board, absent the appellate functions which transferred to the Environmental Court on February 1, 2005. Due to the restructuring, personal service and operational expenses have decreased by 9%, resulting in a savings of approximately $260,000 in general and special funds in FY 2006. General funds decreased by nearly 12% while the need for special funds decreased slightly in FY 2006. This decrease in general and special funds is directly attributable to the dissolution of the Environmental Board, the Waste Facility Panel and the Water Resources Board. In FY 2007, the Natural Resource Board will be funded 38% with general funds and 62% with special funds.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Natural Resources Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,408,421	2,320,080	2,417,736	2,304,259
Operating Expenses	457,995	392,251	433,905	444,350
TOTAL	2,866,416	2,712,331	2,851,641	2,748,609
FUND TYPE				
General Fund	1,186,199	1,063,114	1,202,424	1,058,883
Special Fund	1,656,158	1,649,217	1,649,217	1,689,726
Interdepartmental Transfer	24,059	0	0	0
TOTAL	2,866,416	2,712,331	2,851,641	2,748,609

Agency Mission Statement

The mission for the Agency of Commerce and Community Development is to help Vermonters improve their quality of life and build strong communities.

Description of Departments in Agency

The Agency is comprised of the Departments of Administration, Economic Development, Tourism and Marketing, and Housing and Community Affairs. Vermont Life Magazine is part of the Department of Tourism and Marketing, and the Division for Historic Preservation is part of the Department of Housing and Community Affairs.

Administration

Administration consists of the Office of the Agency Secretary, Deputy Secretary, Communications, IT Services, Administrative Services, and Legal Counsel. Together they provide managerial direction, coordination, and support services to the agency. The department also includes the Office of the Chief Marketing Officer for the state of Vermont.

Housing and Community Affairs

The Department of Housing and Community Affairs serves Vermont's regions, municipalities, housing development organizations**,** businesses and the general public 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 focusing on increasing housing opportunities for low and moderate income Vermonters ; 4) identification, protection, interpretation, promotion, and enhancement of the economic and educational value of Vermont’s 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 Vermont 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 support a diverse and vital economy. The VDTM mission is accomplished through the development and implementation of a comprehensive marketing plan that integrates television, radio, newspaper and magazine print with VermontVacation.com, the state's most comprehensive tourism database.

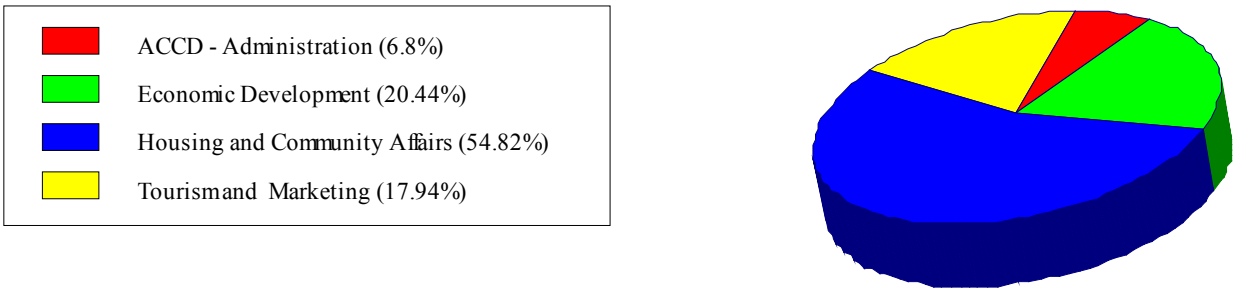
The department also supports and/or funds statewide initiatives including 5-1-1 travel information, Low Powered FM Radio (LPFM), VT/NH/ME Tri-State organization (TRIO), Discover New England (DNE), travel and trade shows and familiarization trips. Informative and effective communication with the industry through newsletters, meetings, and conferences is also a priority of the Department.

Vermont Life Magazine promotes Vermont as a beautiful and interesting place to travel, work and live.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
ACCD - Administration	15	17	16	2,055,144	1,946,607	2,018,619	2,129,945
Housing and Community Affairs	41	39	38	18,475,064	18,155,033	20,615,304	17,175,451
Economic Development	22	22	22	5,263,861	5,756,674	7,055,975	6,403,939
Tourism and Marketing	28	27	27	4,780,967	5,054,513	6,155,542	5,621,056
TOTAL	106	105	103	30,575,036	30,912,827	35,845,440	31,330,391
FUND TYPE							
General Fund				12,501,682	13,204,396	15,660,848	14,575,156
Special Fund				6,027,239	5,375,918	6,572,956	5,432,242
Federal Revenue Fund				11,166,415	10,882,067	12,081,409	9,655,790
Enterprise Fund				735,966	847,770	847,770	849,556
Interdepartmental Transfer				143,734	602,676	682,457	817,647
TOTAL				30,575,036	30,912,827	35,845,440	31,330,391



Department Mission Statement

The mission of the Department of Administration is the oversight and coordination of agency efforts to implement objectives, programs, and policy and statutory objectives in all areas of responsibility.

Description of Appropriations, Divisions, & Programs

The Department is responsible for serving the members of the agency in the areas of human resources, IT, legal, and administrative support, management and supervisory training, and the prioritization of agency initiatives. The Office of the Chief Marketing Officer for the State of Vermont adds the responsibility of supporting state-wide marketing coordination.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Administration	15	17	16	2,055,144	1,946,607	2,018,619	2,129,945
TOTAL	15	17	16	2,055,144	1,946,607	2,018,619	2,129,945
FUND TYPE							
General Fund				2,055,144	1,946,607	2,018,619	2,129,945
TOTAL				2,055,144	1,946,607	2,018,619	2,129,945

Appropriation Key Budget Issues

The Department budget challenges center on the gradual reorganization of the agency to address the Strategic Enterprise Initiative goals of reduction of duplication and optimization of consolidated services and functions throughout the agency. Therefore, some services are being consolidated into the Department, such as communications, marketing, administrative, and Web support. Formation of the Office of the Chief Marketing Officer has brought new functional and budgetary demands, such as the need for administrative support.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,200,161	1,270,218	1,290,524	1,369,681
Operating Expenses	475,049	440,189	486,895	524,064
Grants	379,934	236,200	241,200	236,200
TOTAL	2,055,144	1,946,607	2,018,619	2,129,945
FUND TYPE				
General Fund	2,055,144	1,946,607	2,018,619	2,129,945
TOTAL	2,055,144	1,946,607	2,018,619	2,129,945

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. VDP administers the Downtown Transportation and Related Capital Improvement Fund, and tax credits for rehabilitation and code improvements in older and historic buildings. Many downtowns are seeing new construction after a long period of stagnation. While downtowns are still fragile due to changing consumer trends, they are working to remain the social center of their communities and developing niches where they can be economically successful. 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 popular with smaller communities. The department designated 20 village centers in 2005, bringing the total to 54.

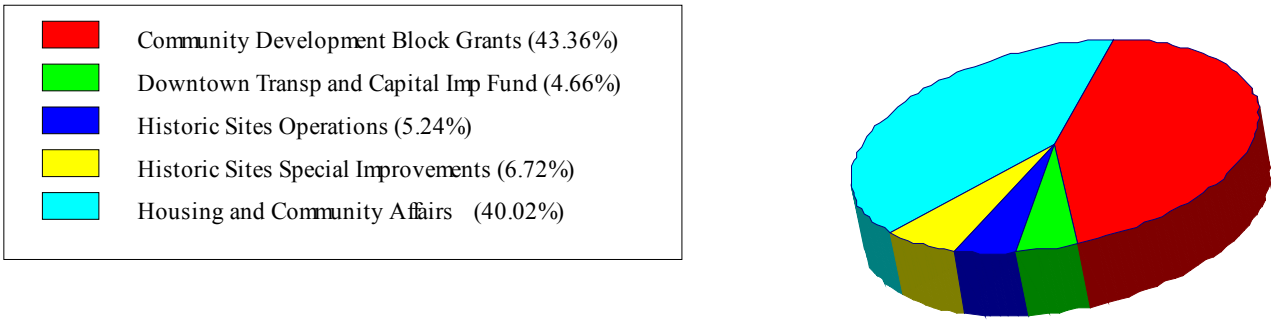
The Division for Historic Preservation also conducts environmental reviews of developments which have the potential to impact the state's historic and archeological resources, administers the state's historic preservation and barn grant programs, maintains the National Register of Historic Places, administers the federal historic tax credits program, and provides education and technical assistance about the identification, registration and protection of historic resources.

The mission of the Vermont State Historic Sites Program is to encourage the discovery and appreciation of the state’s rich heritage through the stewardship and interpretation of historic sites. The Division manages the state-owned Historic Sites. There are 10 properties open to the public, of which 3 are National Historic Landmarks - the President Coolidge historic district at Plymouth Notch, the Senator Morrill Homestead in Strafford, and Mt. Independence in Orwell. There are 88 structures, including bridges and underwater shipwrecks that are owned and maintained by the Division. This year, the Plymouth Cheese Factory is operational, under the management of the local cheese maker.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Housing and Community Affairs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Housing and Community Affairs	35	33	32	6,755,616	6,846,656	7,921,878	6,874,135
Historic Sites Operations	5	5	5	945,525	879,443	905,290	900,012
Historic Sites Special Improvements	0	0	0	0	982,816	982,816	1,154,774
Community Development Block Grants	0	0	0	9,513,379	8,646,118	9,862,041	7,446,530
Downtown Transp and Capital Imp Fund	1	1	1	1,260,544	800,000	943,279	800,000
TOTAL	41	39	38	18,475,064	18,155,033	20,615,304	17,175,451
FUND TYPE							
General Fund				2,055,963	1,982,842	2,009,023	1,993,567
Special Fund				5,362,297	4,885,918	6,069,013	4,906,917
Federal Revenue Fund				10,970,687	10,683,597	11,861,828	9,457,320
Interdepartmental Transfer				86,117	602,676	675,440	817,647
TOTAL				18,475,064	18,155,033	20,615,304	17,175,451



Appropriation Key Budget Issues

The Department is very dependent on federal funds. Federal budget constraints over the next few years will likely result in a decline in these funds. For example, federal funds now cover 50% of the Historic Preservation budget, down from 60%. The potential loss of Community Development funds could cost the department over $30k in administrative funds but will do nothing to reduce the number of applicants to the program. The Department is working with other agencies to provide services that can help generate additional revenue. One example in 2005 was DHCA's 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 help solve this problem. The HRC is reimbursing the Department with federal HUD monies for its efforts.

The Vermont Community Development Program makes grants directly to municipalities to fund vital community development projects such as economic development, affordable housing and public facilities. Federal funding has declined over the past few years from about $8.5 million to a projected $7+ million in 2006. The Grants Administration team assists communities in complying with the federal requirements that must be carefully tracked as the grant money is spent.

The Housing Division partnered with others to complete a housing needs assessment for the state. It showed the gap is widening between the number of housing units needed and the number of units available. The Department was instrumental in working with Governor Douglas to roll out the new Homes For Vermonters Initiative which will strive to create more housing opportunities for all Vermonters. The Governor's Commission on Manufactured and Mobile Homes was staffed by the Division and will be wrapping up its work and issuing its recommendations in time for the 2006 legislative session.

The Planning Division provides technical assistance to local and regional officials and has been instrumental in creating and implementing a training program for municipalities. The Department also works closely with the 11 Regional Planning Commissions to make sure work plans and efforts are coordinated. Over $800k is distributed through a competitive process for municipal planning grants.

Attendance and revenue at the State Historic Sites has been declining the past several years. We took two steps to slow this trend - reopening the Cheese Factory at Plymouth, and, with Tourism and Marketing, implementing an advertising plan for the Sites system. Some of our promotional activities include: co-promotions with other outdoor heritage sites, improving our teachers' curriculum, bringing more Vermont school children to the Sites, participation in tourism initiatives and providing excellent experiences for visitors to Vermont. We will continue to work with the several "friends groups" who are invaluable in volunteering and raising funds for special events.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Housing and Community Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	2,454,003	2,447,749	2,516,522	2,479,313
Operating Expenses	313,213	299,567	300,757	347,147
Grants	3,988,400	4,099,340	5,104,599	4,047,675
TOTAL	6,755,616	6,846,656	7,921,878	6,874,135
FUND TYPE				
General Fund	1,579,245	1,504,399	1,522,850	1,509,648
Special Fund	3,660,744	3,663,918	4,685,617	3,684,917
Federal Revenue Fund	1,455,056	1,639,339	1,601,647	1,614,570
Interdepartmental Transfer	60,571	39,000	111,764	65,000
TOTAL	6,755,616	6,846,656	7,921,878	6,874,135

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	609,417	604,583	605,778	615,472
Operating Expenses	336,108	274,860	299,512	284,540
TOTAL	945,525	879,443	905,290	900,012
FUND TYPE				
General Fund	476,718	478,443	486,173	483,919
Special Fund	441,009	372,000	390,117	372,000
Federal Revenue Fund	2,252	0	0	0
Interdepartmental Transfer	25,546	29,000	29,000	44,093
TOTAL	945,525	879,443	905,290	900,012

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Historic Sites Special Improvements

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	0	71,408	71,408	129,160
Operating Expenses	0	911,408	911,408	1,025,614
TOTAL	0	982,816	982,816	1,154,774
FUND TYPE				
Special Fund	0	50,000	50,000	50,000
Federal Revenue Fund	0	398,140	398,140	396,220
Interdepartmental Transfer	0	534,676	534,676	708,554
TOTAL	0	982,816	982,816	1,154,774

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	9,513,379	8,646,118	9,862,041	7,446,530
TOTAL	9,513,379	8,646,118	9,862,041	7,446,530
FUND TYPE				
Federal Revenue Fund	9,513,379	8,646,118	9,862,041	7,446,530
TOTAL	9,513,379	8,646,118	9,862,041	7,446,530

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Downtown Transp and Capital Imp Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,382	40,000	37,271	40,000
Grants	1,259,162	760,000	906,008	760,000
TOTAL	1,260,544	800,000	943,279	800,000
FUND TYPE				
Special Fund	1,260,544	800,000	943,279	800,000
TOTAL	1,260,544	800,000	943,279	800,000

Department Mission Statement

To lead and coordinate statewide efforts that will foster the growth of higher quality jobs and a more vital and diverse economy through supporting existing businesses and entrepreneurs while attracting new businesses to the state.

Goal

To strengthen the competitiveness of Vermont's businesses and overall economy.

Description of Appropriations, Divisions, & 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 assistance by direct client interaction and partnership with the Regional Development Corporations. These efforts also include our natural products initiatives, Brownsfields redevelopment assistance to clean up vacant contaminated sites and implement reuse initiatives. In addition, the retention and expansion team conducted over 200 company visits in FY 2005.

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 and the government bid board. The program provided technical procurement assistance to over 150 companies in FY 2005.

Vermont Training Program (VTP): VTP promotes industrial expansion and encourages the creation and retention of jobs in manufacturing by providing training for new and existing business thereby increasing the skills of the Vermont workforce, wages and Vermonters' standard of living. ISO 9000 training classes are also offered to Vermont employers. This program provided funding for training over 1,200 individuals at 131 companies in FY 2005.

International Trade: The Vermont Global Trade Partnership provides international trade assistance, educational support and informational services to Vermont businesses to help them expand their markets abroad. 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. This program provided international trade assistance to 75 companies in FY 2005.

Entrepreneurship: DED develops and supports focused and efficient use of scarce resources to grow and retain highly successful start-up businesses 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, which skirts the Canadian border to Maine and back down the east coast.

Opportunities outside of the target geographic market area will be provided support and assistance as they arise. However, they are not generally the main 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. Eleven new captive insurance companies established operations in Vermont in FY 2005.

Telecommunications: DED works in concert with the Agency's Administration Division to further telecommunications infrastructure development throughout the State of Vermont. The deployment of 30 wireless sites was facilitated by this program in FY2005. The ConnectVermont program is co-managed with VTrans to enhance the telecommunications and information technology infrastructure for vital services such as VermontVacation.com, ThinkVermont.com, and the newly formed project to line the interstate system with fiber optic cable.

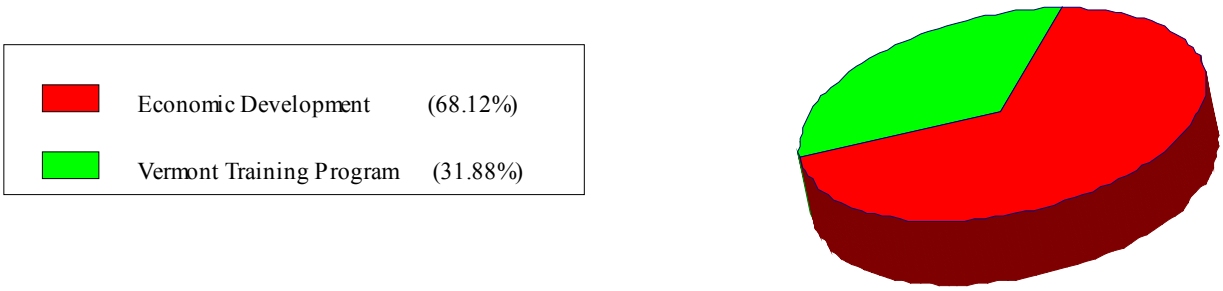
Administration: DED administers the grant programs for the Regional Development Corporations, provides public outreach via media, partnerships, seminars and direct client contact.

Vermont Economic Progress Council (VEPC): VEPC is an independent body governed by 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 2007 BUDGET RECOMMENDATIONS
Economic Development

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Economic Development	21	21	21	3,751,630	4,114,874	4,605,761	4,362,139
Vermont Training Program	1	1	1	1,506,400	1,641,800	2,450,214	2,041,800
Job Development Zones	0	0	0	5,831	0	0	0
TOTAL	22	22	22	5,263,861	5,756,674	7,055,975	6,403,939
FUND TYPE							
General Fund				4,403,191	5,068,204	6,325,434	5,680,144
Special Fund				664,942	490,000	503,943	525,325
Federal Revenue Fund				195,728	198,470	219,581	198,470
Interdepartmental Transfer				0	0	7,017	0
TOTAL				5,263,861	5,756,674	7,055,975	6,403,939



Appropriation Key Budget Issues

FY 2007 New Programs and Incremental Funding of Existing Programs.

Retention and Expansion Objectives for Industrial Clusters: Vermont has two native industrial clusters - dairy and forest products. In both cases our federal partners have provided substantial resources to these industries. DED and the Agency of Agriculture through the Dairy Task Force are collaboratively working together to improve the economic vitality of the dairy cluster. The Task Force recommendations will be reported in 2006.

Vermont Training Program (VTP): Governor Douglas has tripled funding for this program since 2003 recognizing the rapidly increasing demands for skills in the workforce. The program is highly efficient with overhead costs roughly 10% of the total budget. The investments made through the VTP support not only retention but recruitment activities as well.

Regional Development Corporations (RDC): The RDCs are our direct links to the community. Prior to Governor Douglas's administration, the RDCs were level-funded for years. Over time, these independent agencies have each developed their own missions, all linked to job creation but often inconsistent with each other beyond regional variation. We have been pushing them further in the direction of regular and structured business visitations - a "know your customer" program. All have voiced concerns over resources to accomplish this. To support this effort, the budget calls for an additional $60,000 to be distributed among the RDC's.

Financial Services Program Funding: DED would like to transition from requesting excess receipts at year-end for its financial services program to a special funds-base increase. The additional funding will cover the costs associated with the FY2007 projected program activities. To cover the entire promotional expenses for the financial services program in FY07, DED needs to recruit or maintain approximately ten captive insurance companies in Vermont per year. As of December 31, 2004 there were 524 active licensed insurance companies in Vermont, in which 43 were licensed in 2004.

Vermont Economic Progress Council (VEPC) Budget Needs: In FY 2007 VEPC will need to issue a new personal service contract for cost-benefit modeling services for the Economic Advancement Tax Incentive program. It is anticipated that the new cost-benefit modeling contract will exceed the prior contract. In addition, there will be an increase in the cost of the REMI software license used to support the EATI program.

Vermont Economic Progress Council (VEPC) Long Range Planning: The original statutory VEPC mission was to develop and continually update a 10-year economic development plan for the State of Vermont. In FY2005 VEPC issued an RFP for services to assist with developing an economic planning process and to build a long-range economic plan for the state. Through the RFP process, VEPC concluded that it would cost approximately $175K to $200K to complete the work. The Legislature set

aside $60,000 for Long Range Economic Planning. However, Act 71 of 2005 mandated that the long range economic planning process not begin until after the study committee on economic development, which was also created by Act 71, reports their findings to the General Assembly on January 15, 2006. Once the report is completed VEPC will incorporate its recommendations and findings into the planning process and begin the development of the long range economic plan.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Economic Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,516,000	1,759,654	2,278,784	1,936,584
Operating Expenses	593,457	720,277	639,731	650,206
Grants	1,642,173	1,634,943	1,687,246	1,775,349
TOTAL	3,751,630	4,114,874	4,605,761	4,362,139
FUND TYPE				
General Fund	2,932,509	3,461,404	3,910,220	3,673,344
Special Fund	623,393	455,000	468,943	490,325
Federal Revenue Fund	195,728	198,470	219,581	198,470
Interdepartmental Transfer	0	0	7,017	0
TOTAL	3,751,630	4,114,874	4,605,761	4,362,139

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Training Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	153,701	67,050	135,634	134,375
Operating Expenses	19,549	25,737	19,618	20,636
Grants	1,333,150	1,549,013	2,294,962	1,886,789
TOTAL	1,506,400	1,641,800	2,450,214	2,041,800
FUND TYPE				
General Fund	1,464,851	1,606,800	2,415,214	2,006,800
Special Fund	41,549	35,000	35,000	35,000
TOTAL	1,506,400	1,641,800	2,450,214	2,041,800

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Job Development Zones

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Grants	5,831	0	0	0
TOTAL	5,831	0	0	0
FUND TYPE				
General Fund	5,831	0	0	0
TOTAL	5,831	0	0	0

Department Mission Statement

To promote Vermont's 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 partners 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 Vermont as a destination. To accomplish the objective VDTM markets Vermont to likely travelers from across the country, from around the world and from within Vermont itself, as well as encouraging the purchase of Vermont products and services. VDTM continues to promote Vermont in the key drive/fly markets of New York City, Boston, and Philadelphia, as well as important secondary markets.

VDTM is capitalizing on a significant new trend; more Vermonters are discovering that the best tourism and recreation opportunities are in their own backyard. The success of our initial in-state tourism campaign demonstrates that this is a market with considerable growth potential.

Research: A new benchmark study to measure the impact of travel and tourism on the Vermont economy during 2003 was completed during FY 2005 by Economic & Policy Resources, Inc., under contract to VDTM. The benchmarks, which are reconciled with independent economic measures, estimate that $1.46 billion in direct spending by visitors during 12.8 million person trips to Vermont generated $181.7 million in revenue to the State of Vermont. Related studies have focused on lodging establishments, Vermonters as visitors, second-home owners, and travel and tourism employees and proprietors. During FY 2006 several key benchmarks will be updated to reflect the industry's impact during calendar 2004 while new, in-depth data is being gathered for a complete analysis of tourism activity and impact during 2005.

Advertising: The FY 2007 media strategy includes a proven combination of television, magazine, newspaper, radio and online advertising. Advertisements are placed in publications that attract readers interested in outdoor recreation, cultural heritage, unique lodging, fine dining and the Vermont experience. The call to action on all advertising campaigns and printed materials directs consumers to VermontVacation.com and 1-800-VERMONT.

To stretch media dollars, the Department reviews last-minute opportunities with potential to deliver a strong message to key markets. This poises Vermont to take advantage of better-priced remnants in print. Our partnership with Cabot Creamery and the Vermont Ski Area Association and pooling of marketing dollars allows the Department to purchase more television spots.

Sales: Regular communication and sales missions with travel agents and tour operators ensure that Vermont retains a strong presence in travel trade product offerings throughout the world. Motor coaches

continue to be an integral part of the Vermont tourism mix. Hundreds of motor coach companies come to Vermont with thousands of travelers during all four seasons. Interaction with consumers at special events and consumer shows highlight Vermont as a vacation destination in a way that other promotional mediums cannot.

VDTM now has in-country representation in France and Canada, as well as in Germany, the U.K. and Japan. These contractors focus on public relations opportunities, familiarization trips, and selling Vermont as a premier vacation destination. Other efforts to attract international travelers include trade shows, sales missions, and the Internet. The Department has pages on VermontVacation.com translated into German, French, U.K. English and Japanese which complement lure pieces in the same languages.

Web/Technology: With over 300 pages of content, VermontVacation.com continues to be a significant resource for prospective visitors and the Vermont tourism industry. In 2005, the site hosted 679,000 unique visitors (projected) and received 7.4 million page views. The Department is encouraging more return visits to the site by implementing interest-based, direct marketing strategies.

Vacation Planner is the state's most comprehensive listing of lodging, dining, attractions, and events. It is the most used portion of VermontVaction.com, with an average of 85,000 searches for information each month. The event listings are also distributed and used by other web sites, magazines, newspapers, radio and television in Vermont and throughout the Northeast. The site has seen remarkable growth over the past five years, with page views increasing 294% and unique visitors increasing 229% over the period.

A recently initiated pay-per-click (PPC) promotes the ease and convenience of planning a stay in Vermont online and will continue into FY 2007. With PPC search marketing, advertisers pay a set amount each time their ad is clicked. The return on investment for PPC is nearly double the return from traditional direct mail campaigns. A new eScapes direct e-mail marketing campaign further supports the overall web marketing effort with interest-specific seasonal promotions. Prospective travelers visiting VermontVacation.com "opt in" to receive quarterly e-newsletters highlighting the best of Vermont and targeting their chosen interests. The eScapes are fully interactive, enabling recipients to navigate through topics of interest, plan vacations, or request additional information.

Public Relations: Media relations translate into millions of dollars in advertising value equivalency each year for Vermont, which is further enhanced by the value placed on editorial coverage by consumers. In FY 2005, 5,053 articles totaling 6,985 pages of editorial coverage about Vermont appeared in over 900 different publications in 43 states nationwide. These figures do not include the hundreds of pages of content featured on the Internet and in publications outside the United States, in Canada, the UK, Germany, Brazil, Spain and others.

The Department continues to focus on expanding outreach efforts by contracting with a Canadian public relations firm to expand editorial coverage of Vermont, especially in Quebec and Ontario. A public

relations consultant is working with the Department to increase Vermont's outreach to the national media on specific topics. The department continues to populate VermontPressroom.com with story ideas and market its resources to journalists. It is attending more press events and meetings with journalists in major media markets.

Cultural Heritage: In 2005, Vermont launched its first-ever celebration of culture and heritage. In 2006 the Vermont Cultural Heritage Festival is being expanded to include Independence Day activities. The goal is to showcase Vermont's rich cultural heritage through a broad range of events and experiences.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Tourism and Marketing

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Tourism & Marketing	16	15	15	4,045,001	4,206,743	5,307,772	4,771,500
Vermont Life	12	12	12	735,966	847,770	847,770	849,556
TOTAL	28	27	27	4,780,967	5,054,513	6,155,542	5,621,056
FUND TYPE							
General Fund				3,987,384	4,206,743	5,307,772	4,771,500
Enterprise Fund				735,966	847,770	847,770	849,556
Interdepartmental Transfer				57,617	0	0	0
TOTAL				4,780,967	5,054,513	6,155,542	5,621,056

Appropriation Key Budget Issues

Statewide Tourism Marketing Campaign: These dollars will be available to forge new partnerships in Vermont's core market; the metro areas of NY, Boston and Philadelphia. Vermont is being vastly outspent in these markets by its competitors. There is an excellent return on the dollars T&M currently spends in these markets and the department needs to continue promoting the Vermont Brand. VDTM buys media at a fraction of the going rate and receives far more than the dollars spent as compared to Vermont's competitive neighbors. Vermont continues to increase market share and revenues and consistently surpass national tourism averages.

Governor's Fund for Tourism Marketing Initiative (FTMI): This program provides an opportunity for VDTM to partner not only with Chambers and other non profits but also allows for partnerships with private businesses. VDTM is constantly approached to support events and promotions that it currently has no program or authority to pursue. This program could truly be a great example of public private partnerships with a stipulation that recipients would be required to produce an absolute return on investment.

Governor's Quadracentennial Committee: The Quadracentennial is less than 2 years away from the FY 2007 budget year. VDTM expects that some Federal dollars will be earmarked, but these might require state match. New York, Quebec and France will all be promotional and financial partners in these endeavors.

Connecticut River Byway promotion: With the national designation, there is great opportunity to market this region. Governors Douglas and Lynch have made it a priority to have New Hampshire and Vermont work together to promote this region.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Tourism & Marketing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	1,668,903	1,804,143	1,758,748	1,717,814
Operating Expenses	1,508,635	2,065,600	3,096,524	2,486,686
Grants	867,463	337,000	452,500	567,000
TOTAL	4,045,001	4,206,743	5,307,772	4,771,500
FUND TYPE				
General Fund	3,987,384	4,206,743	5,307,772	4,771,500
Interdepartmental Transfer	57,617	0	0	0
TOTAL	4,045,001	4,206,743	5,307,772	4,771,500

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Life

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	677,294	719,770	719,770	736,256
Operating Expenses	58,672	128,000	128,000	113,300
TOTAL	735,966	847,770	847,770	849,556
FUND TYPE				
Enterprise Fund	735,966	847,770	847,770	849,556
TOTAL	735,966	847,770	847,770	849,556

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Department Mission Statement

The mission of the Vermont Arts Council is to 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 its 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, its three funding areas are designed to:

- Support artists and arts organizations and help them to provide their audiences with excellent artistic products and services
- Promote high quality arts education and lifelong learning in and through the arts
- Support the development of healthy communities through 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;

- Administering the "Cultural Facilities" grant program that enables local organizations to expand their cultural offerings in their communities in partnership with the Agency of Commerce and Community Development, Division of Historic Preservation, the Vt. Historical Society, and the Vt. Museum and Gallery Alliance and others.
- Coordinating "New Perspectives in Arts Integration," a three-year research project that explores how three community-based approaches to arts education affect school, teacher, and student performance. The project will increase our knowledge of effective strategies for strengthening the use of high-quality arts in the pursuit of increased student performance in all academic subjects, and provide an affordable model that may be duplicated in communities across the state. The partnership includes the Brattleboro Museum and Arts Center, the Flynn Center for the Performing Arts, the Vermont MIDI project, the Vermont Department of Education and the Vermont Institutes Evaluation Center.

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 present quality arts programs in order to increase their organizational capacity
   - *Strengthening local partnerships* that include artists and arts organizations as key community and economic development resources
   - *Maintaining and improving the physical condition of Vermont's cultural facilities* in collaboration with other statewide agencies/organizations so that those facilities may increase the variety and quality of their offerings
   - *Upgrading access to cultural facilities*, both physically and programmatically, to increase audiences' 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 2007 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Council on the Arts	0	0	0	519,618	494,618	494,618	529,618
TOTAL	0	0	0	519,618	494,618	494,618	529,618
FUND TYPE							
General Fund				519,618	494,618	494,618	529,618
TOTAL				519,618	494,618	494,618	529,618

Appropriation Key Budget Issues

Of critical importance in FY2007 will be to increase the capacity of Vermont's cultural organizations, which collectively serve as the skeleton on whose shoulders Vermont's "Creative Economy" rests. The recommendations from the 2005 Vermont Council on Rural Development's report "Advancing Vermont's Creative Economy," will continue to serve as our roadmap for increasing the amount of state support that gets passed through the Council in the form of competitive grants to local arts organizations who are carrying on the work of the Creative Economy in their local communities. We will continue to work with our partners in the Humanities, Preservation, and Historical Society fields to determine how best to invest in Vermont's creative sector in ways that increase employment, build the Vermont "brand," and develop healthy, vibrant communities throughout the state.

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 2007 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	519,618	494,618	494,618	529,618
TOTAL	519,618	494,618	494,618	529,618
FUND TYPE				
General Fund	519,618	494,618	494,618	529,618
TOTAL	519,618	494,618	494,618	529,618

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, 2004 - August 31, 2005), the VSO presented 47 major concerts in 23 Vermont towns plus Lebanon, NH. A total of 268 performances and other programs were produced during 2004/2005, reaching nearly 58,000 people statewide. 224 of the events were offered free to audience members.

The recently-concluded 2004/2005 season experienced record-setting numbers of schools and communities served through the VSO's *SymphonyKids* statewide educational programs: 174 events were presented, involving 27,073 Vermont schoolchildren from 193 schools in 152 towns. The attendance represents nearly half of all Vermont K-6 schoolchildren.

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 professional U.S. orchestras, only several hold this statewide distinction, but among those few, the VSO is unmatched in the size and proportion of rural communities it annually serves, making it a unique American institution.

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.

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 58,000± individuals who use VSO programs, more than fifty percent of whom are children. It is the VSO's goal to reach an ever-increasing audience each year, in as many communities as possible.

Appropriation Key Budget Issues

The most important indicators measuring the results and impact of VSO programs are:
1) program usage statistics; 2) the number and variety of programs/services offered and the number of different communities participating in those programs; 3) statistical evidence of broadening community and business support across the state; and 4) evidence of artistic and administrative excellence and financial results and evidence of economic impact.

	Actual FY03	Actual FY04	Actual FY05	Estimated FY06	Estimated FY07
1) Ticket Sales	$384,083	$385,483	$385,071	$371,365	$380,000
1) Attendance	55,008	66,030	57,793	58,000	60,000
2) No. Programs	47	35	47	38	47
2) No. Communities	25	21	24	22	24
3) Individual Gifts	$276,264	$319,985	$304,276	$312,200	$320,000
3) Business Support	$182,455	$197,644	$192,499	$197,300	$202,000

1) VSO concerts typically enjoy excellent attendance with a high percentage of capacity. Year-to-year variances in the above figures can be attributed to the different offerings presented on an annual basis. Given programmatic variations, relative sales and attendance stability suggests organizational strength among the VSO's patronage.

2) Orchestral Youth Concert tours take place every other season; thus the numbers of programs and communities are fewer during even years.

3) Even with a prolonged staffing vacancy in FY05 and challenging economic times, the VSO has been able to maintain a slow but steady increase in business and individual support. 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 FY05 totaled $196,140. Support from the national and state arts agencies is an ongoing concern for the VSO. Likewise, foundation support can be unreliable, given an uncertain stock market and shifting funding interests. The challenge is to find more stable sources of contributed revenues that will remain available during future economic downturns.

4) 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 which fund the VSO in a highly competitive environment. During the past twelve months, the VSO enjoyed five national broadcasts of performances on National Public Radio.

Senior 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. Since FY01, the VSO has reduced its accumulated operating deficit by 68%, from <$585,964> to <$187,693>. The VSO's Governing Board of Directors and its five Regional Boards of Trustees have committed to raising additional funds to 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, and provide the Orchestra with ample reserves to weather economic ebbs.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Symphony Orchestra	0	0	0	101,960	101,960	101,960	112,780
TOTAL	0	0	0	101,960	101,960	101,960	112,780
FUND TYPE							
General Fund				101,960	101,960	101,960	112,780
TOTAL				101,960	101,960	101,960	112,780

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	101,960	101,960	101,960	112,780
TOTAL	101,960	101,960	101,960	112,780
FUND TYPE				
General Fund	101,960	101,960	101,960	112,780
TOTAL	101,960	101,960	101,960	112,780

Department Mission Statement

At their December 13, 2002, meeting, the Board of Trustees reviewed and approved the following mission statement: *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." The Board of Trustees reviewed and endorsed this commitment again 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 50,000-volume 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.

On an annual basis, VHS's audiences have been: its donors/members (3,500); library patrons, 50% of whom are genealogists (3,000-4,000); informational/ research inquiries (11,500 via telephone, e-mail, letter); museum visitors, including school groups (11,000-13,000); museum/book store customers (booklist circulation: 3,400, excluding donors/members); local historical societies (8,500+); program attendees (1,500-1,800); staff speaking engagements (1,500-1,750 people); heritage tourism initiatives (7,000+); teachers/school librarians/homeschoolers mailing list (1,900); school outreach programs-history kits, lending library, etc. (3,500), and virtual visitors (approximately 2.2 million "hits" per year on our website). Via our presence at state and local events and sponsoring a booth at the Vermont Antique Dealers Association's annual show, VHS introduces itself to even larger audiences (50,000+). VHS also cultivates some 6,000 potential supporters; the State Legislature (180); 200 media contacts; and visitors to the state, through annual distribution of 75,000-100,000 information pieces at major tourist venues and state welcome centers. As the Society expands its outreach efforts, these figures will continue to grow.

In addition, during FY05 the Society reached out to Vermonters through a variety of special events and presentations, including:

- (with the Division for Historic Preservation), Kate Kinney, Archaeology Month (September) lecture on the War of 1812 military burials in Burlington's Old North End

- Presentation by award-winning author Katherine Patterson, as part of VHS Annual Meeting (September)
- Panel on Vermont participation in the 1960s civil rights movement, Martin Luther King Jr. Day (January)
- Staff lectures on various aspects of Vermont history, in Marlboro, Canaan, Thetford, Island Pond, Burlington, Ryegate, Berlin, Middlebury, Dummerston, Williamstown, South Burlington, Orwell, Jericho, Rutland, Brattleboro, Johnson, Randolph, West Rutland, St. Johnsbury, Manchester, Wilmington, Burke, New Haven, Arlington, Waterbury, Bennington, Montgomery Center, Dorset, Killington, and Brownington
- "Music That Shaped a Nation" with Robert and Patrice Kilham, at the State House for Farmers' Night (February)
- Dedication of the Victorian Lobby on the first floor of the Pavilion Building in Montpelier as the Richard A. and Barbara W. Snelling Room (February)
- Vermont History Day (April), featuring the work of some 200 Vermont students
- Publication of The Quotable Ethan Allen, a chapbook of selections from the published writings and correspondence of Vermont's most famous historical figure (June)
- The sixth annual Vermont History Expo (June), in Tunbridge, which despite 96-degree heat and humidity both days drew an audience of 5,500 visitors. An award-winning model for state history festivals nationally, Expo 2005 featured displays by more than 100 local historical societies and museums in Vermont

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Historical Society

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Historical Society	0	0	0	597,660	630,653	630,653	733,393
TOTAL	0	0	0	597,660	630,653	630,653	733,393
FUND TYPE							
General Fund				597,660	630,653	630,653	733,393
TOTAL				597,660	630,653	630,653	733,393

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Historical Society

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	597,660	630,653	630,653	733,393
TOTAL	597,660	630,653	630,653	733,393
FUND TYPE				
General Fund	597,660	630,653	630,653	733,393
TOTAL	597,660	630,653	630,653	733,393

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, 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 $11.5 million from this program to date.

The Farm Viability Program is now operating in partnership with the Agency of Agriculture, Food and Markets (VAAFM) and works closely with an advisory board, per 6 V.S.A. Section 4710. This program provides technical assistance and business planning to Vermont farmers. VHCB and VAAFM intend to transfer the operation of this program to VAAFM for newly contracted work beginning July1, 2006.

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 2007 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vt Housing and Conservation Board	0	0	0	22,384,817	26,246,036	26,246,036	23,958,492
TOTAL	0	0	0	22,384,817	26,246,036	26,246,036	23,958,492
FUND TYPE							
Special Fund				13,974,222	14,088,426	14,088,426	14,038,180
Federal Revenue Fund				8,410,595	12,157,610	12,157,610	9,920,312
TOTAL				22,384,817	26,246,036	26,246,036	23,958,492

Appropriation Key Budget Issues

Property Transfer Tax - The VHCB annual State appropriation comes mainly from Property Transfer Tax receipts. The budget recommendation is $13,171,180 for VHCB's portion of the Property Transfer Tax, the same as the base level in FY 2006.

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 FY 2007 grant for Vermont should be approximately $3 million.

Finally, VHCB has been awarded a variety of federal grants such as the Lead Paint Hazard Reduction award, Economic Development Initiative and an AmeriCorps grant.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	22,384,817	26,246,036	26,246,036	23,958,492
TOTAL	22,384,817	26,246,036	26,246,036	23,958,492
FUND TYPE				
Special Fund	13,974,222	14,088,426	14,088,426	14,038,180
Federal Revenue Fund	8,410,595	12,157,610	12,157,610	9,920,312
TOTAL	22,384,817	26,246,036	26,246,036	23,958,492

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.

Description of Appropriations, Divisions, & Programs

The VHC believes that engagement with the world of ideas, in interaction with others, contributes uniquely to richer lives, stronger communities, a more humane society, and a better world. Because the VHC believes that the humanities and the world of ideas belong to everyone, it has developed a broad range of programs that serve Vermonters of all ages and backgrounds.

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 2005 VHC supported over 1,000 programs, reaching Vermonters in every county. Program successes in 2005 were many. They included:

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 40 *Connections* programs, and 11 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 $130,000 to schools, museums, historical and community literacy organizations, adult basic education centers and other service organizations. These grants supported no fewer than 330 events and helped build community capacity for education, literacy, and citizen participation.

3. Over 200 lectures and performances throughout Vermont and VHC's annual autumn conference and our "First Wednesdays" series, now in five regional centers, 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 more than 120 training sessions, our *Never Too Early* program furnished approximately 1,500 child care providers and parents with books and training on how to stimulate the love of reading in

young children.

5. VHC sponsored over 325 book discussion programs for general audiences in libraries and other community centers throughout Vermont.

6. Our state-wide one-book program, Vermont Reads, engaged students and adults alike in 62 Vermont towns reading and discussing *Seedfolks* by Paul Fleishmann and participating in events and activities related to the book. Well over 6,000 Vermonters took part in more than 330 events related to the *Seedsfolks*. In many towns it was the first time that schools and public libraries had collaborated in an educational project.

7. We ran enormously compelling monthly reading and discussion programs for nurses, doctors and other health care providers in 13 of Vermont's 15 hospitals, dealing with the humanities issues at the heart of health care.

8. We published our first-ever book, *A Guide to Fiction Set in Vermont*. The book has received positive reviews, and has been distributed to libraries and community organizations around the state.

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 2007 BUDGET RECOMMENDATIONS
Vermont Humanities Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Vermont Humanities Council	0	0	0	150,599	160,599	160,599	180,599
TOTAL	0	0	0	150,599	160,599	160,599	180,599
FUND TYPE							
General Fund				150,599	160,599	160,599	180,599
TOTAL				150,599	160,599	160,599	180,599

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.

Examples of program successes:

1. Last year we were able to support over 2,500 humanities programs reaching Vermonters from every county.

2. In partnership with the Agency of Human Services, the Department of Health, local parent-child centers, and other service providers, we were able to furnish books through more than 100 Connections programs, the adult literacy student conference, and fifteen humanities camps which serve low-income families to develop a love of reading for all family members.

3. The Council's grants program, mini-grants, and Creating Communities of Readers grants provided over $250,000 to historical societies, community groups for literacy, museums, adult basic education centers and other service organizations.

4. Lectures and performances through our Speakers Bureau in more than 100 Vermont towns and the autumn conference challenged participants to learn about history, literature, philosophy, and other humanities ideas that foster community building.

5. Our Never Too Early program furnished approximately 500 childcare providers with books and training to learn how to stimulate the love of reading in young children.

6. The Council sponsored over 275 book discussion programs for general audiences throughout the state.

We firmly believe it is critical to Vermont's future that every citizen be able to read, write and discuss ideas. The Vermont Council on the Humanities will continue our commitment to literacy for all Vermonters and to the enrichment by the humanities in the personal lives and public discourse of our State.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Vermont Humanities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	150,599	160,599	160,599	180,599
TOTAL	150,599	160,599	160,599	180,599
FUND TYPE				
General Fund	150,599	160,599	160,599	180,599
TOTAL	150,599	160,599	160,599	180,599

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 FY2007 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 2007, the highest priorities for emphasis include pavement, bridges and culverts, continuing progress on selected large roadway projects, maintenance, and exploring modernization of

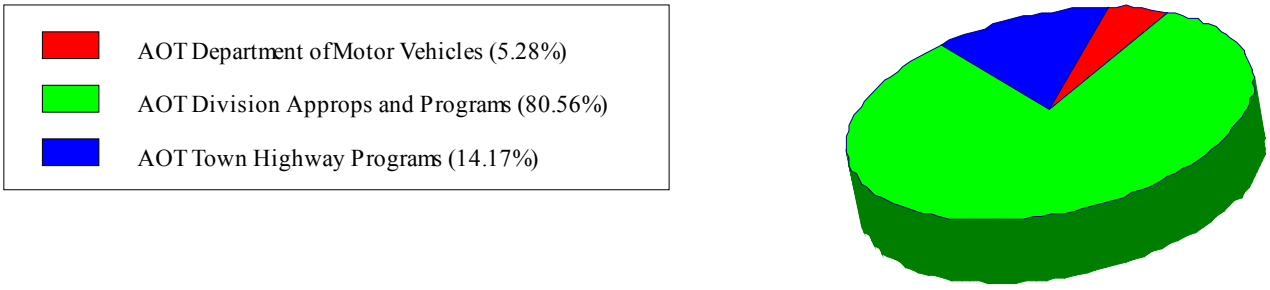
the computer systems for the department of motor vehicles.

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 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
AOT Division Approps and Programs	1,078	1,082	1,051	253,457,752	276,163,981	304,109,195	367,553,613
AOT Department of Motor Vehicles	251	251	246	19,709,234	22,919,752	22,710,028	24,069,587
AOT Town Highway Programs	0	0	0	51,513,083	54,950,749	56,650,749	64,636,047
TOTAL	1,329	1,333	1,297	324,680,069	354,034,482	383,469,972	456,259,247
FUND TYPE							
Transportation Fund				173,894,853	173,025,218	177,057,874	193,812,558
Special Fund				1,376,408	3,523,466	3,955,704	3,011,235
Federal Revenue Fund				137,476,662	164,341,904	188,317,444	242,284,835
Internal Service Fund				11,722,146	13,143,894	14,138,950	14,610,569
Interdepartmental Transfer				210,000	0	0	2,540,050
TOTAL				324,680,069	354,034,482	383,469,972	456,259,247



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

Vermont 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. The transportation system should provide a connected and coordinated network, accommodate the level of service expected by all transportation customers, and provide a range of transportation choices needed to support Vermont's future and economic growth.

The Operations Division, a division of over 550 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 owned facilities open, safe, and aesthetically pleasing to the transportation network users, to manage the transportation system in a cost effective and environmentally sensitive manner, and to insure efficient service (both passenger and freight) 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, preserves the aviation infrastructure, promotes 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 the social, economic, and environmental importance of rail as a component of the State's transportation system. The Public Transit Program encourages and promotes statewide public transportation by coordinating transit services to make sure common sense transit solutions are available for the transit dependant and general population to access employment and medical appointments. The program provides opportunities for congestion mitigation to preserve air quality, supports 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 provides project management and engineering for structures selected by the Operations Division for replacement or rehabilitation and is responsible for the inventory and inspection of state owned railroad structures.

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, for the most part, development and construction is 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, utility coordination and highway access permitting, and pavement design support.

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 Systems Planning Section manages the day to day operations of the Transportation Planning Initiative, which engages Vermont's citizens, towns, regional planning commissions, and the Chittenden County Metropolitan Planning Organization in dialogue about issues of transportation planning and needs identification. The Section also provides systems analysis and planning, statewide transportation modeling, modal and intermodal operational planning.

Data services are provided by three sections. The Traffic Research section reviews all Act 250 applications for impacts on the transportation system and consistency with Agency plans or policies and compiles the Agency response or recommendations to the district environmental commissions. It is responsible for traffic monitoring
and data analysis.

The Highway Research Section monitors of highway system conditions, collects highway videologs, reports highway sufficiency rating data, and manages the Crash (highway accident) data base. The Mapping Section provides town mapping, maintenance of the GIS database and routelog system.

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

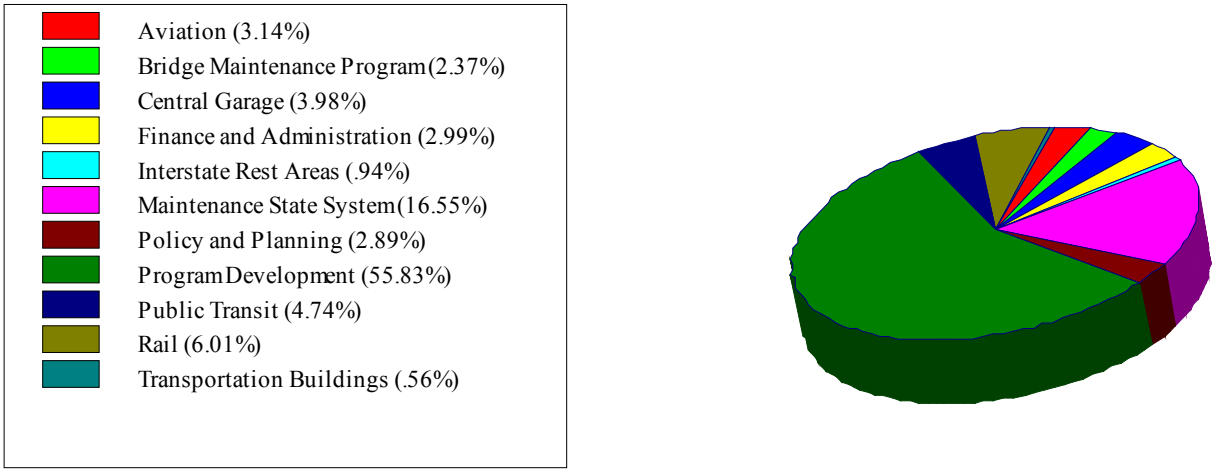
The mission of the Division of Finance and Administration is to provide support for and to communicate methods to achieve VTrans goal of a safe, effective, balanced transportation system for the State of Vermont. The division's goal is to maximize our financial and human resources and improve our business practices to meet the needs of our internal and external customers. The division consists of the following sections: Audit, Contract Administration, Information Technology, Budget and Financial Operations and Human Resources.

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.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Finance and Administration	136	138	129	10,278,628	10,219,348	10,112,582	11,007,909
Aviation	7	7	7	6,337,403	9,272,416	9,266,327	11,550,600
Transportation Buildings	0	0	0	876,309	1,297,548	1,297,548	2,063,879
Program Development	349	352	317	137,730,086	147,223,798	174,827,983	205,203,163
Interstate Rest Areas	0	0	0	3,968,707	996,100	996,100	3,441,146
Maintenance State System	500	500	495	54,192,236	54,812,086	54,293,192	60,834,594
Policy and Planning	31	30	48	7,190,522	7,275,347	7,259,558	10,625,008
Rail	7	7	8	7,414,357	10,547,202	10,542,267	22,098,308
Bridge Maintenance Program	0	0	0	0	4,662,281	4,662,281	8,695,679
Discretionary Spending	0	0	0	0	1,825,068	1,825,068	0
Public Transit	7	7	6	13,747,358	14,888,893	14,887,339	17,422,758
Central Garage	41	41	41	11,722,146	13,143,894	14,138,950	14,610,569
TOTAL	1,078	1,082	1,051	253,457,752	276,163,981	304,109,195	367,553,613
FUND TYPE							
Transportation Fund				115,193,134	113,100,794	117,173,174	132,503,203
Special Fund				713,339	1,959,787	2,222,025	803,978
Federal Revenue Fund				125,619,133	147,959,506	170,575,046	217,095,813
Internal Service Fund				11,722,146	13,143,894	14,138,950	14,610,569
Interdepartmental Transfer				210,000	0	0	2,540,050
TOTAL				253,457,752	276,163,981	304,109,195	367,553,613

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs



APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	8,660,843	8,155,420	8,048,654	8,879,959
Operating Expenses	1,617,785	2,063,928	2,063,928	2,127,950
TOTAL	10,278,628	10,219,348	10,112,582	11,007,909
FUND TYPE				
Transportation Fund	9,929,262	9,671,292	9,564,526	10,573,406
Federal Revenue Fund	349,366	548,056	548,056	434,503
TOTAL	10,278,628	10,219,348	10,112,582	11,007,909

Appropriation Key Budget Issues

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 2007 budget includes such a modest investment, as well as continuing to provide support for Vermont's major commercial service airport - Burlington International Airport - which is municipally owned.

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. In addition to the two commercial service options (Burlington and Rutland), airports must be able to accommodate corporate and business travelers in all weather conditions with 24 hour access. Appropriate runway length, good instrument approach capability (navigational aids), and lighting facilities are key components for providing a safe environment for business, recreational, and emergency responders. There will be a focus on utilizing new technologies to enhance efficiencies and safety throughout the system. Further development of General Aviation security programs will also be a priority in providing a safe and secure environment for our airport system.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Aviation

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,301,353	1,199,104	1,193,015	1,115,720
Operating Expenses	4,932,050	8,023,312	8,023,312	10,274,880
Grants	104,000	50,000	50,000	160,000
TOTAL	6,337,403	9,272,416	9,266,327	11,550,600
FUND TYPE				
Transportation Fund	1,623,642	2,222,416	2,216,327	2,395,350
Federal Revenue Fund	4,713,761	7,050,000	7,050,000	9,155,250
TOTAL	6,337,403	9,272,416	9,266,327	11,550,600

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 (to address environmental and operational efficiency issues)
- major renovations when required (heating, new bays for additional trucks, connections to municipal sewer systems, energy upgrades - meaning insulation and lighting - as examples)

The FY2007 Transportation Buildings budget is up from FY2006, due primarily to the construction of the N. Ferrisburgh garage/DMV facility.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	29,328	210,000	210,000	133,000
Operating Expenses	846,981	1,087,548	1,087,548	1,930,879
TOTAL	876,309	1,297,548	1,297,548	2,063,879
FUND TYPE				
Transportation Fund	876,309	1,297,548	1,297,548	1,999,879
Federal Revenue Fund	0	0	0	64,000
TOTAL	876,309	1,297,548	1,297,548	2,063,879

Appropriation Key Budget Issues

The core appropriations within Program Development are Bridge, Paving, Roadway & Traffic Safety, and Local Transportation Facilities. Over the past year the Agency has witnessed significant cost increases in the construction environment. Though an increase of federal funds has also been realized by the passage of SAFETEA-LU, one major challenge remains clear. The core programs have more projects on the books than can be funded for construction in the near future. Therefore, the primary issue for the Program Managers in developing the proposed FY2007 budget has been the development of Project Prioritization Systems that include asset condition, functional indicators, as well as Regional Planning Commission input. Through these systems the Agency has a clear and transparent method for choosing which projects move forward in the project development process. Another key issue addressed in the FY2007 budget is the importance of accurate engineer cost estimates, which take into account the recent market trends experienced in bid results. Program and Project Managers have constructed the budget with increased attention on market influences, in order to ensure the Agency is in a better position to deliver the projects with the funds being appropriated.

General highlights for each of the core appropriations are as follows:

Bridge Program: The major influences in the bridge appropriation this year are the bridge earmarks in SAFETEA-LU, increased investment over last year in the Interstate System, and Bridge Maintenance. Overall the investment in bridge is increased roughly 37% over last year's budget. Interstate Bridge increased significantly as there were no construction projects funded in the FY2006 budget as passed, and in FY2007 there are three projects funded for construction. Bridge Maintenance is also increased roughly 87% as it is well recognized that deterioration needs to be addressed prior to the need for extensive rehabilitation or replacement. Town Highway Bridge is up 36%, in part due to the earmark funds in SAFETEA-LU, and the State Highway Bridge funding is up 9%.

Paving: Paving remains one of the primary areas of focus for Program Development as it is recognized as a key activity in ensuring a safe and mobile transportation system for users. This years budget for paving is increased over 38% for resurfacing and crack sealing along interstate, state, and class 1 town highways.

Roadway & Traffic Safety: With an influx of safety money coming through the Governor's Highway Safety Program as well as a new Federal Safety Program created under SAFETEA-LU the Agency is in a position to address highway safety with a 125% increase over last fiscal year. This is an important step in meeting our commitment to safety on the highways across the state. Roadway project funding is up 43% from FY2006 as important projects such as Lunenburg River Road, Bennington Bypass North, Burlington Southern Connector and others have constructing funding identified.

Local Transportation Facilities: The Agency remains committed in offering municipalities the

opportunity to manage projects at the local level, and leverage associated federal and state funds, to deliver transportation infrastructure improvement to their communities. The FY2007 Bicycle and Pedestrian Facilities Program is funded 153% higher than last year, and the Enhancements Program is increasing 69%. The major influence in these increases is a result of SAFETEA-LU earmarks such as the Lamoille Valley Rail Trail, as well as the fact that a number of municipalities are prepared to begin construction on their projects this fiscal year.

The development of the FY2007 budget proposal represents a team effort across the agency and is a comprehensive approach to delivering a cost effective Program Development budget to all Vermonters over the next fiscal year.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	32,341,348	37,671,918	37,568,325	35,463,202
Operating Expenses	85,576,981	72,436,634	100,144,412	134,012,679
Grants	19,811,757	37,115,246	37,115,246	35,727,282
TOTAL	137,730,086	147,223,798	174,827,983	205,203,163
FUND TYPE				
Transportation Fund	35,313,600	28,453,772	33,180,179	39,373,301
Special Fund	713,339	1,898,426	2,160,664	753,978
Federal Revenue Fund	101,703,147	116,871,600	139,487,140	162,675,834
Interdepartmental Transfer	0	0	0	2,400,050
TOTAL	137,730,086	147,223,798	174,827,983	205,203,163

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Interstate Rest Areas

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	385,815	80,000	80,000	100,000
Operating Expenses	3,582,892	916,100	916,100	3,341,146
TOTAL	3,968,707	996,100	996,100	3,441,146
FUND TYPE				
Transportation Fund	416,212	25,000	25,000	383,117
Federal Revenue Fund	3,552,495	971,100	971,100	3,058,029
TOTAL	3,968,707	996,100	996,100	3,441,146

Appropriation Key Budget Issues

Despite the increases in size, use and complexity of the highway system, maintenance spending has done little more than keep pace with inflation for the last twenty years.

Maintenance has a dedicated, committed, and skillful work force. Additional emphasis on preventive maintenance to extend the life cycle of various highway assets will result in fewer unscheduled and expensive replacements. In addition, continued strategic investment in technology such as Intelligent Transportation Systems (ITS), will allow more effective and efficient use of the transportation system, thus limiting needs for additional investment in improvements or maintenance.

There are several areas within maintenance that are prioritized to better contribute to the condition of the infrastructure and accomplishment of the mission:

1. Winter Maintenance - Continue to develop and adjust winter maintenance practices to provide a higher level of winter maintenance service, particularly at night, focusing on those routes that contribute most to economic development activities.

2. Preservation and preventive maintenance- Either through existing staffing or utilization of contractors, provide resources for additional scheduled efforts for:
- crack filling, leveling, and ditching
- large and small culvert repairs/linings
- minor bridge repairs
- joint work for bridges

3. Intelligent Transportation Systems (ITS) Enhancements and New Components - Continue to work closely with all stakeholders and partners to enhance and improve the deployment of proposed ITS system components. Enhancements include upgrading and improving the existing 511 phone system and improving the internet travel information web page to better serve all travelers. New components include the expanded deployment of Road Weather Information System (RWIS) stations throughout the state which will improve VTrans' ability to prepare for and treat our highways during winter storm events.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	30,034,309	29,352,669	28,833,775	32,216,294
Operating Expenses	23,471,705	24,471,617	24,471,617	27,946,300
Grants	686,222	987,800	987,800	672,000
TOTAL	54,192,236	54,812,086	54,293,192	60,834,594
FUND TYPE				
Transportation Fund	52,814,491	54,104,586	53,585,692	57,800,594
Federal Revenue Fund	1,167,745	707,500	707,500	3,034,000
Interdepartmental Transfer	210,000	0	0	0
TOTAL	54,192,236	54,812,086	54,293,192	60,834,594

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	2,307,155	2,641,670	2,625,881	4,969,906
Operating Expenses	625,798	492,908	492,908	964,875
Grants	4,257,569	4,140,769	4,140,769	4,690,227
TOTAL	7,190,522	7,275,347	7,259,558	10,625,008
FUND TYPE				
Transportation Fund	1,761,615	1,806,692	1,790,903	2,597,643
Federal Revenue Fund	5,428,907	5,468,655	5,468,655	7,887,365
Interdepartmental Transfer	0	0	0	140,000
TOTAL	7,190,522	7,275,347	7,259,558	10,625,008

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. Rail's primary focus is on maintaining and improving Vermont's rail infrastructure, both public and private, and encouraging increased use of rail for moving freight efficiently. The rail 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. In addition to bringing the rail infrastructure to the 286,000 standard, Vermont must work to improve rail clearances to accommodate high loads such as double stack containers and tri level autoracks. Maintaining and improving our rail infrastructure will also provide us with future opportunities for passenger and/or intercity rail transport that is economically feasible and optimizes the degree of service possible.

Major work needs to be done on a significant number of state owned bridges to bring them to the 286,000 standard. VTrans, in conjunction with the Rail Council, is prioritizing those bridges in order of need. We have a number of bridges in the pipeline for rehabilitation/replacement and in the coming years we will be working to bring the Bellows Falls - Florence corridor to the 286,000 standard.

One of our major clearance obstacles, the Bellows Falls Tunnel, has been awarded an earmark under SAFTEA-LU to improve the clearance to a "modified double stack." Engineers are designing the improvements needed to increase the clearances and plans are to have the project complete in the 2nd quarter of CY 2006.

SAFTEA-LU also provided an earmark to the St Lawrence and Atlantic Railway for track improvements between Island Pond and the Connecticut River. This work will start in CY 2006. In addition to the St Lawrence and Atlantic earmark, an earmark has been provided to the New England Central to improve the operations of the Alburg trestle swing bridge and an earmark to VTrans for improvements on the Western Corridor rail system.

VTrans acknowledges and supports the importance of a long-term committment to Rail in the State of Vermont.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Rail

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2005	FY 2006		FY 2007
	FY05 Actuals	FY06 Appropriation as Passed	FY06 Estimated Expenditures	FY07 Agency Request
Personal Services	1,884,943	743,456	738,521	4,911,881
Operating Expenses	2,975,414	7,103,746	7,103,746	12,466,427
Grants	2,554,000	2,700,000	2,700,000	4,720,000
TOTAL	7,414,357	10,547,202	10,542,267	22,098,308
FUND TYPE				
Transportation Fund	6,269,891	8,196,929	8,191,994	8,979,308
Federal Revenue Fund	1,144,466	2,350,273	2,350,273	13,119,000
TOTAL	7,414,357	10,547,202	10,542,267	22,098,308

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Bridge Maintenance Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	0	4,662,281	4,662,281	8,695,679
TOTAL	0	4,662,281	4,662,281	8,695,679
FUND TYPE				
Transportation Fund	0	959,622	959,622	2,383,959
Special Fund	0	61,361	61,361	50,000
Federal Revenue Fund	0	3,641,298	3,641,298	6,261,720
TOTAL	0	4,662,281	4,662,281	8,695,679

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Discretionary Spending

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	0	1,825,068	1,825,068	0
TOTAL	0	1,825,068	1,825,068	0
FUND TYPE				
Transportation Fund	0	566,338	566,338	0
Federal Revenue Fund	0	1,258,730	1,258,730	0
TOTAL	0	1,825,068	1,825,068	0

Appropriation Key Budget Issues

The FY 2007 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 coordinated 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, too old to drive safely and commuters that choose to use transit. The primary transportation resource for some of 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 a fair and equitable level of funding statewide to allow the maximum service possible. VTrans is also committed to monitoring the performance of these services and providing the most efficient yet appropriate service possible.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	537,634	470,313	468,759	516,238
Operating Expenses	13,699	130,240	130,240	69,450
Grants	13,196,025	14,288,340	14,288,340	16,837,070
TOTAL	13,747,358	14,888,893	14,887,339	17,422,758
FUND TYPE				
Transportation Fund	6,188,112	5,796,599	5,795,045	6,016,646
Federal Revenue Fund	7,559,246	9,092,294	9,092,294	11,406,112
TOTAL	13,747,358	14,888,893	14,887,339	17,422,758

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Central Garage

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,148,152	3,183,942	3,183,942	3,198,783
Operating Expenses	8,573,994	9,959,952	10,955,008	11,411,786
TOTAL	11,722,146	13,143,894	14,138,950	14,610,569
FUND TYPE				
Internal Service Fund	11,722,146	13,143,894	14,138,950	14,610,569
TOTAL	11,722,146	13,143,894	14,138,950	14,610,569

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 621,000 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 from date of receipt.
- 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 programs, 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 two programs: the federally sponsored Motor Carrier Safety Assistance program (MCSAP) and the Size and Weight 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, specially trained DMV Inspectors extensively review applicable safety regulations with new motor carriers in Vermont, as well as assess the carrier's current compliance with those regulations. This program will add a federally funded limited service position that will review data concerning truck and bus crashes to assure the information is accurate and is provided to the federal crash repository in a timely manner.

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 number of licensed driver training schools has increased by six to a total of thirty-three (33) schools statewide. 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.

New Motor Vehicle Arbitration Board: The Department administers the lemon law program for this Board, which hears Lemon Law claims for motor vehicles pursuant to 9 V.S.A. Sections 4170-4181. A consumer may file a Demand for Arbitration after demonstrating a reasonable number of repair attempts, with at least one occurring within the manufacturer's express warranty. The Board determines whether the consumer is entitled to a pro-rated refund, comparable replacement vehicle, or the manufacturer demonstrates the vehicle's repair history does not substantially impair the vehicle's use, market value or safety.

The Operations Division, the Department's largest Division encompassing 74% of total resources, is responsible for all customer service functions (Montpelier Counter, branch offices, mobile van operations and telephone information services); mail processing; license suspension and reinstatement; crash reporting; the International Registration Plan; commercial vehicle operations (including the collection and distribution of fuel taxes, maintenance of accurate and reliable records, tracking delinquent accounts, and suspension initiation on accounts that are in arrears); and all backroom operations (including data entry, quality control, and imaging and retrieval of departmental records functions).

The Support Services Division is responsible for facility management for DMV office locations, budget planning and financial services, human resources, training, and project management.

DMV Performance

At the core of the Department's mission is providing quality customer service. To ensure that there is an on-going process in place to evaluate everything the Department does from workflow analysis to customer education the Department has an annual strategic planning initiative within its three Divisions. In general terms the primary objectives of this process are to look at issues that can:

a) Improve internal operational efficiency and/or
b) Improve or enhance the level of service we provide to our customers.

In FY 05 the Department's Strategic Planning process yielded a total of 150 tasks spread across DMV's organizational structure. At the time of this writing 147 of those 150 tasks had been completed or were in process. Many of these tasks had direct or indirect impacts on the customers we serve. Specifically we have targeted our efforts towards meeting our customers' two primary interests. First and foremost is how long they have to wait for their service and secondly they would like more DMV services closer to where they live.

Relative to wait times the Department's performance in FY05 exceeded its standards in all three of its primary customer contact areas (counter operations, mail processing and telephone information). Specific accomplishments in each were as follows:

Telephone Information: Whereas in FY04 the focus was placed on mail and counter operations to improve service, this past year the emphasis was placed on our telephone information operations. Enhancements made to our telephone call center that were placed into production in January 2005 included:

- A new routing system which allows for a better distribution of calls amongst various skill sets
- Additional and clearer messaging for our customers
- The addition of three new lines

These and other changes implemented in this area resulted in an average of 1200 calls being answered per day. This represented an over 30% increase over what had been experienced previously. The average wait in queue for these customers was approximately 1 minute; again a considerable improvement over prior years.

Counter Operations: This facet of DMV's operation is its most visible and is an area that has shown dramatic improvement in wait times over the past two years. As part of the Service Study DMV did in 2003 the Department changed how it assesses its performance in this critical customer service delivery

area. Rather than measuring its success at meeting its wait time standards by the average of all offices combined together. The department now addresses wait time performance as measure in 15 minute wait time intervals across each of its offices individually. For example, at its busiest office in Montpelier only 25% of all customers served in FY2003 waited less than 45 minutes. In FY04 after the recommendations from the service study were implemented this figure rose to 80%. In FY05 this positive trend continued as 93.8% of all Montpelier customers were waited on within 45 minutes; in fact 79.5 % of these waited 30 minutes or less.

The results for all of DMV's offices for FY05 are shown in the chart below:

Wait Time Intervals
Annual

	0-15	**16-30**	**31-45**	**46-60**	**60+**	
BENNINGTON	53%	16%	22%	6%	3%	100%
BURLINGTON	51%	22%	11%	7%	9%	100%
MONTPLIER	52%	31%	15%	1%	1%	100%
NEWPORT	55%	23%	16%	5%	1%	100%
RUTLAND	64%	22%	12%	2%	0%	100%
SPRINGFIELD	63%	25%	10%	1%	0%	100%
	56.22%	23.28%	14.32%	3.65%	2.53%	100.00%

Mail Processing: For the second consecutive year, on over 99% of the workdays, the Department's mail processing unit that handles registration and license transactions carried no backlogs. In other words, each day they were working on mail received that very day. This was accomplished again this year without a single hour of overtime being worked in that area.

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 FY05 and FY 06 budgets DMV was able to make significant enhancement to service towards meeting this objective.

Key accomplishments were:

1) Implementation of self-service kiosks at all DMV offices as completed in October 2005. These kiosks give customers the option to process their registration renewals at each branch and mobile van location, as well as at the Montpelier office and though the mail.
2) Enhancements have been made to Vermont' DMV Express (over the phone and Internet based services). DMV Express now provides the additional capabilities of:
   a) Requesting duplicate registrations
   b) Renewing motorboat and snowmobile registrations
   c) Changing your address on file with DMV

3) In June 2005, DMV installed the automated driver license testing system in our Rutland DMV office. This same system was installed in our Burlington office two years ago and it has been very successful in assisting in the administration of exams in some foreign languages, and has proven to be very flexible for scheduling purposes.
4) The department continued our commitment to expand services offered by again providing photo license services at the Champlain Valley Fair. This year we added additional services of duplicate licenses, duplicate registrations, and first time licensing for new residents.
5) As a result of efficiencies gained in backroom processing the Department was able to re-open the Montpelier General Services counter on Wednesday mornings while at the same time maintaining the later closing time (6:00 pm) that day.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Department of Motor Vehicles	251	251	246	19,709,234	22,919,752	22,710,028	24,069,587
TOTAL	251	251	246	19,709,234	22,919,752	22,710,028	24,069,587
FUND TYPE							
Transportation Fund				18,808,074	22,286,370	22,076,646	22,744,734
Federal Revenue Fund				901,160	633,382	633,382	1,324,853
TOTAL				19,709,234	22,919,752	22,710,028	24,069,587

Appropriation Key Budget Issues

The Department of Motor Vehicles' (DMV) mission is to administer motor vehicle and related laws, promote highway safety, and collect transportation revenues, while providing a high level of customer service and satisfaction and to perform these tasks in a timely and cost-effective manner.

The FY2007 budget includes $3 million to continue work on the project to modernize the department's computer systems. This project will replace the current mainframe based batch processing system, which was developed in the mid '70's, with a technologically advanced real time system. The new system will centralize data in one computer system thus eliminating data redundancy, as well as improving the accuracy and accessibility to that information. At the same time the change in processing from a batch to real time environment will eliminate a number of processing steps. This will improve internal office efficiency and provide better service to customers and the law enforcement community.

A contractor has been selected to design, develop and implement DMV's new system. The goal is to execute the contract and commence Phase 1 of the project by March 2006. Phase 1, which includes Business Process Reengineering, High Level Design, and Technical Architecture Recommendations, is expected to be completed in the last quarter of FY 06. The Detailed Design portion of Phase 2 will commence during the last quarter of FY 06 and will be completed by the end of the second quarter of FY 07.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	12,970,671	16,324,559	16,114,835	16,580,740
Operating Expenses	6,538,563	6,438,943	6,438,943	7,177,547
Grants	200,000	156,250	156,250	311,300
TOTAL	19,709,234	22,919,752	22,710,028	24,069,587
FUND TYPE				
Transportation Fund	18,808,074	22,286,370	22,076,646	22,744,734
Federal Revenue Fund	901,160	633,382	633,382	1,324,853
TOTAL	19,709,234	22,919,752	22,710,028	24,069,587

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 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 264 municipalities. 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 information, training and technical assistance to towns in the area of roads and bridges.

The Municipal Mitigation Grant Program provides funding to projects that will improve and protect water quality and mitigate stormwater runoff problems throughout Vermont. The program funds the Better Back Roads Program, a partnership that includes staff from the Vermont Agencies of Transportation and Natural Resources, which was enhanced in FY 2005 as part of the Clean and Clear Action Plan. Funding provided by two federal earmarks included in the SAFETEA-LU federal transportation reauthorization related to stormwater mitigation is also included in this appropriation.

The Public Assistance Program provides supplemental aid to state and town efforts in recovery from federally declared disasters.

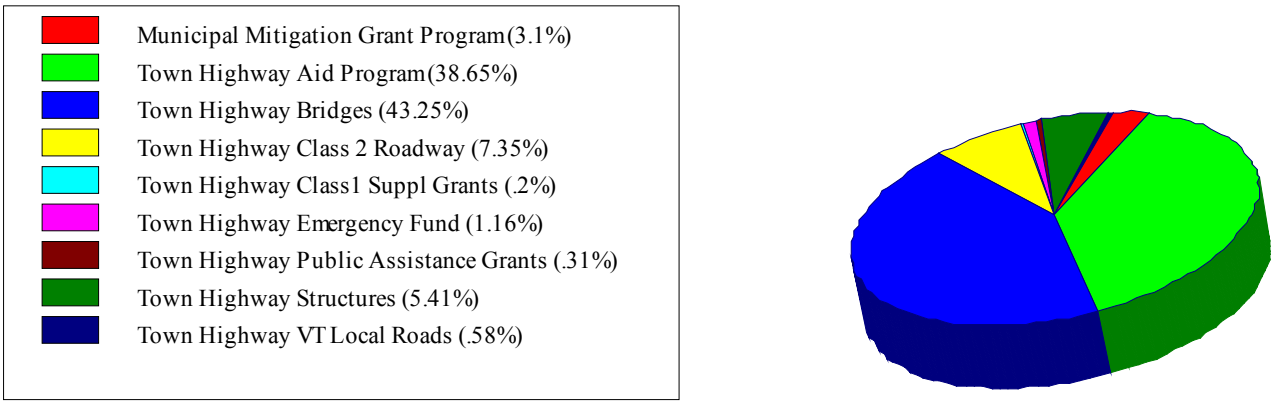
General Assistance is provided by Districts to towns, as time/conditions permit, on road/bridge concerns, associated grants, and disaster recovery efforts.

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Town Highway Structures	0	0	0	3,548,474	3,494,500	3,494,500	3,494,500
Town Highway Emergency Fund	0	0	0	638,058	57,129	57,129	750,000
Town Highway VT Local Roads	0	0	0	565,609	783,700	783,700	375,000
Town Highway Class 2 Roadway	0	0	0	4,200,008	4,748,750	4,748,750	4,748,750
Town Highway Bridges	0	0	0	15,076,942	20,555,175	22,255,175	27,955,602
Town Highway Aid Program	0	0	0	24,982,744	24,982,744	24,982,744	24,982,744
Town Highway Class1 Suppl Grants	0	0	0	128,750	128,750	128,750	128,750
Town Highway Public Assistance Grants	0	0	0	2,372,498	200,001	200,001	200,001
Municipal Mitigation Grant Program	0	0	0	0	0	0	2,000,700
TOTAL	0	0	0	51,513,083	54,950,749	56,650,749	64,636,047
FUND TYPE							
Transportation Fund				39,893,645	37,638,054	37,808,054	38,564,621
Special Fund				663,069	1,563,679	1,733,679	2,207,257
Federal Revenue Fund				10,956,369	15,749,016	17,109,016	23,864,169
TOTAL				51,513,083	54,950,749	56,650,749	64,636,047

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
AOT Town Highway Programs



STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Town Highway Structures

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	3,548,474	3,494,500	3,494,500	3,494,500
TOTAL	3,548,474	3,494,500	3,494,500	3,494,500
FUND TYPE				
Transportation Fund	3,548,474	3,494,500	3,494,500	3,494,500
TOTAL	3,548,474	3,494,500	3,494,500	3,494,500

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	638,058	57,129	57,129	750,000
TOTAL	638,058	57,129	57,129	750,000
FUND TYPE				
Transportation Fund	638,058	57,129	57,129	750,000
TOTAL	638,058	57,129	57,129	750,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	565,609	783,700	783,700	375,000
TOTAL	565,609	783,700	783,700	375,000
FUND TYPE				
Transportation Fund	450,603	333,867	333,867	235,000
Federal Revenue Fund	115,006	449,833	449,833	140,000
TOTAL	565,609	783,700	783,700	375,000

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	4,200,008	4,748,750	4,748,750	4,748,750
TOTAL	4,200,008	4,748,750	4,748,750	4,748,750
FUND TYPE				
Transportation Fund	4,200,008	4,748,750	4,748,750	4,748,750
TOTAL	4,200,008	4,748,750	4,748,750	4,748,750

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Town Highway Bridges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	3,403,264	3,650,000	3,650,000	3,650,000
Operating Expenses	9,909,079	16,862,175	18,562,175	23,780,602
Grants	1,764,599	43,000	43,000	525,000
TOTAL	15,076,942	20,555,175	22,255,175	27,955,602
FUND TYPE				
Transportation Fund	5,945,008	3,892,314	4,062,314	4,028,170
Special Fund	390,388	1,563,678	1,733,678	2,207,256
Federal Revenue Fund	8,741,546	15,099,183	16,459,183	21,720,176
TOTAL	15,076,942	20,555,175	22,255,175	27,955,602

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Town Highway Aid Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	24,982,744	24,982,744	24,982,744	24,982,744
TOTAL	24,982,744	24,982,744	24,982,744	24,982,744
FUND TYPE				
Transportation Fund	24,982,744	24,982,744	24,982,744	24,982,744
TOTAL	24,982,744	24,982,744	24,982,744	24,982,744

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 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 2007 BUDGET RECOMMENDATIONS
Town Highway Public Assistance Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	2,372,498	200,001	200,001	200,001
TOTAL	2,372,498	200,001	200,001	200,001
FUND TYPE				
Special Fund	272,681	1	1	1
Federal Revenue Fund	2,099,817	200,000	200,000	200,000
TOTAL	2,372,498	200,001	200,001	200,001

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Municipal Mitigation Grant Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Grants	0	0	0	2,000,700
TOTAL	0	0	0	2,000,700
FUND TYPE				
Transportation Fund	0	0	0	196,707
Federal Revenue Fund	0	0	0	1,803,993
TOTAL	0	0	0	2,000,700

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 2007 BUDGET RECOMMENDATIONS
Transportation Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Transportation Board	1	1	1	72,891	83,400	81,850	84,600
TOTAL	1	1	1	72,891	83,400	81,850	84,600
FUND TYPE							
Transportation Fund				72,891	83,400	81,850	84,600
TOTAL				72,891	83,400	81,850	84,600

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Transportation Board

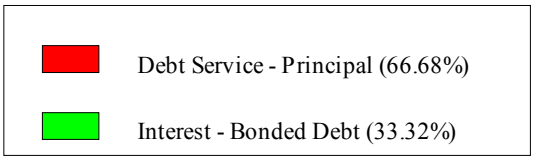
APPROPRIATION SUMMARY BY MAJOR OBJECT

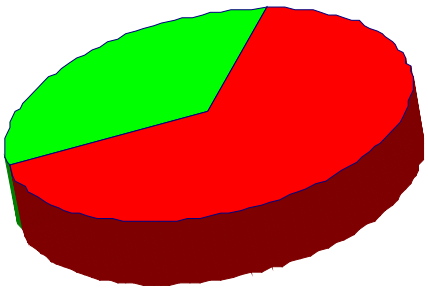
	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Personal Services	61,547	72,795	71,245	70,800
Operating Expenses	11,344	10,605	10,605	13,800
TOTAL	72,891	83,400	81,850	84,600
FUND TYPE				
Transportation Fund	72,891	83,400	81,850	84,600
TOTAL	72,891	83,400	81,850	84,600

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Debt Service

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2005 Pos. #	FY 2006 Pos. #	FY 2007 Pos. #	FY 2005 FY05 Actuals	FY 2006 FY06 Appropriation as Passed	FY 2006 FY06 Estimated Expenditures	FY 2007 FY07 Agency Request
Interest - Temporary Borrowing	0	0	0	5,000	0	28,000	0
Interest - Bonded Debt	0	0	0	21,148,586	22,329,145	22,361,955	23,033,662
Debt Service - Principal	0	0	0	46,182,872	45,132,089	45,132,089	46,097,159
TOTAL	0	0	0	67,336,458	67,461,234	67,522,044	69,130,821
FUND TYPE							
General Fund				62,592,361	62,968,427	63,001,208	64,549,851
Transportation Fund				2,356,087	2,109,547	2,137,576	2,086,135
Special Fund				2,388,010	2,383,260	2,383,260	2,494,835
TOTAL				67,336,458	67,461,234	67,522,044	69,130,821





STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Interest - Temporary Borrowing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	5,000	0	28,000	0
TOTAL	5,000	0	28,000	0
FUND TYPE				
General Fund	5,000	0	28,000	0
TOTAL	5,000	0	28,000	0

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Interest - Bonded Debt

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	21,148,586	22,329,145	22,361,955	23,033,662
TOTAL	21,148,586	22,329,145	22,361,955	23,033,662
FUND TYPE				
General Fund	19,727,666	21,022,074	21,026,855	21,887,323
Transportation Fund	662,910	628,811	656,840	551,504
Special Fund	758,010	678,260	678,260	594,835
TOTAL	21,148,586	22,329,145	22,361,955	23,033,662

STATE OF VERMONT
FISCAL YEAR 2007 BUDGET RECOMMENDATIONS
Debt Service - Principal

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2005	FY 2006		FY 2007
Major Object	**FY05 Actuals**	**FY06 Appropriation as Passed**	**FY06 Estimated Expenditures**	**FY07 Agency Request**
Operating Expenses	46,182,872	45,132,089	45,132,089	46,097,159
TOTAL	46,182,872	45,132,089	45,132,089	46,097,159
FUND TYPE				
General Fund	42,859,695	41,946,353	41,946,353	42,662,528
Transportation Fund	1,693,177	1,480,736	1,480,736	1,534,631
Special Fund	1,630,000	1,705,000	1,705,000	1,900,000
TOTAL	46,182,872	45,132,089	45,132,089	46,097,159