STATE OF VERMONT
FISCAL YEAR 2009

BUDGET RECOMMENDATIONS

TABLE OF CONTENTS

00AOA - Agency of Administration **6**
01100 - Secretary of Administration 9
01105 - Information and Innovation 12
01110 - Finance and Management 18
01120 - Human Resources 23
01130 - Libraries 30
01140 - Tax 35
01150 - Buildings and General Services 42

09170 - Geographic Information System **65**

01200 - Executive Office **68**

01210 - Legislative Council **74**

01211 - Legislature **79**

01220 - Joint Fiscal Committee **83**

01230 - Sergeant at Arms **87**

01240 - Lieutenant Governor **90**

01250 - Auditor of Accounts **93**

01260 - State Treasurer **103**

01270 - State Labor Relations Board **110**

01280 - VOSHA Review Board **113**

09526 - Use Tax Reimbursement Fund **117**

02310 - Lottery Commission **120**

09519 - Payments in Lieu of Taxes **123**

09520 - Montpelier PILOT **126**

09521 - Corrections PILOT **129**

02132 - Special Investigative Units **132**

02100 - Attorney General **134**

09522 - Vermont Court Diversion **140**

02110 - Defender General **146**

02120 - Judiciary **155**

02130 - State's Attorneys **164**

02131 - Sheriffs **169**

02140 - Public Safety **173**

02150 - Military **194**

02160 - Center for Crime Victims' Services **202**

02170 - Criminal Justice Training Council **208**

02200 - Agriculture, Food and Markets **212**

02210 - Banking Ins Sec Hlth Care Adm **227**

02230 - Secretary of State **246**

02240 - Public Service Department **250**

02250 - Public Service Board **255**

02260 - Enhanced 9-1-1 Board **258**

02270 - Vermont Racing Commission **263**

02280 - Human Rights Commission **266**

02300 - Liquor Control **270**

00AHS - Agency of Human Services **276**
- 03150 - Mental Health 280
- 03400 - Human Services Central Office 285
- 03410 - Office of VT Health Access 297
- 03420 - Health 307
- 03440 - Children and Family Services 329
- 03460 - Disabilities, Aging and Independent Living 367
- 03480 - Corrections 377

03300 - Vermont Veterans' Home **398**

03310 - Vermont Commission on Women **404**

09529 - Retired Senior Volunteer Program **409**

04100 - Department of Labor **413**

05100 - Education **424**

09516 - General Fund Approp to Ed Fund **441**

09518 - State Teachers' Retirement System **443**

09525 - Reappraisal and Listing Payments **447**

09534 - Home Owner Rebate **450**

09536 - Renter Rebate **453**

09502 - University of Vermont **456**

09504 - Vermont Public Television **464**

09505 - Vermont State Colleges **470**

09507 - Vermont Interactive Television **477**

09508 - Vt Student Assistance Corp **482**

09513 - NE Higher Education Compact **487**

00ANR - Agency of Natural Resources **490**
06100 - Natural Resources Central Office 493
06120 - Fish and Wildlife 502
06130 - Forests, Parks and Recreation 508
06140 - Environmental Conservation 518

06215 - Natural Resources Board **529**

0ACCD - Agency of Commerce and Comm Dev **539**
07100 - ACCD - Administration 542
07110 - Housing and Community Affairs 546
07120 - Economic Development 556
07130 - Tourism and Marketing 564

09509 - Vermont Council on the Arts **571**

09510 - Vermont Symphony Orchestra **577**

09511 - Vermont Historical Society **585**

09150 - Vt Housing and Conservation Board **591**

09512 - Vermont Humanities Council **596**

00AOT - Agency of Transportation **603**
08100 - AOT Division Approps and Programs 606
08101 - AOT Department of Motor Vehicles 634
08102 - AOT Town Highway Programs 642

08115 - Transportation Board **655**

09533 - Debt Service..... 658

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.

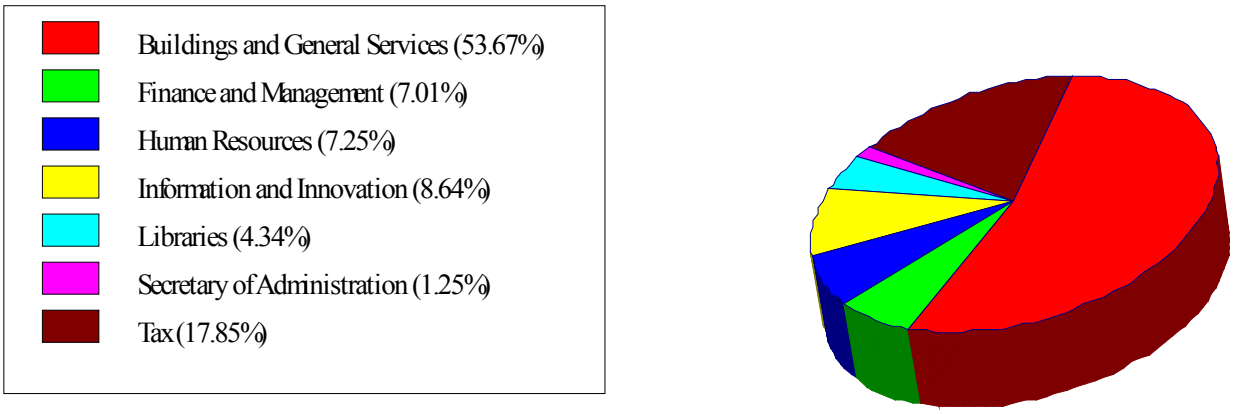
Libraries - fosters and co-ordinates resource sharing and access to information for the citizens of Vermont

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 2009 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Secretary of Administration	4	5	6	826,001	988,775	1,324,429	1,063,412
Information and Innovation	60	61	62	5,517,182	6,601,480	6,614,439	7,334,473
Finance and Management	41	51	52	4,475,224	5,564,569	5,655,977	5,949,874
Human Resources	60	55	53	6,460,256	6,194,286	6,298,054	6,156,302
Libraries	36	36	34	3,599,344	3,754,541	3,791,539	3,681,687
Tax	190	188	187	14,934,051	14,945,911	15,541,235	15,155,893
Buildings and General Services	453	444	449	48,743,500	43,030,703	44,476,744	45,566,945
TOTAL	844	840	843	84,555,558	81,080,265	83,702,417	84,908,586
FUND TYPE							
General Fund				30,948,718	30,666,021	31,972,342	30,592,221
Transportation Fund				104,641	0	0	0
Special Fund				1,437,039	1,938,905	2,084,905	2,176,400
Federal Revenue Fund				857,927	860,814	860,814	823,729
Enterprise Fund				121,045	146,246	97,824	146,092
Global Commitment Fund				0	105,000	105,000	416,113
Internal Service Fund				48,173,940	43,872,349	45,045,841	47,125,886
Interdepartmental Transfer				2,912,248	3,490,930	3,535,691	3,628,145
TOTAL				84,555,558	81,080,265	83,702,417	84,908,586


Buildings and General Services (53.67%)
Finance and Management (7.01%)
Human Resources (7.25%)
Information and Innovation (8.64%)
Libraries (4.34%)
Secretary of Administration (1.25%)
Tax (17.85%)

Department Mission Statement

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

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

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

Description of Appropriations, Divisions, & Programs

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

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

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Secretary of Administration

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Secretary's Office	4	5	6	826,001	988,775	1,324,429	1,063,412
TOTAL	4	5	6	826,001	988,775	1,324,429	1,063,412
FUND TYPE							
General Fund				825,298	769,743	1,105,397	834,122
Transportation Fund				703	0	0	0
Global Commitment Fund				0	0	0	76,613
Interdepartmental Transfer				0	219,032	219,032	152,677
TOTAL				826,001	988,775	1,324,429	1,063,412

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Secretary's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	561,559	792,281	941,490	848,494
Operating Expenses	49,607	46,494	47,774	64,918
Grants	214,835	150,000	335,165	150,000
TOTAL	826,001	988,775	1,324,429	1,063,412
FUND TYPE				
General Fund	825,298	769,743	1,105,397	834,122
Transportation Fund	703	0	0	0
Global Commitment Fund	0	0	0	76,613
Interdepartmental Transfer	0	219,032	219,032	152,677
TOTAL	826,001	988,775	1,324,429	1,063,412

Department Mission Statement

Vision Statement:

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

Mission Statement:

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

Strategic Goals:

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

Description of Appropriations, Divisions, & Programs

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

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

call distribution, and calling cards. 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, Burlington and district offices in cities and towns statewide. The network provides for complete inter-agency and inter-departmental information access through a single system servicing all agencies on a cooperative basis. DII manages the state fiber optic backbone, enabling the state to not only connect to state offices, but to the rest of the world.

DII also manages the state enterprise Exchange email platform and is in the process of rolling out additional enterprise applications.

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

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

Another essential service provided to the state by the department is computer hosting services. The department maintains server rooms at 133 State Street and at National Life housing computers that run software from various departments and agencies around the state. This includes internal servers that are a part of the state network as well as Internet servers allowing the state to communicate to the entire world. A second type of hosting that is provided is the hosting of applications on the state's mainframe computer. This provides several state departments and agencies with a high speed, high volume computing environment for various applications. Included in the hosting services is also the management of the facilities and the individual computers, disaster recovery planning and management, and the ability to warehouse data.

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

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

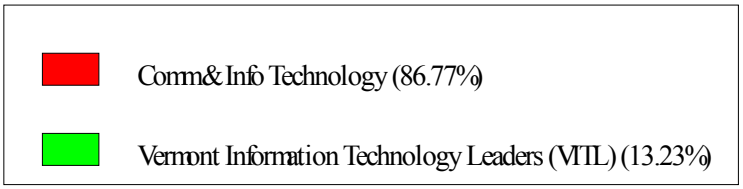
The department also provides grant funding to the Vermont Information Technology Leaders (VITL), a non-profit, public-private partnership.

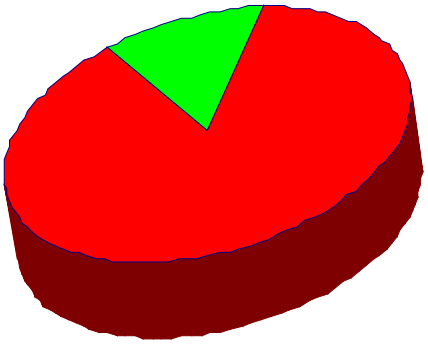
DII's role continues to evolve, just as technology itself continues to evolve.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Information and Innovation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
GOVnet	0	0	0	708,576	0	0	0
Vermont Information Technology	0	0	0	0	726,664	726,664	970,000
Leaders (VITL)	60	61	62	4,808,606	5,874,816	5,887,775	6,364,473
Comm & Info Technology							
TOTAL	60	61	62	5,517,182	6,601,480	6,614,439	7,334,473
FUND TYPE							
General Fund				0	510,000	509,873	414,836
Special Fund				0	226,664	226,664	330,824
Global Commitment Fund				0	105,000	105,000	339,500
Internal Service Fund				5,517,182	5,759,816	5,772,902	6,249,313
TOTAL				5,517,182	6,601,480	6,614,439	7,334,473





APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	518,555	0	0	0
Operating Expenses	190,021	0	0	0
TOTAL	708,576	0	0	0
FUND TYPE				
Internal Service Fund	708,576	0	0	0
TOTAL	708,576	0	0	0

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Information Technology Leaders (VITL)

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	0	726,664	726,664	0
Grants	0	0	0	970,000
TOTAL	0	726,664	726,664	970,000
FUND TYPE				
General Fund	0	395,000	395,000	299,676
Special Fund	0	226,664	226,664	330,824
Global Commitment Fund	0	105,000	105,000	339,500
TOTAL	0	726,664	726,664	970,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Comm & Info Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	3,705,646	4,560,326	4,554,060	4,842,221
Operating Expenses	892,960	864,490	883,715	1,022,252
Grants	210,000	450,000	450,000	500,000
TOTAL	4,808,606	5,874,816	5,887,775	6,364,473
FUND TYPE				
General Fund	0	115,000	114,873	115,160
Internal Service Fund	4,808,606	5,759,816	5,772,902	6,249,313
TOTAL	4,808,606	5,874,816	5,887,775	6,364,473

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

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

Budget and Management

The Budget and Management Division is responsible for maintaining the State's sound fiscal condition and maintains a liaison relationship with all departments in state government to assure proper application of spending and compliance with the various appropriations bills and other key statutes. The Division also is responsible for revenue projecting and reporting. In meeting its responsibilities the Division works to limit spending growth at sustainable levels and to maintain budget stabilization reserves of at least 5% of prior year total appropriations in the General Fund, Transportation Fund, and Education Fund. The Division seeks to limit reliance on supplemental appropriations through the Budget Adjustment Act and works with the Department of Buildings and General Services to ensure that the Governor's Capital Bill recommendations comply with recommendations of the Debt Affordability Committee. Another important role of the Division is to assure compliance with 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) 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. This division also oversees and processes all payroll services for the entire state. Statute requires that all state disbursements by the Treasurer be approved first by the Commissioner of Finance and Management, with warrants then being provided to the Treasurer. Financial Operations is responsible for the processing and monitoring of these warrants.

The Financial Operations Division consists of three distinct areas, the Financial Services Section, the Payroll Section, and the Technical Services Section.

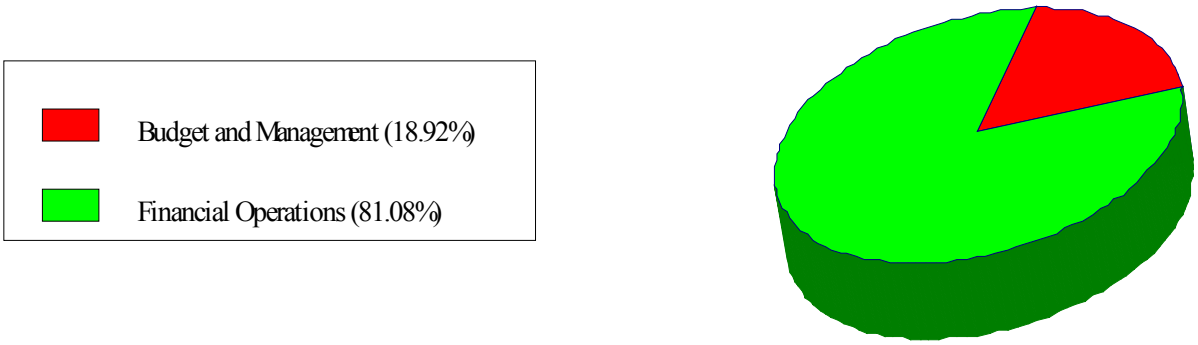
The Financial Services Section performs two primary roles, accounting and auditing. Accounting responsibilities include establishing and monitoring appropriations, as approved by the legislature. Additionally, Financial Services is the primary resource for departments on proper accounting procedures. 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 Payroll Section is responsible for issuing accurate and timely payments of salaries, expenses and other benefits to all Executive, Legislative, and Judicial branches of state government.

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 and upgrading system enhancements that will continue to improve the functionality and best practices of the VISION system.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Budget and Management	11	12	11	1,170,576	1,218,765	1,310,173	1,125,970
Financial Operations	30	39	41	3,304,648	4,345,804	4,345,804	4,823,904
TOTAL	41	51	52	4,475,224	5,564,569	5,655,977	5,949,874
FUND TYPE							
General Fund				1,060,897	980,379	1,071,787	945,847
Special Fund				0	70,903	70,903	67,637
Internal Service Fund				3,304,648	4,274,901	4,274,901	4,756,267
Interdepartmental Transfer				109,679	238,386	238,386	180,123
TOTAL				4,475,224	5,564,569	5,655,977	5,949,874



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	948,634	996,256	1,074,237	969,417
Operating Expenses	174,046	222,509	235,936	156,553
Other Financing Uses Budget	47,896	0	0	0
TOTAL	1,170,576	1,218,765	1,310,173	1,125,970
FUND TYPE				
General Fund	1,060,897	980,379	1,071,787	945,847
Interdepartmental Transfer	109,679	238,386	238,386	180,123
TOTAL	1,170,576	1,218,765	1,310,173	1,125,970

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	2,233,722	3,101,539	3,101,539	3,495,363
Operating Expenses	1,070,926	1,244,265	1,244,265	1,328,541
TOTAL	3,304,648	4,345,804	4,345,804	4,823,904
FUND TYPE				
Special Fund	0	70,903	70,903	67,637
Internal Service Fund	3,304,648	4,274,901	4,274,901	4,756,267
TOTAL	3,304,648	4,345,804	4,345,804	4,823,904

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 to carry out its mission:

The Administrative Services Division includes the Benefits Unit and a Fiscal Information Management Unit (FIM). The Benefits Unit 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. FIM supports all analytical needs of the department which includes financial accounting, insurance premium rate setting and market factor analysis for the classification purposes.

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 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 division is also responsible for Human Resources Information Systems, from a functional perspective, ensuring data quality control and best practice.

The Workforce Development and Wellness Division provides workforce planning and training for departments and agencies throughout state government. Through its Wellness Unit, the division provides a coordinated wellness program for all state employees and retirees.

The Recruitment Division provides recruitment services for departments and agencies throughout state government, including all advertising for jobs with the State of Vermont.

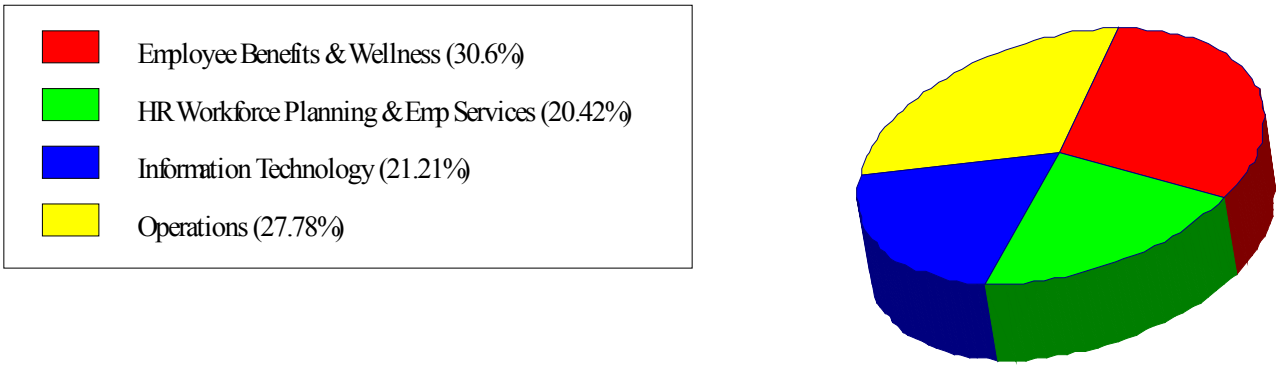
The Technical Services Division supports all department technology needs and manages a large personnel informational database, Human Capital Management ("HCM"). The Help Desk is in this division and provides assistance and support to HCM users, including job applicants.

The Commissioner's office provides leadership in all the above-named divisions, guidance on EEO matters throughout state government, and support for the Governor's Workforce Equity and Diversity Council. It also provides legal representation for all state departments and agencies in employment related matters.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Human Resources

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Operations	29	25	20	2,735,278	2,047,189	2,045,978	1,709,986
HR Workforce Planning & Emp Services	11	10	10	1,150,545	1,169,132	1,274,111	1,256,834
Employee Benefits & Wellness	14	14	14	1,563,166	1,927,105	1,927,105	1,883,992
Information Technology	6	6	9	1,011,267	1,050,860	1,050,860	1,305,490
TOTAL	60	55	53	6,460,256	6,194,286	6,298,054	6,156,302
FUND TYPE							
General Fund				3,061,172	2,490,469	2,594,237	2,211,227
Transportation Fund				103,938	0	0	0
Special Fund				323,014	297,761	297,761	297,761
Internal Service Fund				2,574,433	2,977,965	2,977,965	3,189,482
Interdepartmental Transfer				397,699	428,091	428,091	457,832
TOTAL				6,460,256	6,194,286	6,298,054	6,156,302



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,324,256	1,812,341	1,796,926	1,481,974
Operating Expenses	411,221	234,848	249,052	228,012
Non Operating Exp Budget	(199)	0	0	0
TOTAL	2,735,278	2,047,189	2,045,978	1,709,986
FUND TYPE				
General Fund	2,249,844	1,619,098	1,617,887	1,252,154
Transportation Fund	76,073	0	0	0
Special Fund	11,662	0	0	0
Interdepartmental Transfer	397,699	428,091	428,091	457,832
TOTAL	2,735,278	2,047,189	2,045,978	1,709,986

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
HR Workforce Planning & Emp Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	751,216	777,332	881,530	856,026
Operating Expenses	399,329	391,800	392,581	400,808
TOTAL	1,150,545	1,169,132	1,274,111	1,256,834
FUND TYPE				
General Fund	811,328	871,371	976,350	959,073
Transportation Fund	27,865	0	0	0
Special Fund	311,352	297,761	297,761	297,761
TOTAL	1,150,545	1,169,132	1,274,111	1,256,834

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,284,375	1,554,782	1,554,782	1,450,506
Operating Expenses	278,791	372,323	372,323	433,486
TOTAL	1,563,166	1,927,105	1,927,105	1,883,992
FUND TYPE				
Internal Service Fund	1,563,166	1,927,105	1,927,105	1,883,992
TOTAL	1,563,166	1,927,105	1,927,105	1,883,992

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	602,779	555,946	555,946	811,108
Operating Expenses	408,488	494,914	494,914	494,382
TOTAL	1,011,267	1,050,860	1,050,860	1,305,490
FUND TYPE				
Internal Service Fund	1,011,267	1,050,860	1,050,860	1,305,490
TOTAL	1,011,267	1,050,860	1,050,860	1,305,490

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-sectarian, service-oriented institutions for all age groups. They are a safe place fostering intellectual freedom and inventiveness.

Description of Appropriations, Divisions, & Programs

State Librarian/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. Assists libraries in cooperative acquisition of online resources and statewide database licensing.

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.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Libraries	36	36	34	3,599,344	3,754,541	3,791,539	3,681,687
TOTAL	36	36	34	3,599,344	3,754,541	3,791,539	3,681,687
FUND TYPE							
General Fund				2,582,391	2,506,583	2,543,581	2,611,964
Special Fund				123,883	298,584	298,584	152,482
Federal Revenue Fund				782,627	860,814	860,814	823,729
Interdepartmental Transfer				110,443	88,560	88,560	93,512
TOTAL				3,599,344	3,754,541	3,791,539	3,681,687

Appropriation Key Budget Issues

Key Budget Issues for the Department of Libraries' for FY2009 are as follows:

Special Funds: 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 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. Recent annual distributions from the bequest has necessitated ending the practice of using these funds for personal services and we have reduced the amount used for personal services in FY09 nearly 84% (to $6,983 from $43,084 in FY08). The majority of the difference has been made up from a FY2009 general fund adjustment of $29,556.

Federal Funds: The consolidated Federal FY2008 budget passed by Congress in December, 2007 resulted in a 6.0% decrease in federal funds for state library agency programs in Vermont. The decrease will be allocated over two state budget years - FY2008 and FY2009).

Eighteen positions at the Department are partially or completely federally funded. For FY2009, we have reduced use of federal funds for personal services about 1% ($4,500). In operating, we have reduced use of federal funding about 10.5% (a total reduction of $25,000). We have reduced federally funded subgrants to local libraries 12.5% (a total reduction of $7,500 from $60,000 to $52,500).

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. The increase in interdepartmental transfers ($4,952) reflects the negotiated contract price for FY2009.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,967,185	2,039,226	2,036,466	2,037,969
Operating Expenses	1,569,544	1,645,315	1,685,073	1,581,218
Grants	62,615	70,000	70,000	62,500
TOTAL	3,599,344	3,754,541	3,791,539	3,681,687
FUND TYPE				
General Fund	2,582,391	2,506,583	2,543,581	2,611,964
Special Fund	123,883	298,584	298,584	152,482
Federal Revenue Fund	782,627	860,814	860,814	823,729
Interdepartmental Transfer	110,443	88,560	88,560	93,512
TOTAL	3,599,344	3,754,541	3,791,539	3,681,687

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

Administration

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 grown significantly now that a majority of our tax return 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. We will be implementing many of these in 2008.

FY2007 ended with an accounts receivable balance of $127.1 million dollars, up from $118.3 million in FY06. Some of the increase comes from further 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 $51.5 million dollars in delinquent taxes were collected, up from $49.8 million in FY06. 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 refund offset program for 21 State and Federal agencies; such as Child Support, Defender General, VSAC and the Internal Revenue Service. We sent more than $2.9 million to participating agencies in FY07.

We are in our fourth year of placing qualifying debts with the U. S. Treasury Offset Program (TOPS). This program allows for the offset of federal income tax refunds to pay State of Vermont debts. This ongoing program collects millions of dollars from federal refund offsets, or from payments received directly from taxpayers as a result of certified letters advising them of potential placement of their debt with the TOPS.

Information Systems

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

In 2007 the division responded to the numerous technical changes required to support Act-185. These included facilitating the netting of property tax bills, ensuring that the correct income sensitivity payments were received by the Towns on time and the complex accounting changes to fully track the dollars.

Information Systems worked closely with the Compliance Division in 2007 to develop a system that leverages data received from other state Agencies as well as the IRS to identify non-filers and encourage them to file the required income tax returns.

The Division also worked closely with a consulting firm in 2007 to prepare an RFP for the migration of our corporate, business income and property transfer, fuel gross and individual use taxes from the mainframe to a new state of the art system. The RFP was issued, bids were received and a vendor was selected. This project will take place throughout 2008-09.

Information Systems also participated in the last of three moves involving the relocation of all Tax employees to a newly renovated building. This included that relocation of the last of any the technical

infrastructure from the previous location and the entire process took place over the period July, 2005-February, 2007.

Lastly, the division undertook an effort to upgrade and consolidate critical pieces of the IT infrastructure which included upgrades to the latest versions of key software development tools and enterprise database as well as the implementation of virtualization technologies to reduce the amount of IT hardware required to support Department operations.

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 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 27 taxes, 6 licensing programs, 1 property tax program and 1 renter rebate program. We are now in the seventh 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 Telephone Lifeline and V-Script programs and verifies income for the Lifeline program.

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 and Champlain College. For example, in conjunction with Champlain College, the staff trains volunteers who help citizens complete personal 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. Taxpayers receive assistance by telephone, letter, fax, e-mail and walk-in visits. We annually handle approximately 160,000 calls through our telephone "call center". We also have an automated telephone system where taxpayers can telephonically check their refund status and/or the amount of their education property tax payment on a 24/7 basis. Taxpayers can also use this 24/7 service to access their estimated income tax payment amount and the status of their homestead declaration and property tax adjustment claim.

Effective January 1, 2007 Vermont became a full member in the national Streamlined Sales Tax Project (SSTP) As a full member Vermont is entitled to require collection and remittance of the sales tax by participating out of state vendors who would otherwise have no obligation to collect and pay these taxes. This resulted in a number of changes to sales tax administration including making it “destination based”.

In another major change to business tax statutes, C-corporations conducting a unitary business with other affiliated corporations are now required to file their returns on a unitary basis.

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. Approximately 160,000 individual income taxpayers filed via Fed/State in 2007. On-line income tax filers can now make payments electronically, free-of-charge, via ACH debit or direct us to electronically send their refund directly to their bank account. We also offer an on-line tax payment program to all taxpayers using most major credit cards. In 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 fee-based major credit card.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration / Collection	190	188	187	14,934,051	14,945,911	15,541,235	15,155,893
TOTAL	190	188	187	14,934,051	14,945,911	15,541,235	15,155,893
FUND TYPE							
General Fund				14,106,861	14,060,178	14,455,502	13,992,457
Special Fund				632,190	683,733	879,733	966,436
Interdepartmental Transfer				195,000	202,000	206,000	197,000
TOTAL				14,934,051	14,945,911	15,541,235	15,155,893

Appropriation Key Budget Issues

Administration/Collection Appropriation Summary:

The Administration/Collection appropriation for FY09 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 175 full-time classified, 1 full-time limited service and 11 full-time exempt employees who administer 34 general fund and special fund taxes, licenses and fees; as well as local option taxes for five municipalities. Full-time employees are augmented by tax season temporaries. The work program for FY2009 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. Additional responsibilities include the administration of property tax assistance programs, the split grand list and the renter rebate program.

Tax administration personnel support the State's administrative and legislative leadership in all areas of tax policy analysis and development. Other areas of staff support include the administration of the state-wide education property tax (EEGL); the conduct of the annual aggregate fair market value study (AFMV), administration of the use value appraisal and payment-in-lieu-of taxes programs (Current Use & PILOT); provision of on-going assistance to municipal governments with property tax administration and property tax mapping (CAPTAP & VMP), assistance with the Telephone Lifeline and Pharmaceutical Assistance programs and the processing of refund offsets for 21 State and Federal agencies.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Administration / Collection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	11,757,771	12,058,379	12,618,492	12,212,179
Operating Expenses	3,176,280	2,887,532	2,922,743	2,943,714
TOTAL	14,934,051	14,945,911	15,541,235	15,155,893
FUND TYPE				
General Fund	14,106,861	14,060,178	14,455,502	13,992,457
Special Fund	632,190	683,733	879,733	966,436
Interdepartmental Transfer	195,000	202,000	206,000	197,000
TOTAL	14,934,051	14,945,911	15,541,235	15,155,893

Department Mission Statement

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

This mission is intended to reflect the department's desire to provide quality goods and services to its customers. 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.

Description of Appropriations, Divisions, & Programs

ADMINISTRATIVE SERVICES

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

The goals of the Administrative Services Division are: (a) to produce timely and accurate financial statements, budget requests, program analysis, chargeable rates, and accounting services for all programs as established by the legislature; (b) to deal with all personnel issues in a timely and respectful manner as established by the State and the Vermont State Employees Association, Inc. Contract as well as state human resource policies; (c) provide information technology service and support for all BGS users and programs; and (d) to provide all BGS programs the management support that they need to better serve their customers and achieve their departmental goals and objectives.

FACILITIES OPERATIONS
(Fee for Space)

The mission of the Fee for Space Program is to provide a safe, clean, economical, and productive working environment in which State employees/occupants of State Facilities can accomplish their missions. This program deals with the areas of housekeeping, security, grounds, heat and electricity, snow removal, pest control, maintenance, and space allocation among others.

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

PROPERTY MANAGEMENT
(Leases and Purchases)

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

ENGINEERING AND CONSTRUCTION

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

The engineering program provides planning, engineering, and architectural services to State Government based on appropriations in the annual capital construction bill.

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

POSTAL CENTER

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

FLEET MANAGEMENT SERVICES

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

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

PRINT SHOP

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

PURCHASING AND CONTRACT ADMINISTRATION

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

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

Contract Administration, the second function of the program, is responsible for bidding and contracting for planning, design, construction, renovation, repair, maintenance, and various services for facilities statewide. This includes facilities managed by other State Agencies such as the Agency of Transportation and the Agency of Natural Resources as well as facilities that are managed by BGS. Contract Administration is also responsible for oversight of the contracting process to ensure compliance with Bulletin 3.5 and relevant state statutes and executive orders.

PUBLIC RECORDS

The Public Records program provides 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.

The Public Records program is the primary contact with the general public for the retrieval of vital records such as birth and death certificates required from time to time by individuals. This service is expected to be performed in a timely and as cost efficient manner as possible.

STATE AND FEDERAL SURPLUS PROPERTY

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

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

RISK MANAGEMENT - INSURANCE SERVICES

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

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

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

INFORMATION CENTERS

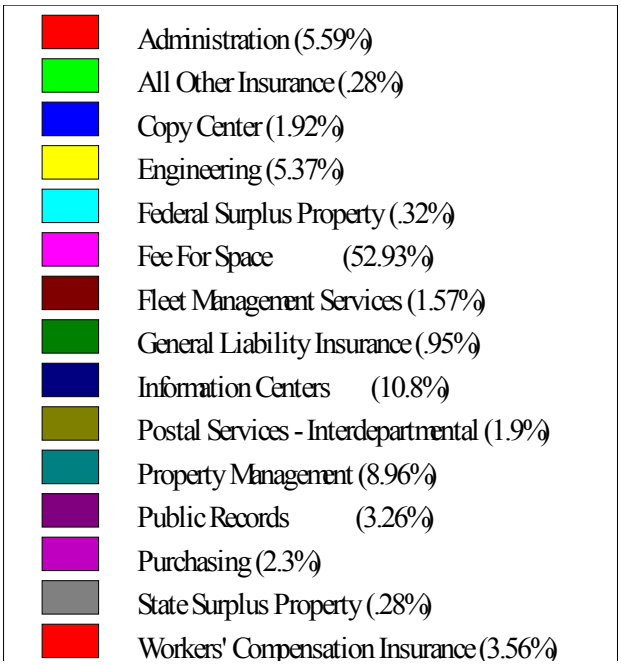
The program's mission is to promote the economy of the State of Vermont by providing hospitality, convenience, safe harbor, and information to the traveling public.

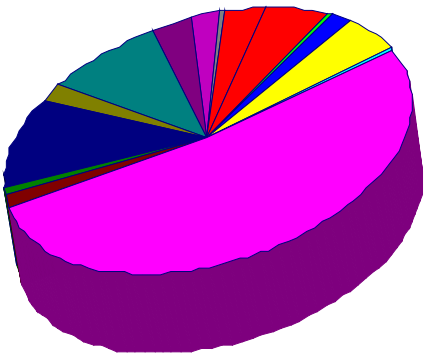
Core responsibilities involve marketing, promotions and customer relations in an attempt at influencing the buying practices and purchasing behaviors of the Vermont tourists. In addition, providing clean, safe, and well lighted accommodations for truck drivers as well as the motoring public are essential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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration	24	25	27	2,420,814	2,269,861	2,310,622	2,547,001
Engineering	24	23	23	2,215,812	2,366,441	2,486,407	2,446,603
Information Centers	58	57	58	5,177,230	5,007,088	4,932,378	4,922,185
Purchasing	12	12	13	768,615	876,057	940,629	1,048,897
Public Records	18	19	17	1,241,666	1,485,343	1,668,811	1,485,343
Postal Services - Interdepartmental	14	14	14	20,641	850,955	750,932	866,340
Postal Services - External	0	0	0	743,465	0	0	0
Copy Center	16	14	12	807,883	960,115	892,386	874,476
Fleet Management Services	9	9	8	514,818	656,820	367,736	716,919
Federal Surplus Property	1	1	1	121,045	146,246	97,824	146,092
State Surplus Property	1	1	1	117,826	134,537	91,471	127,608
Property Management	24	22	21	4,109,416	4,162,117	4,197,596	4,084,343
All Other Insurance	1	1	0	109,742	115,928	98,881	127,307
General Liability Insurance	3	3	0	315,977	353,523	407,093	432,367
Workers' Compensation Insurance	16	16	23	1,510,569	1,621,038	1,429,290	1,621,038
Fee For Space	232	227	231	28,547,981	22,024,634	23,804,688	24,120,426
TOTAL	453	444	449	48,743,500	43,030,703	44,476,744	45,566,945
FUND TYPE							
General Fund				9,312,099	9,348,669	9,691,965	9,581,768
Special Fund				357,952	361,260	311,260	361,260
Federal Revenue Fund				75,300	0	0	0
Enterprise Fund				121,045	146,246	97,824	146,092
Internal Service Fund				36,777,677	30,859,667	32,020,073	32,930,824
Interdepartmental Transfer				2,099,427	2,314,861	2,355,622	2,547,001
TOTAL				48,743,500	43,030,703	44,476,744	45,566,945

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Buildings and General Services





APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,872,787	1,936,700	1,959,716	2,193,312
Operating Expenses	301,940	333,161	350,906	353,689
Other Financing Uses Budget	246,087	0	0	0
TOTAL	2,420,814	2,269,861	2,310,622	2,547,001
FUND TYPE				
General Fund	246,087	0	0	0
Federal Revenue Fund	75,300	0	0	0
Interdepartmental Transfer	2,099,427	2,269,861	2,310,622	2,547,001
TOTAL	2,420,814	2,269,861	2,310,622	2,547,001

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,786,331	1,926,241	1,917,522	1,946,293
Operating Expenses	429,481	440,200	568,885	500,310
TOTAL	2,215,812	2,366,441	2,486,407	2,446,603
FUND TYPE				
General Fund	2,215,812	2,321,441	2,441,407	2,446,603
Interdepartmental Transfer	0	45,000	45,000	0
TOTAL	2,215,812	2,366,441	2,486,407	2,446,603

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,551,868	3,507,600	3,613,458	3,535,422
Operating Expenses	1,502,862	1,452,188	1,273,920	1,291,313
Grants	22,500	47,300	45,000	95,450
Other Financing Uses Budget	100,000	0	0	0
TOTAL	5,177,230	5,007,088	4,932,378	4,922,185
FUND TYPE				
General Fund	4,947,852	4,957,088	4,932,378	4,872,185
Special Fund	229,378	50,000	0	50,000
TOTAL	5,177,230	5,007,088	4,932,378	4,922,185

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	643,146	673,400	687,551	730,292
Operating Expenses	125,469	202,657	253,078	318,605
TOTAL	768,615	876,057	940,629	1,048,897
FUND TYPE				
General Fund	768,615	876,057	940,629	1,048,897
TOTAL	768,615	876,057	940,629	1,048,897

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	746,143	847,200	909,259	739,633
Operating Expenses	495,523	638,143	759,552	745,710
TOTAL	1,241,666	1,485,343	1,668,811	1,485,343
FUND TYPE				
General Fund	1,113,092	1,174,083	1,357,551	1,174,083
Special Fund	128,574	311,260	311,260	311,260
TOTAL	1,241,666	1,485,343	1,668,811	1,485,343

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	0	645,800	584,966	683,250
Operating Expenses	20,641	205,155	165,966	183,090
TOTAL	20,641	850,955	750,932	866,340
FUND TYPE				
General Fund	20,641	20,000	20,000	40,000
Internal Service Fund	0	830,955	730,932	826,340
TOTAL	20,641	850,955	750,932	866,340

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Postal Services - External

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	567,051	0	0	0
Operating Expenses	176,414	0	0	0
TOTAL	743,465	0	0	0
FUND TYPE				
Internal Service Fund	743,465	0	0	0
TOTAL	743,465	0	0	0

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Copy Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	637,217	722,315	689,196	642,126
Operating Expenses	170,666	237,800	203,190	232,350
TOTAL	807,883	960,115	892,386	874,476
FUND TYPE				
Internal Service Fund	807,883	960,115	892,386	874,476
TOTAL	807,883	960,115	892,386	874,476

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Fleet Management Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	389,304	468,000	402,016	562,573
Operating Expenses	125,514	188,820	(34,280)	154,346
TOTAL	514,818	656,820	367,736	716,919
FUND TYPE				
Internal Service Fund	514,818	656,820	367,736	716,919
TOTAL	514,818	656,820	367,736	716,919

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Federal Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	62,127	62,327	63,939	68,567
Operating Expenses	58,918	83,919	33,885	77,525
TOTAL	121,045	146,246	97,824	146,092
FUND TYPE				
Enterprise Fund	121,045	146,246	97,824	146,092
TOTAL	121,045	146,246	97,824	146,092

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
State Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	58,617	60,341	61,575	63,768
Operating Expenses	59,209	74,196	29,896	63,840
TOTAL	117,826	134,537	91,471	127,608
FUND TYPE				
Internal Service Fund	117,826	134,537	91,471	127,608
TOTAL	117,826	134,537	91,471	127,608

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Property Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,241,238	1,244,300	1,344,305	1,139,014
Operating Expenses	373,343	2,917,817	2,853,291	2,945,329
Other Financing Uses Budget	2,494,835	0	0	0
TOTAL	4,109,416	4,162,117	4,197,596	4,084,343
FUND TYPE				
Internal Service Fund	4,109,416	4,162,117	4,197,596	4,084,343
TOTAL	4,109,416	4,162,117	4,197,596	4,084,343

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
All Other Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	77,539	81,300	76,419	95,134
Operating Expenses	32,203	34,628	22,462	32,173
TOTAL	109,742	115,928	98,881	127,307
FUND TYPE				
Internal Service Fund	109,742	115,928	98,881	127,307
TOTAL	109,742	115,928	98,881	127,307

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
General Liability Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	241,274	269,723	286,574	282,047
Operating Expenses	74,703	83,800	120,519	150,320
TOTAL	315,977	353,523	407,093	432,367
FUND TYPE				
Internal Service Fund	315,977	353,523	407,093	432,367
TOTAL	315,977	353,523	407,093	432,367

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,092,113	1,199,838	1,100,474	1,222,115
Operating Expenses	418,456	421,200	328,816	398,923
TOTAL	1,510,569	1,621,038	1,429,290	1,621,038
FUND TYPE				
Internal Service Fund	1,510,569	1,621,038	1,429,290	1,621,038
TOTAL	1,510,569	1,621,038	1,429,290	1,621,038

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Fee For Space

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	10,910,100	11,047,932	11,397,921	12,098,881
Operating Expenses	17,387,881	10,976,702	12,406,767	12,021,545
Other Financing Uses Budget	250,000	0	0	0
TOTAL	28,547,981	22,024,634	23,804,688	24,120,426
FUND TYPE				
Internal Service Fund	28,547,981	22,024,634	23,804,688	24,120,426
TOTAL	28,547,981	22,024,634	23,804,688	24,120,426

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 2009 BUDGET RECOMMENDATIONS
Geographic Information System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Geographic Information System	0	0	0	411,685	430,210	430,210	430,210
TOTAL	0	0	0	411,685	430,210	430,210	430,210
FUND TYPE							
Special Fund				411,685	430,210	430,210	430,210
TOTAL				411,685	430,210	430,210	430,210

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Geographic Information System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	411,685	430,210	430,210	430,210
TOTAL	411,685	430,210	430,210	430,210
FUND TYPE				
Special Fund	411,685	430,210	430,210	430,210
TOTAL	411,685	430,210	430,210	430,210

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. Communicates development of Governor's administrative and legislative agenda/priorities. Represents the state at the state, national and international levels. Management of appointments to Boards and Commissions, tracks policy changes in the legislature and inter-agency coordination. Provides communication and referrals with the public, and other activities as appropriate.

The Governor's senior staff consists of a Chief of Staff; a Deputy Chief of Staff; a Legal Counsel; a Secretary of Civil & Military Affairs; a Press Secretary; and a Special Assistant. 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 (VT CNCS) 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.

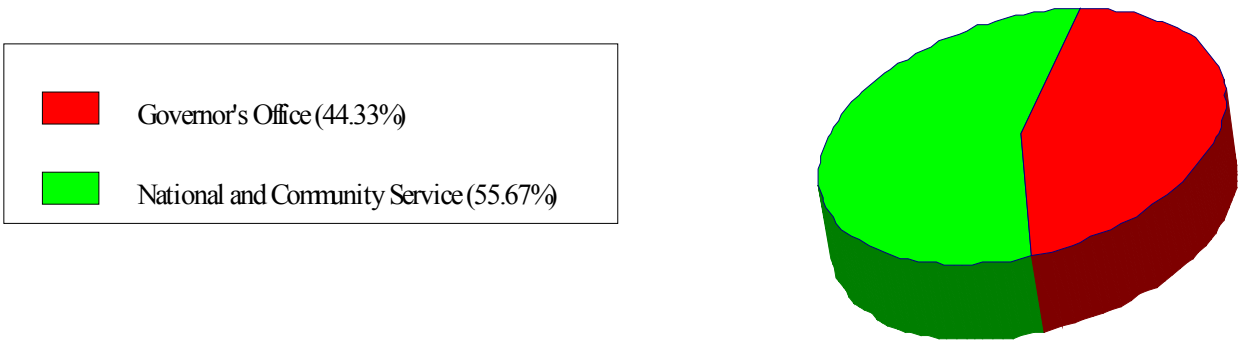
In addition, VT CNCS works with various state agencies to co lead State Support Function #7 (responsible for assisting with the coordination of volunteers) within the state response plan.

With the combined efforts of traditional volunteerism and AmeriCorps, the VT CNCS helps provide support to Vermonters in the areas of education, public safety, housing, substance abuse, the environment, and other human needs. The Commission's motto is "Improving Vermonters' Lives Through Voluntary Service."

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Governor's Office	15	15	15	1,623,400	1,653,447	1,664,405	1,720,550
National and Community Service	4	4	4	1,264,143	1,671,849	1,674,274	2,160,392
TOTAL	19	19	19	2,887,543	3,325,296	3,338,679	3,880,942
FUND TYPE							
General Fund				1,510,732	1,526,498	1,539,881	1,583,578
Special Fund				10,588	0	0	0
Federal Revenue Fund				1,205,223	1,615,321	1,615,321	2,103,864
Interdepartmental Transfer				161,000	183,477	183,477	193,500
TOTAL				2,887,543	3,325,296	3,338,679	3,880,942



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 2009 BUDGET RECOMMENDATIONS
Governor's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,209,736	1,290,419	1,292,247	1,323,037
Operating Expenses	406,076	363,028	372,158	397,513
Other Financing Uses Budget	7,588	0	0	0
TOTAL	1,623,400	1,653,447	1,664,405	1,720,550
FUND TYPE				
General Fund	1,454,812	1,469,970	1,480,928	1,527,050
Special Fund	7,588	0	0	0
Interdepartmental Transfer	161,000	183,477	183,477	193,500
TOTAL	1,623,400	1,653,447	1,664,405	1,720,550

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 2009 BUDGET RECOMMENDATIONS
National and Community Service

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	181,435	187,996	190,421	202,006
Operating Expenses	109,144	126,191	126,191	122,923
Grants	970,564	1,357,662	1,357,662	1,835,463
Other Financing Uses Budget	3,000	0	0	0
TOTAL	1,264,143	1,671,849	1,674,274	2,160,392
FUND TYPE				
General Fund	55,920	56,528	58,953	56,528
Special Fund	3,000	0	0	0
Federal Revenue Fund	1,205,223	1,615,321	1,615,321	2,103,864
TOTAL	1,264,143	1,671,849	1,674,274	2,160,392

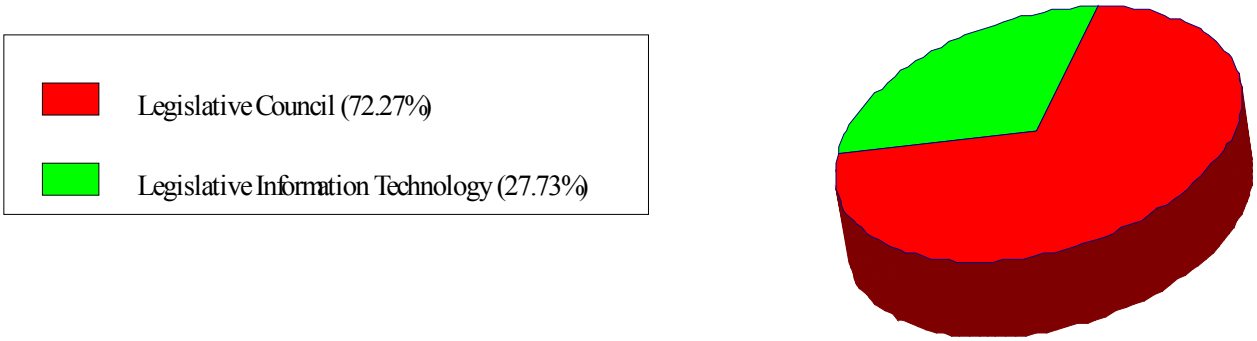
Department Mission Statement

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 2009 BUDGET RECOMMENDATIONS
Legislative Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Legislative Council	24	24	24	2,049,333	2,078,439	2,139,199	2,150,854
Legislative Information Technology	4	4	4	599,657	621,258	624,331	825,221
TOTAL	28	28	28	2,648,990	2,699,697	2,763,530	2,976,075
FUND TYPE							
General Fund				2,648,990	2,699,697	2,763,530	2,976,075
TOTAL				2,648,990	2,699,697	2,763,530	2,976,075



Appropriation Key Budget Issues

This budget includes $80,000 related to replacement of the Chief Legislative Counsel and related restructuring. The vacancy savings are in part a reflection of the administration's decision not to fund this item.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Legislative Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,886,411	1,924,939	1,972,106	1,987,162
Operating Expenses	162,922	153,500	167,093	163,692
TOTAL	2,049,333	2,078,439	2,139,199	2,150,854
FUND TYPE				
General Fund	2,049,333	2,078,439	2,139,199	2,150,854
TOTAL	2,049,333	2,078,439	2,139,199	2,150,854

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Legislative Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	397,479	404,005	407,005	387,751
Operating Expenses	202,178	217,253	217,326	437,470
TOTAL	599,657	621,258	624,331	825,221
FUND TYPE				
General Fund	599,657	621,258	624,331	825,221
TOTAL	599,657	621,258	624,331	825,221

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 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Legislature	19	19	19	7,033,129	6,804,008	7,091,951	7,832,363
TOTAL	19	19	19	7,033,129	6,804,008	7,091,951	7,832,363
FUND TYPE							
General Fund				7,016,675	6,804,008	7,091,951	7,832,363
Transportation Fund				1,667	0	0	0
Special Fund				4,196	0	0	0
Interdepartmental Transfer				10,591	0	0	0
TOTAL				7,033,129	6,804,008	7,091,951	7,832,363

Appropriation Key Budget Issues

This budget funds the Legislature at 18 weeks, which is consistent with the intent of the Legislature as expressed in Sec. 37(b) of Act 65 of 2007. This budget also funds the Commission on Health Care Reform and includes the cost-of-living adjustments to the Legislature, as per 32 V.S.A. 1051 and 32 V.S.A. 1052.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,547,587	3,904,123	4,042,004	4,407,889
Operating Expenses	3,464,247	2,899,885	3,049,947	3,424,474
Grants	21,295	0	0	0
TOTAL	7,033,129	6,804,008	7,091,951	7,832,363
FUND TYPE				
General Fund	7,016,675	6,804,008	7,091,951	7,832,363
Transportation Fund	1,667	0	0	0
Special Fund	4,196	0	0	0
Interdepartmental Transfer	10,591	0	0	0
TOTAL	7,033,129	6,804,008	7,091,951	7,832,363

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 inquiries; keep legislators informed through newsletters, creation of the fiscal fact book, a WEB page, and other forms of communication; and monitoring revenues and expenditures.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Joint Fiscal Committee	12	12	12	1,198,007	1,270,768	1,361,401	1,298,032
TOTAL	12	12	12	1,198,007	1,270,768	1,361,401	1,298,032
FUND TYPE							
General Fund				1,194,011	1,270,768	1,361,401	1,298,032
Transportation Fund				3,996	0	0	0
TOTAL				1,198,007	1,270,768	1,361,401	1,298,032

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,121,942	1,176,259	1,259,416	1,210,211
Operating Expenses	76,065	94,509	101,985	87,821
TOTAL	1,198,007	1,270,768	1,361,401	1,298,032
FUND TYPE				
General Fund	1,194,011	1,270,768	1,361,401	1,298,032
Transportation Fund	3,996	0	0	0
TOTAL	1,198,007	1,270,768	1,361,401	1,298,032

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Sergeant at Arms

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Sergeant at Arms	5	6	6	606,564	598,371	644,656	612,553
TOTAL	5	6	6	606,564	598,371	644,656	612,553
FUND TYPE							
General Fund				606,564	598,371	644,656	612,553
TOTAL				606,564	598,371	644,656	612,553

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Sergeant at Arms

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	549,974	530,079	576,849	541,207
Operating Expenses	56,590	68,292	67,807	71,346
TOTAL	606,564	598,371	644,656	612,553
FUND TYPE				
General Fund	606,564	598,371	644,656	612,553
TOTAL	606,564	598,371	644,656	612,553

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 2009 BUDGET RECOMMENDATIONS
Lieutenant Governor

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Lieutenant Governor	2	2	2	148,387	154,712	155,032	161,613
TOTAL	2	2	2	148,387	154,712	155,032	161,613
FUND TYPE							
General Fund				148,104	154,712	155,032	161,613
Transportation Fund				283	0	0	0
TOTAL				148,387	154,712	155,032	161,613

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Lieutenant Governor

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	130,993	137,937	137,722	143,693
Operating Expenses	17,394	16,775	17,310	17,920
TOTAL	148,387	154,712	155,032	161,613
FUND TYPE				
General Fund	148,104	154,712	155,032	161,613
Transportation Fund	283	0	0	0
TOTAL	148,387	154,712	155,032	161,613

Department Mission Statement

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

Description of Programs/Office

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

(1) 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.

Guiding Values

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

- useful;
- timely;
- accurate;
- objective;

- of high quality;
- done in a fair manner; and
- guided by Generally Accepted Government Auditing Standards.

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

Significant Recent Achievements of the Auditor's Office

In fiscal year 2007, the Auditor's Office completed its statutorily required audits in a timely manner. The audit for fiscal year 2007 is substantially complete pending resolution of certain transactions related to the Global Commitment to Health Waiver. The Office continues to contribute to improving the State's internal controls through meaningful recommendations. In addition to required audits, the Office has completed audits in other areas, such as Medicaid payment integrity, that are significant to the State's fiscal health and/or performance of major activities. Moreover, the Office has raised awareness of the need to fix prior audit findings across State government and has provided technical assistance to put mechanisms in place that may reduce such findings in the future. The Auditor's Office has also worked extensively with the municipal and sheriff community to improve their financial operations.

Statutorily Required Audits

In fiscal year 2007, the Auditor's Office was required to complete audits of the (1) State's Basic Financial Statement Audit, (2) federally-mandated Single Audit of all programs receiving federal funds, and (3) a compliance audit of the Economic Advancement Tax Incentives program. Each of these audits were completed by their mandated deadlines, performed in accordance with generally accepted government auditing standards, and made significant recommendations for improvement in the State's processes.

- *Basic Financial Statement Audit.* The Office's most resource-intensive audit, the objective of the Basic Financial Statement audit is to express an opinion on whether the State's financial statements are free of material misstatement and to assess the State's internal controls and compliance with certain provision of laws and regulations. For the last completed audit (fiscal year 2006), the Office made a variety of recommendations to improve the compilation of the report, increase the accounting and financial expertise within State government, and enhance information technology controls. This audit also passed a peer review by other State Audit Offices that assessed the system of quality control used to conduct the audit. The Basic Financial Statement audit is performed annually. The audit for the period ending June 30, 2007 is substantially complete pending resolution of certain transactions related to the Global Commitment to Health Waiver. The Office continues to contribute to improving the State's internal controls through meaningful recommendations.

- *Federal Single Audit.* This annual audit reviews the more than $1.3 billion Vermont receives annually from the federal government to ensure that it is spent in compliance with all applicable laws and regulations. This audit is performed by an independent audit firm with assistance and oversight by the State Auditor's Office. The last completed single audit (fiscal year 2006) identified 33 reportable conditions in internal controls related to material compliance requirements for 17 major programs, such as Food Stamps. This year's audit is expected to be completed within the timeframes established by Statute.

- *Economic Advancement Tax Incentives (EATI) program.* The EATI program offers a range of tax incentives designed to create quality jobs, close the gap between Vermont wages and the national average wage, and maintain and enhance the State's quality of life. An Act passed by the 2000 General Assembly required that this program be audited biennially. Our latest audit found that the Department of Taxes is in substantial compliance with EATI requirements and that the Vermont Economic Progress Council has adopted and is implementing new review procedures. Nevertheless, a variety of recommendations came out of this audit, including a series of recommendations pertaining to companies failing to comply with the mandatory 60-day notification requirement regarding minimum employment numbers.

Other Audits and Reviews

As time and staff resources permit, the State Auditor's Office completes performance audits and other reviews. These audits and reviews are initiated based upon the Office's assessment of risk areas within State government or as a result of whistleblower allegations. An example of the former is two payment integrity audits of the State's largest program, Medicaid. The first report, on Medicaid's pharmacy program identified about $2.2 million in potential improper payments. The second report, on medical and institutional Medicaid claims, questioned another $900,000 in payments and found errors in the Medicaid payment system's pre-payment processes that could result in other mispayments. As a result of these findings, the Office made about 20 recommendations that are intended to reduce the likelihood of future mispayments and to develop a process to continue to identify potential improper payments in the future.

An example of a review that came about due to anonymous allegations is the August 2007 report on weaknesses in the subrecipient monitoring efforts by the Vermont Department of Health over three selected sub-grants totaling about $600,000 to the Vermont Association of Hospitals and Health Systems-Network Service Organization and internal control deficiencies at the subrecipient. The auditees generally agree with the findings in this report and committed to making improvements.

Other Significant Activities

In addition to audits, the State Auditor's Office has taken the initiative to work with State agencies to put policies and procedures in place to address audit findings and recommendations. Audit findings that are repeated year-after-year add to the State's audit costs and, more importantly, indicate management's

failure to fix known problems. By committing to providing sustained attention to this issue, the Office hopes to reduce such repetitive findings in the future.

The Auditor's Office has also worked extensively with municipalities and sheriff departments to improve their financial operations. For example, the State Auditor established a five-member Municipal Advisory Commission. The goal of the Commission is to develop a variety of training and information-sharing programs to help cities and towns improve their accounting and financial reporting. In that vein, the Commission held two training sessions that focused on *Ethics in Government,* and *Internal Controls* that were attended by over 50 Vermont town and city employees. In addition, the Auditor's Office has worked extensively with the Vermont Sheriffs' Association and bookkeeping staff to revise the uniform accounting manual used by Vermont's 14 County Sheriff's Departments.

Moreover, in September 2007, the Auditor's Office sponsored the Second Annual Vermont State Auditor's Conference. The 150 attendees representing State and municipal organizations, schools, CPA firms, and others came from across the State to hear presentations and panel discussions on ethics, internal controls, cyber security, cash management, fraud risk assessment, expert witness preparation and auditing standards. Attendee evaluation of the conference was very positive and there were several calls for the State Auditor to continue with the annual conference and to sponsor additional training sessions if feasible.

Upcoming Changes

The auditing and accounting profession has implemented increasingly robust and complicated requirements over the past few years. For example, in 2007 the Government Accountability Office (GAO) promulgated revised generally accepted government auditing standards that are effective for financial audits and attestation engagements for periods beginning on or after January 1, 2008, and for performance audits beginning on or after January 1, 2008. This revision contains significant changes, such as updates to the financial auditing standards, increased transparency surrounding restatements, and significant concerns, uncertainties, or other unusual events that could have a significant impact on the financial condition or operations of a government entity or program. In addition, GAO enhanced the performance auditing standards to elaborate on the overall framework for high-quality performance auditing, including the concepts of reasonable assurance and its relationship to audit risk, significance, and the
levels of evidence used to support audit findings and conclusions.

In addition to new auditing standards, accounting principals are also evolving which will necessitate a corresponding shift in audit focus to ensure that the State is complying with the new standards. For example, the State is required by the Government Accounting Standards Board-GASB 45 (Accounting and Financial Reporting for Post-Employment Benefits Other than Benefits) to report its liability for Other Post-Employment Benefits (such as retiree health coverage) in fiscal year 2008.

Accordingly, the fiscal year 2008 financial statement audit will need to consider the efficacy of the reported liability as well as the funding model associated with the liability.

In addition to responding to changes in the auditing and accounting profession, to the extent allowed by resources, the Auditor's Office intends to increase its emphasis on performance audits. Such audits provide objective analysis so that management and the General Assembly can use the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Auditor of Accounts	15	15	15	2,402,054	3,093,133	3,297,550	3,008,212
TOTAL	15	15	15	2,402,054	3,093,133	3,297,550	3,008,212
FUND TYPE							
General Fund				545,075	524,568	594,022	526,254
Special Fund				54,431	54,431	54,431	54,431
Internal Service Fund				1,802,548	2,514,134	2,649,097	2,427,527
TOTAL				2,402,054	3,093,133	3,297,550	3,008,212

Appropriation Key Budget Issues

Key Budget Matters

The upcoming fiscal year 2009 budget process provides an opportunity for the Office of the State Auditor to assess its past achievements and the 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 2009 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 allows the Office to more accurately assign costs to their final cost objectives. With this in mind, we have prepared our FY 2009 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 15 authorized positions at a budgeted cost of $1,111,670. These include the Auditor and three appointed (exempt) positions and 11 classified positions. Although 3 classified positions have been vacant, candidate searches are on-going. As such, these positions are budgeted at full value. Using information provided by the Department of Human Resources, we calculated the step increases in FY 2008. The projected step increases totaled $5,668 in salary and

wages. The remainder of the increase from the FY08 target is the result of market factor adjustments that were made to classified personnel at grade levels 25 and higher during FY07.

Benefits - We assumed that employee benefits for social security, retirement and life insurance increase in relative proportion to increases in salary and wages. The increase in benefits was consistent with the increase in salaries and wages. 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.

Non-employee personal services also include 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. 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 on-line updates to all of the resources are approximately $500 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.

Data processing - These costs are also based on cost allocation plans charged out by DII and BGS.

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 on an annual basis. The amount budgeted in this line item reflects the elevation of Auditor staff qualifications, and the reality that CPE is not only required but essential to the effective delivery of audit services.

Travel - in-state - As noted above, the Office now contributes significantly more hours to the Single Audit effort than it has in the past. This requires 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.

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 2008 monies. For FY 2009 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. 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.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,281,683	2,951,103	3,153,618	2,865,929
Operating Expenses	120,371	142,030	143,932	142,283
TOTAL	2,402,054	3,093,133	3,297,550	3,008,212
FUND TYPE				
General Fund	545,075	524,568	594,022	526,254
Special Fund	54,431	54,431	54,431	54,431
Internal Service Fund	1,802,548	2,514,134	2,649,097	2,427,527
TOTAL	2,402,054	3,093,133	3,297,550	3,008,212

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 8,411 active members, 935 inactive members, 790 vested terminated members and approximately 4,400 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 $1,318 million as of June 30, 2007, compared with $1,223 million as of June 30, 2006. The system paid $61.4 million in retirement benefits during fiscal year 2007.

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 426 participating employers, of which 419 are contributing employers; 6,166 active members, 2,064 inactive members, 432 vested terminated members; and 1,309 retirees and beneficiaries.

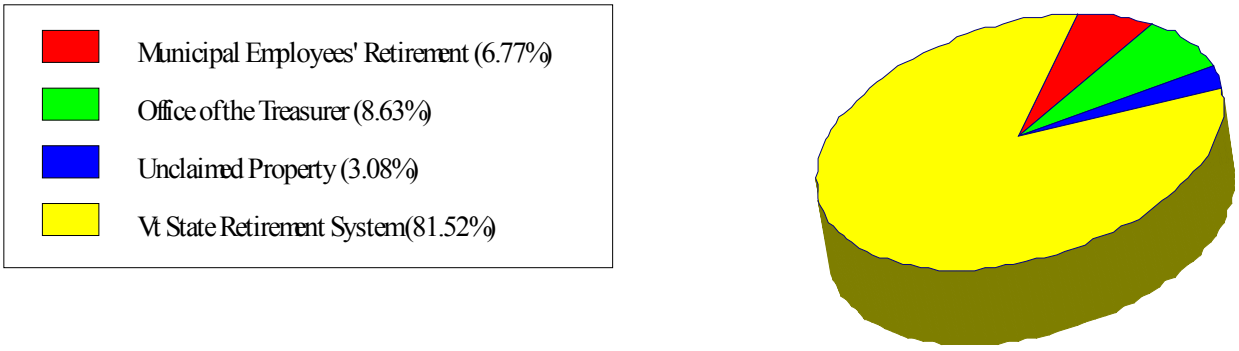
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was $325.7 million as of June 30, 2007, compared with $288.3 million as of June 30, 2006. The system paid $7.804 million in retirement benefits during FY 2007.

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 2009 BUDGET RECOMMENDATIONS
State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Office of the Treasurer	33	33	33	6,842,643	2,770,837	2,784,527	2,856,128
Unclaimed Property	4	4	4	631,024	899,240	899,240	1,018,536
Vt State Retirement System	0	0	0	19,073,755	23,898,145	23,898,145	26,966,006
Municipal Employees' Retirement	0	0	0	1,568,328	2,014,689	2,014,689	2,238,031
TOTAL	37	37	37	28,115,750	29,582,911	29,596,601	33,078,701
FUND TYPE							
General Fund				970,482	1,130,214	1,143,904	1,240,693
Special Fund				1,618,786	1,542,265	1,542,265	1,522,872
Permanent Trust Fund				637,758	0	0	0
Pension Trust Fund				21,043,684	25,912,834	25,912,834	29,204,037
Private Purpose Trust Fund				3,703,875	997,598	997,598	1,018,536
Interdepartmental Transfer				141,165	0	0	92,563
TOTAL				28,115,750	29,582,911	29,596,601	33,078,701



STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	2,458,691	2,316,050	2,315,900	2,498,796
Operating Expenses	423,548	354,787	368,627	357,332
Grants	637,762	100,000	100,000	0
Other Financing Uses Budget	3,322,642	0	0	0
TOTAL	6,842,643	2,770,837	2,784,527	2,856,128
FUND TYPE				
General Fund	970,482	1,130,214	1,143,904	1,240,693
Special Fund	1,618,786	1,542,265	1,542,265	1,522,872
Permanent Trust Fund	637,758	0	0	0
Pension Trust Fund	401,601	0	0	0
Private Purpose Trust Fund	3,072,851	98,358	98,358	0
Interdepartmental Transfer	141,165	0	0	92,563
TOTAL	6,842,643	2,770,837	2,784,527	2,856,128

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Unclaimed Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	343,806	627,773	627,773	766,310
Operating Expenses	287,218	271,467	271,467	252,226
TOTAL	631,024	899,240	899,240	1,018,536
FUND TYPE				
Private Purpose Trust Fund	631,024	899,240	899,240	1,018,536
TOTAL	631,024	899,240	899,240	1,018,536

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vt State Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	18,444,757	23,139,549	23,139,549	26,178,487
Operating Expenses	628,998	758,596	758,596	787,519
TOTAL	19,073,755	23,898,145	23,898,145	26,966,006
FUND TYPE				
Pension Trust Fund	19,073,755	23,898,145	23,898,145	26,966,006
TOTAL	19,073,755	23,898,145	23,898,145	26,966,006

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,233,274	1,616,396	1,616,396	1,827,822
Operating Expenses	335,054	398,293	398,293	410,209
TOTAL	1,568,328	2,014,689	2,014,689	2,238,031
FUND TYPE				
Pension Trust Fund	1,568,328	2,014,689	2,014,689	2,238,031
TOTAL	1,568,328	2,014,689	2,014,689	2,238,031

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
State Labor Relations Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
State Labor Relations Board	2	2	2	216,536	210,218	222,426	215,350
TOTAL	2	2	2	216,536	210,218	222,426	215,350
FUND TYPE							
General Fund				204,509	204,348	216,556	209,480
Transportation Fund				5,467	0	0	0
Special Fund				6,560	5,870	5,870	2,935
Interdepartmental Transfer				0	0	0	2,935
TOTAL				216,536	210,218	222,426	215,350

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
State Labor Relations Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	164,334	171,500	176,139	175,087
Operating Expenses	52,202	38,718	46,287	40,263
TOTAL	216,536	210,218	222,426	215,350
FUND TYPE				
General Fund	204,509	204,348	216,556	209,480
Transportation Fund	5,467	0	0	0
Special Fund	6,560	5,870	5,870	2,935
Interdepartmental Transfer	0	0	0	2,935
TOTAL	216,536	210,218	222,426	215,350

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
VOSHA Review Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
VOSHA Review Board	1	1	1	44,913	40,382	50,125	50,094
TOTAL	1	1	1	44,913	40,382	50,125	50,094
FUND TYPE							
General Fund				24,678	20,192	24,588	25,047
Federal Revenue Fund				20,235	20,190	20,190	0
Interdepartmental Transfer				0	0	5,347	25,047
TOTAL				44,913	40,382	50,125	50,094

Appropriation Key Budget Issues

Because level funding year after year for a tiny budget has ceased to be adequate, I was instructed by the Board's Budget Analyst to apporach Column 18 and 19 with a **NO CASE** scenario. At current general fund appropriation levels, this is where the VOSHA Review Board would be operating or actually **NOT** operating in the pursuit of its mission. There is no funding for the expense of hearings, hearing officers, the three appointed Board Members and the cost of their per diems and in-state travel mileage.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
VOSHA Review Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	37,003	32,052	40,992	40,414
Operating Expenses	7,910	8,330	9,133	9,680
TOTAL	44,913	40,382	50,125	50,094
FUND TYPE				
General Fund	24,678	20,192	24,588	25,047
Federal Revenue Fund	20,235	20,190	20,190	0
Interdepartmental Transfer	0	0	5,347	25,047
TOTAL	44,913	40,382	50,125	50,094

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 2009 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Use Tax Reimbursement Fund	0	0	0	8,089,415	8,861,267	8,861,267	9,850,000
TOTAL	0	0	0	8,089,415	8,861,267	8,861,267	9,850,000
FUND TYPE							
General Fund				8,089,415	8,861,267	8,861,267	9,850,000
TOTAL				8,089,415	8,861,267	8,861,267	9,850,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	2,303	0	0	0
Grants	8,087,112	8,861,267	8,861,267	9,850,000
TOTAL	8,089,415	8,861,267	8,861,267	9,850,000
FUND TYPE				
General Fund	8,089,415	8,861,267	8,861,267	9,850,000
TOTAL	8,089,415	8,861,267	8,861,267	9,850,000

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 six products to the playing public: Instant Games; and On-line games known as Powerball, Tri-State Megabucks, Paycheck, and the Daily Numbers Games of Pick 3 and Pick 4.

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

The Vermont Lottery was established in 1977, under Public Acts Number 82, now codified as 31 VSA Chapter 14, for the establishment and management of the Lottery. A small staff of professionals consisting of twenty 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 2009 BUDGET RECOMMENDATIONS
Lottery Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Lottery Commission	20	21	21	2,361,427	2,528,272	2,523,325	2,616,762
TOTAL	20	21	21	2,361,427	2,528,272	2,523,325	2,616,762
FUND TYPE							
Enterprise Fund				2,361,427	2,528,272	2,523,325	2,616,762
TOTAL				2,361,427	2,528,272	2,523,325	2,616,762

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Lottery Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,314,636	1,458,511	1,462,871	1,523,184
Operating Expenses	896,791	1,069,761	1,060,454	1,093,578
Other Financing Uses Budget	150,000	0	0	0
TOTAL	2,361,427	2,528,272	2,523,325	2,616,762
FUND TYPE				
Enterprise Fund	2,361,427	2,528,272	2,523,325	2,616,762
TOTAL	2,361,427	2,528,272	2,523,325	2,616,762

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 2009 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Payments in Lieu of Taxes	0	0	0	3,300,000	3,450,000	3,450,000	4,200,000
TOTAL	0	0	0	3,300,000	3,450,000	3,450,000	4,200,000
FUND TYPE							
General Fund				400,000	50,000	50,000	0
Special Fund				2,900,000	3,400,000	3,400,000	4,200,000
TOTAL				3,300,000	3,450,000	3,450,000	4,200,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	3,300,000	3,450,000	3,450,000	4,200,000
TOTAL	3,300,000	3,450,000	3,450,000	4,200,000
FUND TYPE				
General Fund	400,000	50,000	50,000	0
Special Fund	2,900,000	3,400,000	3,400,000	4,200,000
TOTAL	3,300,000	3,450,000	3,450,000	4,200,000

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 2009 BUDGET RECOMMENDATIONS
Montpelier PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
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 2009 BUDGET RECOMMENDATIONS
Montpelier PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
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 2009 BUDGET RECOMMENDATIONS
Corrections PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
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 2009 BUDGET RECOMMENDATIONS
Corrections PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
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

{*NARR*}

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Special Investigative Units	0	0	0	0	496,000	694,195	620,000
TOTAL	0	0	0	0	496,000	694,195	620,000
FUND TYPE							
General Fund				0	406,000	604,195	530,000
Special Fund				0	90,000	90,000	90,000
TOTAL				0	496,000	694,195	620,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Special Investigative Units

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	0	496,000	694,195	620,000
TOTAL	0	496,000	694,195	620,000
FUND TYPE				
General Fund	0	406,000	604,195	530,000
Special Fund	0	90,000	90,000	90,000
TOTAL	0	496,000	694,195	620,000

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 buildings and 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. The Division also administers the Court Diversion Program.

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 Attorney General’s Office Criminal Division is a statewide prosecutorial agency. The Division’s caseload is focused primarily on homicides, other violent felonies, public corruption, computer crimes, and drug trafficking. In addition, the Division reviews all incidents of the use of deadly force by Vermont police officers. We work closely with county, state and federal law enforcement and provide technical and personnel support to county prosecutors as needed. The Division works with the Legislature on a wide range of criminal justice issues and is an active participant on a number of committees and working groups that shape criminal justice policy in Vermont.

A specialized Drug Unit within the Division provides prosecutorial support to the Vermont Drug Task Force. The Drug Unit has been in place for almost twenty years and has been federally funded since its inception. Two years ago the Drug Unit had 3.5 attorneys. Currently the Drug Unit has 2.5 attorneys that handle all of the cases generated by the Task Force, in eleven of the fourteen counties. Over the last five years the State has experienced continued and significant cuts in federal funding.

The Medicaid Fraud and Residential Abuse Unit (MFRAU) is the other specialized unit within the Criminal Division. MFRAU is a federally-funded program that investigates and prosecutes Medicaid provider fraud and violations of state law pertaining to fraud in the administration of the Medicaid program. As part of its mission MFRAU staff initiate or participate in civil actions, both locally and nationally, to recoup fraudulent losses to the Medicaid Program. In Federal Fiscal year 2007, MFRAU recouped $2.5 million dollars. In addition, MFRAU investigates and prosecutes complaints of patient abuse, exploitation or neglect that occur in health care facilities that receive Medicaid funds. Drug diversion from patients by health care providers has been an area of increased complaint and prosecution by MFRAU in recent years.

Public Protection Division

Consumer Protection and Antitrust Units, and Civil Rights Unit.

The Consumer Protection and Antitrust Units investigate and prosecute frauds against consumers and unfair, deceptive and anticompetitive business practices. The Units handle a wide variety of cases both in Vermont and nationally, including actions concerning pharmaceuticals, privacy, and deceptive advertising. 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. In FY07, CAP logged nearly 5000 written complaints, and handled at least 3600 phone calls.

In FY07, the Consumer Unit and the Environmental Unit combined forces with the Department of Health to reduce the exposure of Vermonters, particularly young children, to lead. In February 2007, the Office with the Department released a report of the initiative, supported the introduction of legislation addressing lead in housing and in consumer products, and announced the formation of a joint enforcement team and of the Lead Poisoning Prevention Committee.

The Consumer Unit continued work to combat telemarketing fraud pursuant to a Department of Justice grant which is unlikely to be renewed. In 2007, the Unit focused on third-party processors that provide banking services to fraudulent telemarketers and on reforming practices in the wire transfer industry to minimize the risk that such transfers will continue to be used to perpetrate fraud.

The Consumer Protection Unit also enforces the terms of the multi-state tobacco settlement and tobacco statutes, including provisions prohibiting marketing and sales of tobacco to minors, and requiring that all

cigarettes sold in the state meet reduced ignition propensity standards. The tobacco settlement provides approximately $25 million a year to Vermont which may be reduced if a state fails to "diligently enforce" the escrow requirements. The Unit has initiated legal proceedings seeking a determination that Vermont has diligently enforced and is entitled to recover funds withheld by the tobacco companies in April 2006. Vermont is the lead state in major, multi-state litigation challenging the advertising and marketing of "reduced-harm" cigarettes, which is funded partially through a grant to the states from the National Association of Attorneys General. Vermont also participates in a multi-state group negotiating with the motion picture industry to reduce the amount of smoking in youth-targeted movies.

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 employers and employees. In the spring of 2007, the Unit launched a "Youth at Work" initiative, providing posters and speakers to schools to inform young workers about their rights as employees. Information about the Unit's work in hate crimes and employment discrimination is available on the Attorney General's website.

Environmental Protection Division

In January, 2007, Attorney General Sorrell created the Environmental Protection Division within his office. Previously, environmental work was handled by a unit within the Public Protection Division. The purpose of the new division was to emphasize the importance of environmental work within the office.

The Environmental Protection Division works with the Agency of Natural Resources in the prosecution of state and federal environmental laws, including those regulating air, water, solid and hazardous waste. The Division also handles all appeals of environmental cases, including those from the Natural Resources Board, to the Vermont Supreme Court and provides legal advice to the Agency of Natural Resources.

Over the past year, the Division successfully defended a challenge to Vermont's automobile greenhouse gas emissions regulations in a nationally prominent trial in federal court and resolved multi-state litigation against a large Midwest electric utility imposing limitations on pollutants that form acid rain in Vermont. The Division also successfully concluded various cases recovering monies for the State's environmental clean-up funds and/or imposing penalties on polluters.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Attorney General	73	74	72	8,014,541	8,163,879	9,283,152	8,237,413
TOTAL	73	74	72	8,014,541	8,163,879	9,283,152	8,237,413
FUND TYPE							
General Fund				3,385,954	4,530,747	4,883,914	4,519,248
Special Fund				2,685,316	1,390,000	2,070,500	1,585,235
Federal Revenue Fund				420,382	763,000	776,880	643,000
Interdepartmental Transfer				1,522,889	1,480,132	1,551,858	1,489,930
TOTAL				8,014,541	8,163,879	9,283,152	8,237,413

Appropriation Key Budget Issues

The Fiscal 2009 Budget request would sustain the core mission and activities of the Attorney General's Office.

The Fiscal 2009 budget reflects the elimination of two positions associated with the loss of federal funding - one Assistant Attorney General and one Telemarketing Investigator. Each of these positions were funded with grants from the U.S. Department of Justice.

The Fiscal 2008 Budget Adjustment contains additional general funds to offset pay act needs, fully fund the Environmental Division and fund unanticipated litigation expenses.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Attorney General

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	6,525,683	7,094,267	7,512,000	7,170,495
Operating Expenses	888,858	1,069,612	1,771,152	1,066,918
Other Financing Uses Budget	600,000	0	0	0
TOTAL	8,014,541	8,163,879	9,283,152	8,237,413
FUND TYPE				
General Fund	3,385,954	4,530,747	4,883,914	4,519,248
Special Fund	2,685,316	1,390,000	2,070,500	1,585,235
Federal Revenue Fund	420,382	763,000	776,880	643,000
Interdepartmental Transfer	1,522,889	1,480,132	1,551,858	1,489,930
TOTAL	8,014,541	8,163,879	9,283,152	8,237,413

Department Mission Statement

Court Diversion is a locally governed 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 adult offenders. Its goals are to

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

Description of Appropriations, Divisions, & Programs

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

Through the Court Diversion program, offenders have the opportunity to accept responsibility for and the consequences of their actions, to repair the harm done, and to avoid a criminal record. The State's Attorney refers individuals to the county diversion program. The majority of diversion clients are first-time offenders charged with misdemeanors; typical violations are disorderly conduct, simple assault, retail theft, and alcohol and marijuana violations.

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

In addition court diversion programs run the Teen Alcohol Safety Program (TASP), as charged by Act 160, the statute that converted first-offense consumption of alcohol by a minor to a civil charge. Youth who violate Vermont's underage possession and consumption of alcohol laws (7 VSA §656 and

§657) are referred by law enforcement to the Teen Alcohol Safety Program. Participants pay a fee, meet with a qualified substance abuse counselor for a screening or assessment -- and must follow the recommendations of the counselor, and may participate in an educational program and perform community service. If an individual fails to complete the contract, the ticket is sent to the Vermont Judicial Bureau, which levies a fine, and the individual's driver's license is suspended.

In FY 2007, Court Diversion Programs, staffed by 30 full-time staff equivalents and 500 volunteers, received 2,130 referrals from Family and District Courts and 3,548 TASP cases. Services were provided at a cost of $211 per case in General Funds dollars.

Close to 80 percent of the adults and 73 percent of juveniles completed their contracts successfully. Clients paid over $106,000 in restitution and charitable donations during the past year. Court Diversion is a cost-effective program that holds offenders accountable, helps offenders to repair the harm caused to victims and the larger community, and works to prevent future criminal behavior. It is a valuable investment that reduces the workload and cost of the Courts, State's Attorneys, and to a certain degree, that of the Department of Corrections.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Court Diversion

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Court Diversion	0	0	0	1,727,135	1,604,534	1,724,534	1,724,534
TOTAL	0	0	0	1,727,135	1,604,534	1,724,534	1,724,534
FUND TYPE							
General Fund				1,204,534	1,204,534	1,204,534	1,204,534
Special Fund				522,601	400,000	520,000	520,000
TOTAL				1,727,135	1,604,534	1,724,534	1,724,534

Appropriation Key Budget Issues

The FY 09 General Fund Court Diversion budget is level funded. However, referrals to Court Diversion programs have grown over the past few years, as have ongoing operating costs, such as health insurance. As the proportion of State dollars supporting this state-mandated program has declined, the local non-profits that run each county's Court Diversion program have raised more funds locally and increased client fees and fee collections.

Special Fund: Court Diversion Fees

The FY 09 Court Diversion Special Fund is budgeted at $520,000 for FY 09, an increase of $120,000 to reflect historical growth in revenues, which are client fees, to this Special Fund. Court Diversion programs collect fees from clients and submit that fee revenue quarterly to the Attorney General's Office for deposit in the Court Diversion Special Fund, according to 3 VSA §166. In turn, the AGO then returns the fee revenue back to the collecting program.

During FY 05 and FY 06, Court Diversion fee collections increased 17 and 11 percent respectively - a result of programs serving more clients, as well as raising fees and working harder to collect fees owed. During FY 06 and FY 07, additional spending authority of approximately $122,000, above the budgeted $400,000, was requested each year. Given the indication that referrals to Court Diversion programs will continue as in the past few years, the FY 09 Court Diversion Special Fund is budgeted at $520,000.

Rising Costs

On average, the state General Fund grant supports approximately 60% of the annual costs of Court Diversion; fees account for approximately 25%, leaving 15% to be raised from other sources. As described above, fee revenue has grown in recent years, from 23% to 27% of total funding in the past three years.

Directors spend a growing amount of their time on local fund raising, which includes United Way, annual campaigns, special events, and town appropriations. While town support is important for some programs, there has been little growth in these appropriations, and many towns have more stringent conditions for requesting funds. Obtaining this funding is a labor-intensive process. United Way support varies significantly by community and has decreased in some regions. Approximately one third of Court Diversion programs do not receive any support from towns, and a similar number do not receive United Way funding.

The State has provided some increases in funding for targeted costs during the past few years, most notably in FY 07, there was an increase of approximately $79,000 to raise case managers wages in seven programs to $13.50/hour.

Program pressures include health insurance increases. Last year the rates for Blue Cross/Blue Shield plans rose 22%; previous years' increases were 13%, 10% and 15%. Some programs have switched to Health Savings Accounts, a move that has slowed the steep upward curve in health insurance costs., In addition, the increasing costs of mandatory liability insurance, workers compensation insurance, required financial audits, and mileage reimbursement have all contributed to mounting operating expenses.

As each Court Diversion program is run by an independent locally governed non-profit agency, strategies to deal with rising costs and declining revenue vary around the state.

Performance Program Information

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

FY 07	Juvenile CD	Adult CD	TASP
Successful Completion Rate	73%	79%	71%
Victims Financially Compensated	93%	96%	NA
Restitution & Charitable Donations	$16,264	$79,569	$10,362
Hours of Community Service	5,434	13,606	6,689

The Evaluation Committee of the Vermont Association of Court Diversion Programs (VACDP) is reviewing how to document other desired outcomes, such as clients meeting educational goals and strengthening connections with support systems and resources, as well as victim satisfaction. Program directors are also discussing the need for an operational statewide data base to track client participation and outcomes.

A major focus of VACDP's Program Committee is the ongoing work of creating uniform practices, while still preserving local control and governance. Newly adopted performance standards for the Teen Alcohol Safety Program are now encompassed in the Compliance Standards. These standards serve as the basis for each program's peer review, conducted every three years. Following the peer review, a program develops a plan to implement improvements, and the Court Diversion Director, of the Attorney General's Office, monitors that implementation plan.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Court Diversion

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	1,727,135	1,604,534	1,724,534	1,724,534
TOTAL	1,727,135	1,604,534	1,724,534	1,724,534
FUND TYPE				
General Fund	1,204,534	1,204,534	1,204,534	1,204,534
Special Fund	522,601	400,000	520,000	520,000
TOTAL	1,727,135	1,604,534	1,724,534	1,724,534

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 clients charged with serious crime is a necessary component to the fair administration of the criminal justice system.

Description of Appropriations, Divisions, & Programs

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

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

Public Defense

There are twelve full-time public defense field offices located throughout the State. Seven of these offices are staff offices. Five of these offices are public defense contract offices, that is, private law firms that have entered into a contract with the Defender General to provide public defense services. Two attorneys have small contracts in Addison and Caledonia/Essex Counties to provide representation to parties in juvenile proceedings. In FY 2004 a public defense contract Serious Felony Unit was established to handle the most serious cases throughout the state. Budget constraints have forced the elimination of the designated serious felony staff attorney which was established in FY 2005. A part-time special projects contract attorney was added in FY 2008 in an attempt to fill that void. 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 and 2 attorneys who handle post-conviction relief cases.

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

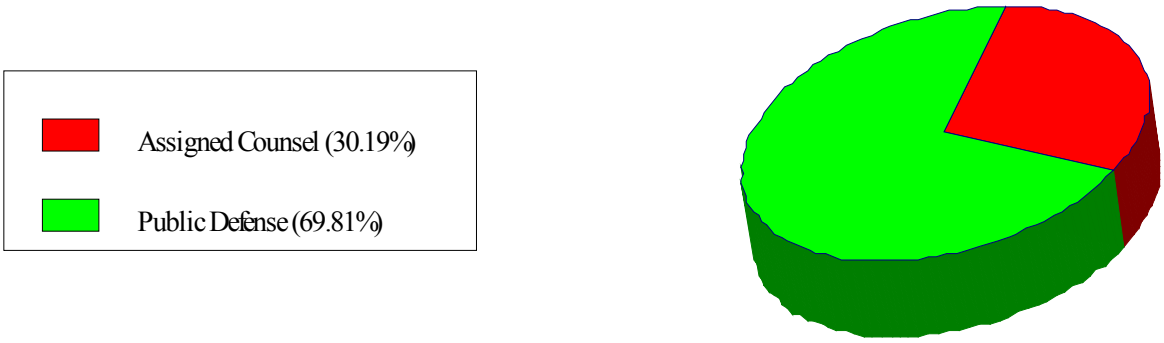
Serious Felony Units
The Legislature in 2001 authorized the creation of three Serious Felony Units (SFU) designed to provide representation in cases involving potential life term imprisonment and major felonies which would have ordinarily been assigned to an assigned counsel contractor or ad hoc counsel. In FY 2002 the ODG implemented all three SFUs as contracts and realized first year savings of $112,000.00. The units are projected to realize savings of up to approximately $170,000 per year, and they provide stability and quality representation to clients charged with the most serious crimes. In FY 2004 a fourth SFU was implemented. Since FY 2002 the establishment of the SFUs has saved almost $1,400,000 as compared

to assignment on an ad hoc basis. Additionally, the implementation of the SFUs has rendered budgeting much more predictable.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Defender General

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Public Defense	64	66	67	6,838,664	7,038,686	7,276,681	7,697,827
Assigned Counsel	7	2	2	2,951,524	2,967,285	2,990,692	3,329,196
TOTAL	71	68	69	9,790,188	10,005,971	10,267,373	11,027,023
FUND TYPE							
General Fund				9,039,590	9,373,240	9,585,580	10,398,666
Special Fund				631,356	627,731	664,293	628,357
Interdepartmental Transfer				119,242	5,000	17,500	0
TOTAL				9,790,188	10,005,971	10,267,373	11,027,023



Appropriation Key Budget Issues

The Governor's recommended funding for FY 2009 continues most current services and includes funds for staff salary and benefit increases and a minimal cost of living adjustment for Public Defense contractors. There will continue to be some reduction in staff hours in the Prisoners Rights Office, the Chittenden Public Defense Office has been reorganized combining part-time employees with a net reduction in staffing from FY 2008, and Rutland Drug Court services will not be continued. The cost of Other Personal Services has risen seemingly almost without limit over the last few years primarily as a result of expert costs in sex cases, and a new court negotiated contract with transcript providers. This budget contains additional funding in the OPS area to cover the anticipated increases.

With this level of funding, the Office of the Defender General expects to continue to fund the various improvements made to the delivery of cost-effective public defense services over the last few years. Specifically, the Public Defense Serious Felony Units and two Public Defense caseload relief contracts are expected to be continued. If caseload-driven costs, such as expert services, crime scene analysis and mental health screenings, rise further, one or more of these improvements might have to be eliminated.

This budget contains $10,000 for replacement and upgrade of computer equipment. While the ODG submitted two IT projects (one for implementation of a case management system and one for additional upgrade and replacement of hardware and software) funding will need to obtained separately for these projects.

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

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. In 2007 the Legislature directed, in Act No. 65, Section 293d, the Defender General and the Executive Director of the Department of State's Attorneys to develop a five-

year plan to address the existing caseload and staffing levels in their respective offices in Chittenden County. These plans were submitted to the Joint Fiscal Office in November 2007.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	6,163,769	6,270,658	6,548,480	6,907,618
Operating Expenses	674,895	768,028	728,201	790,209
TOTAL	6,838,664	7,038,686	7,276,681	7,697,827
FUND TYPE				
General Fund	6,213,065	6,531,219	6,745,152	7,194,734
Special Fund	506,357	502,467	514,029	503,093
Interdepartmental Transfer	119,242	5,000	17,500	0
TOTAL	6,838,664	7,038,686	7,276,681	7,697,827

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2009 in Assigned Counsel pays for existing staff salary increases, a 5% cost of living adjustment for Assigned Counsel Contractors who did not receive any increase in FY 2008, and funds to cover an expected increase in cost of Other Personal Services, which are primarily evaluations and transcripts that are case driven. Assigned counsel contractors are the most cost-efficient means of providing public defense services. The cost effectiveness of expanding the number of assigned counsel contracts is now well documented. The predictability of the cost and savings of diverting cases to assigned counsel contractors has eliminated the need to request budget adjustment for assigned counsel for seven consecutive fiscal years. The ODG will continue to make every effort to use assigned counsel contractors whenever possible, and the four serious felony units will be continued.

Ad Hoc Counsel is the most expensive means of providing public defense services, and it is only used when there are no public defense or assigned counsel contractors who can ethically provide representation. The ODG will make every effort to minimize the use of ad hoc counsel and to keep costs as low as possible. The FY 2009 funding for Ad Hoc Counsel is a minimal amount that should be sufficient if the use of ad hoc does not increase.

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

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	2,882,225	2,889,376	2,918,567	3,251,287
Operating Expenses	69,299	77,909	72,125	77,909
TOTAL	2,951,524	2,967,285	2,990,692	3,329,196
FUND TYPE				
General Fund	2,826,525	2,842,021	2,840,428	3,203,932
Special Fund	124,999	125,264	150,264	125,264
TOTAL	2,951,524	2,967,285	2,990,692	3,329,196

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

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

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

The **Administrative Judge** assigns the 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 18,400 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 arbitrary use of government power.

THE FAMILY COURT
Each county has a **FAMILY COURT**. The Court is responsible for the 3,00 divorce and annulment actions, 1,500 other domestic actions (primarily parentage) and the 4,400 post-judgment actions filed each year. Most of the post-judgment actions involve attempts by parents to modify or enforce child support, visitation or custody orders.

The Family Court is also responsible for 7,700 motions to establish, modify or enforce child support, 1,400 juvenile delinquency cases, 500 cases involving the abuse and neglect of children, 200 cases in which the state seeks to terminate parental rights, 3,750 petitions for relief from domestic abuse and other family 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, to provide support to distressed litigants and to provide protection to victims of family violence and emotional abuse; and

- to provide courteous, calming and helpful service to assist family members to make informed decisions about how to resolve their disputes on their own through mediation or other community services.

THE SUPERIOR COURT
Each county has a **SUPERIOR COURT**. The Court is responsible for the 6,200 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. People may go to Superior Court to seek protection from those who have stalked or sexually assaulted them. 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; and

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

The Superior Court also decides the 7,550 small claims filed each year. Citizens and businesses seeking up to $5,000 for unpaid debts, shoddy home improvement jobs and a return of their apartment security deposit, save the expense of hiring an attorney and look to the superior court to resolve their disputes.

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 appeals from municipal zoning boards and planning commissions and appeals from Act 250 district commissions. The Court is located in Washington County. Two Environmental Judges hear most matters filed with the Court.

THE PROBATE COURT

The **PROBATE COURT** is responsible for the 3,900 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 responsiblities to the estates and guardianships.

THE JUDICIAL BUREAU

The **JUDICIAL BUREAU** is responsible for the approximately 129,000 traffic tickets issued by state and local law enforcement agencies each year. Many of the violations are speeding tickets. The Bureau is also responsible for the processing of approximately 1,250 violations of underage drinking laws, 2,350 municipal ordinance violations and 700 fish and wildlife violations each year.

- Through court trials, the hearing officers and some assistant judges determine whether the 14,000 people who contest their tickets each year have violated the law and whether they must pay civil penalties to the state and municipalities.

- Through the assistance of court developed computer programs, Bureau staff accept $16,000,000 in civil penalties and surcharges from the 77,000 drivers who chose not to contest their traffic tickets or ordinance violations and from the 39,200 people who receive default judgements for failure to respond to their tickets.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Judiciary	352	356	356	33,352,512	35,000,343	35,730,874	37,216,385
TOTAL	352	356	356	33,352,512	35,000,343	35,730,874	37,216,385
FUND TYPE							
General Fund				30,082,954	30,267,034	30,997,565	28,256,999
Fish & Wildlife Fund				12,376	0	0	0
Special Fund				894,502	2,375,772	2,375,772	6,609,229
Federal Revenue Fund				289,910	414,327	414,327	414,808
Interdepartmental Transfer				2,072,770	1,943,210	1,943,210	1,935,349
TOTAL				33,352,512	35,000,343	35,730,874	37,216,385

Appropriation Key Budget Issues

Case Management System

A priority for Judiciary is the replacement of its seventeen year old case management system. Currently, the State of Vermont Judiciary's case management systems are all based on the original text-based Vermont Automated Docketing System (VTADS). VTADS was built originally by Relational Semantics, and has been maintained and enhanced by the Research & Information Services Division (RISD) since 1990. The system was developed with proprietary programming languages. VTADS today consists of various versions of the original program with single databases for each particular court. VTADS worked well, but its decentralized configuration didn't allow for viewing data on a statewide basis and did not easily provide court statistics, management reports or meet data requests from other state agencies.

In 2000/2001, the Judiciary implemented an electronic data warehouse to combine data specifically from the District, Family and Superior Courts to support statistic generation, and data access and sharing among the courts and state agencies. Through the warehouse, a web-based application called Vermont Case Access System (VCAS) allows end-users to search for court case information on a statewide basis. But while the data warehouse has provided improved functionality in some areas, the underlying case management system continues to limit the ability of the Judiciary to leap ahead with increases in today's technologies.

The Judiciary has worked for the past several years to frame a strategy for the successful implementation of a new case management solution that will provide a significant return on investment in the short term, as well as form the foundation to support the Judiciary and the citizens of Vermont both now and into the future. The Vermont Judiciary has a long-term vision to transform the case managing process from a paper-driven business model to an electronic-focused business model that leverages the power of the latest technologies. The new court case management system will be integrated with other agencies/departments (e.g., Department of Motor Vehicles, Department of Corrections, the State Financial system, State's attorneys, social services). Sharing information with these agencies will be critical to obtaining timely and important information that can be throughout state government to improve service to the public.

In FY04, the Legislature appropriated $60,000 to the Judiciary to study the need for a new automated case management system. The Judiciary worked with the Department of Information and Innovation (DII) to help the National Center of State Courts to analyze the court's current system and make recommendations regarding how we should proceed. They found that our case management system uses a database that now has a low market share and has a "limited skilled workforce" to support its software products. This means that the Judiciary is at risk of not being able to support its case management system - a system crucial to the daily workings of the courts. In addition, the study found that a new system would increase productivity, provide citizens with electronic access to services, tailor

the production of accounting information to meet the reporting requirements of the VISION system, allow litigants to electronically file cases or pay obligations, ensure proper support for upgrades and maintenance, improve the accuracy of information with the system and provide agencies that work with the courts access to information needed to supervise cases within the system. Based on the study, the Judiciary, with the assistance of DII, issued an RFI to obtain information regarding approaches and estimated costs to meet the recommendations of the study.

In FY 07, the Legislature, using information obtained through the RFI process, appropriated $465,000 in waterfall money to hire a project manager, prepare and issue an RFP, and place a down payment on the acquisition of a new system. The project manager was hired and a RFP was issued. Unfortunately the bids that were received were not responsive to our needs or funding that was available.

In FY 08, the Legislature established the court technology special fund to improve the resources that could be available to acquire a new Case Management System. The Judiciary is working to re-issue a RFP for a new system this spring. No additional funding is being requested in this budget but we are requesting an increase in special fund spending authority to allow payment of the initial acquisition costs.

Restoration of Base Resources

The funding level of the Judiciary has eroded over the past few years. More and more the Judiciary is relying on vacancies in current positions to fund basic programs. In 2000, there were 3 positions kept vacant for the long term to meet the budget level. In FY08 there are 15 positions being kept vacant due to budget pressures.

The proposed budget will allow the Judiciary to fill 5 or 6 of these positions. The filled positions would be used in court clerks offices in Franklin, Windsor and Rutland counties, in Judiciary's computer support office and in its trial court operations division. If resources permit, Judiciary will also fill a position in support of Probate courts in Lamoille and Orleans counties.

In order to help fund the proposed position and other budget increases, the Judiciary has submitted a fee increase proposal that could raise up to $1.2 million. The total Judiciary budget increase for FY09 is $1.98 million. In FY09 there will be a funding shift of $3.86 million from general fund to special funds in the Judiciary budget.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	25,669,763	26,882,091	27,246,829	28,497,859
Operating Expenses	7,605,373	8,048,252	8,414,045	8,648,526
Grants	65,000	70,000	70,000	70,000
Other Financing Uses Budget	12,376	0	0	0
TOTAL	33,352,512	35,000,343	35,730,874	37,216,385
FUND TYPE				
General Fund	30,082,954	30,267,034	30,997,565	28,256,999
Fish & Wildlife Fund	12,376	0	0	0
Special Fund	894,502	2,375,772	2,375,772	6,609,229
Federal Revenue Fund	289,910	414,327	414,327	414,808
Interdepartmental Transfer	2,072,770	1,943,210	1,943,210	1,935,349
TOTAL	33,352,512	35,000,343	35,730,874	37,216,385

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 FY2007, the breakdown of actual costs between personal services and operating expenses was 88.2% personal services and 11.8% 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 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
State's Attorneys	124	129	126	9,471,406	10,233,544	10,260,708	10,701,070
TOTAL	124	129	126	9,471,406	10,233,544	10,260,708	10,701,070
FUND TYPE							
General Fund				7,541,983	7,975,299	8,004,652	8,493,446
Special Fund				63,408	151,097	151,097	94,476
Federal Revenue Fund				8,703	25,000	25,000	31,000
Interdepartmental Transfer				1,857,312	2,082,148	2,079,959	2,082,148
TOTAL				9,471,406	10,233,544	10,260,708	10,701,070

Appropriation Key Budget Issues

The key budget pressures for the Department of State's Attorneys in FY2009 is the cost of an effective trial program. Additional pressures are decreasing federal dollars to support critical Department victim advocate and grant funded prosecutor positions. The administration has added $150,000 in additional general fund to replace lost federal funds for two Drug Attorney positions and the VAWA program.in FY09.

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 FY2007 was 18,990 (3,449 felonies and 15,541 misdemeanors). There has been an increase in the number of cases added in FY2006, this includes an increase in both the number of violent felonies and crimes of sexual violence. 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.

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 in excess of $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 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 where possible.

The potential for decline in federal support will continue to be a concern.

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 accounted for over 70% of the Department's FY2007 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, FY2006, and FY2007, the Department continued 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.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	8,206,085	9,018,830	9,017,321	9,429,943
Operating Expenses	1,100,506	1,214,714	1,243,387	1,271,127
Grants	164,815	0	0	0
TOTAL	9,471,406	10,233,544	10,260,708	10,701,070
FUND TYPE				
General Fund	7,541,983	7,975,299	8,004,652	8,493,446
Special Fund	63,408	151,097	151,097	94,476
Federal Revenue Fund	8,703	25,000	25,000	31,000
Interdepartmental Transfer	1,857,312	2,082,148	2,079,959	2,082,148
TOTAL	9,471,406	10,233,544	10,260,708	10,701,070

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 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Sheriffs	38	38	38	3,165,119	3,262,457	3,391,854	3,463,669
TOTAL	38	38	38	3,165,119	3,262,457	3,391,854	3,463,669
FUND TYPE							
General Fund				3,157,116	3,262,457	3,391,854	3,463,669
Transportation Fund				8,003	0	0	0
TOTAL				3,165,119	3,262,457	3,391,854	3,463,669

Appropriation Key Budget Issues

Prisoner Transports: The challenges for the transport program in FY2009 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 in the past 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 3846 transports in FY2007 involving 9,764 prisoners covering 473,366 miles. This can be compared to FY2006, when the Department performed 3803 transports involving 9,825 prisoners and covering 484,320 miles. This is a steady increase in transports was not foreseen. As a result, the Department is working with other departments and the Judiciary to try to find ways to bring number of transports down.

In FY2008 the Sheriffs are managing as well as possible to try to avoid a shortfall. With vigilance in scheduling and careful use of per diem deputies to keep costs down, the transport costs can be reduced. If there is an upward trend in using transports in FY2008, it will be difficult to meet the budget target.

In FY2008, the Sheriffs are doing everything in their power to reduce costs. They have imposed directives that if not complied with, the cost of the transport will not be paid for by the office of States Attorneys and Sheriffs. At this juncture, the use of video conferencing of appropriate court hearings and telephone status conferences, if prisoners are involved, could 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 position provides central financial, payroll, and transport support to the 14 offices around the state. Except for funding per diem transport deputy sheriffs and associated transport mileage, and State assessments for financial processing and insurance, the Department's appropriation is entirely dedicated to funding its 38 positions. There is minimal operating support provided to the 14 local sheriff offices. Consequently, the Department uses position vacancies to absorb any funding shortfall. The Sheriffs are as efficient as possible in the transport program to maximize the possibility for carry forward. Then carry forward can be utilized to fill in for any potential funding shortfall.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Sheriffs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	2,859,901	2,848,849	2,983,290	3,186,568
Operating Expenses	305,218	413,608	408,564	277,101
TOTAL	3,165,119	3,262,457	3,391,854	3,463,669
FUND TYPE				
General Fund	3,157,116	3,262,457	3,391,854	3,463,669
Transportation Fund	8,003	0	0	0
TOTAL	3,165,119	3,262,457	3,391,854	3,463,669

Department Mission Statement

DEAPRTMENT OF PUBLIC SAFETY
FISCAL YEAR 2009 BUDGET PRESENTATION

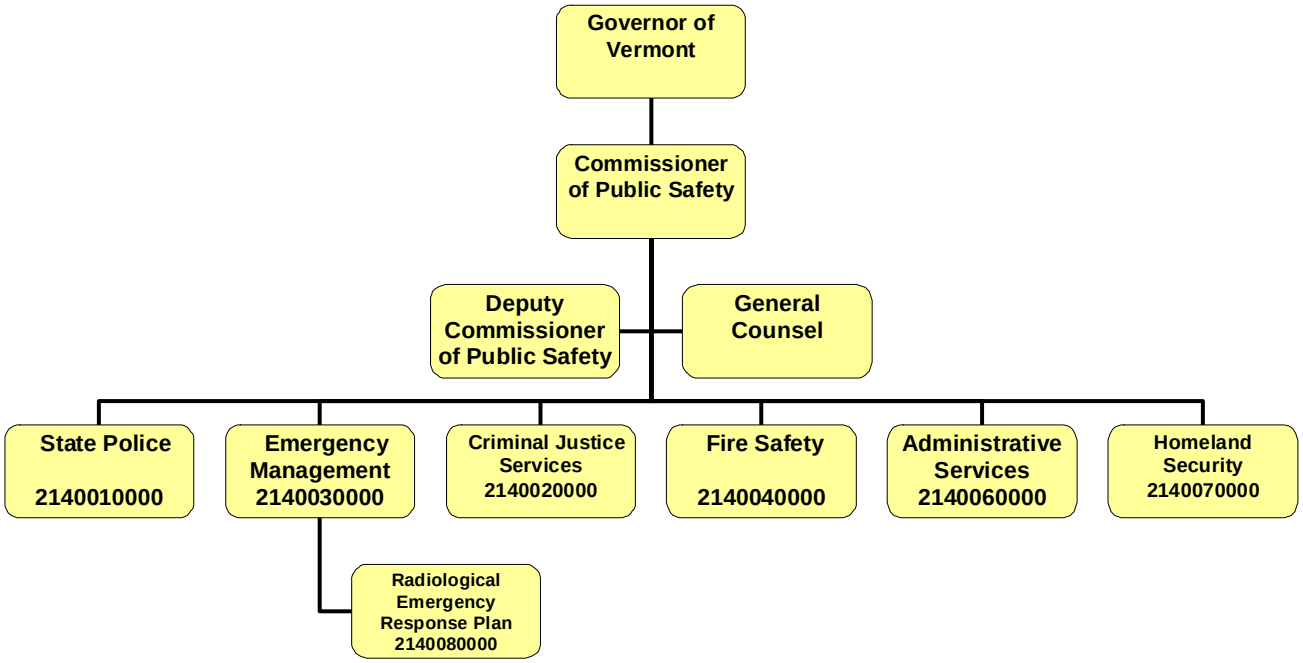
MISSION STATEMENT

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

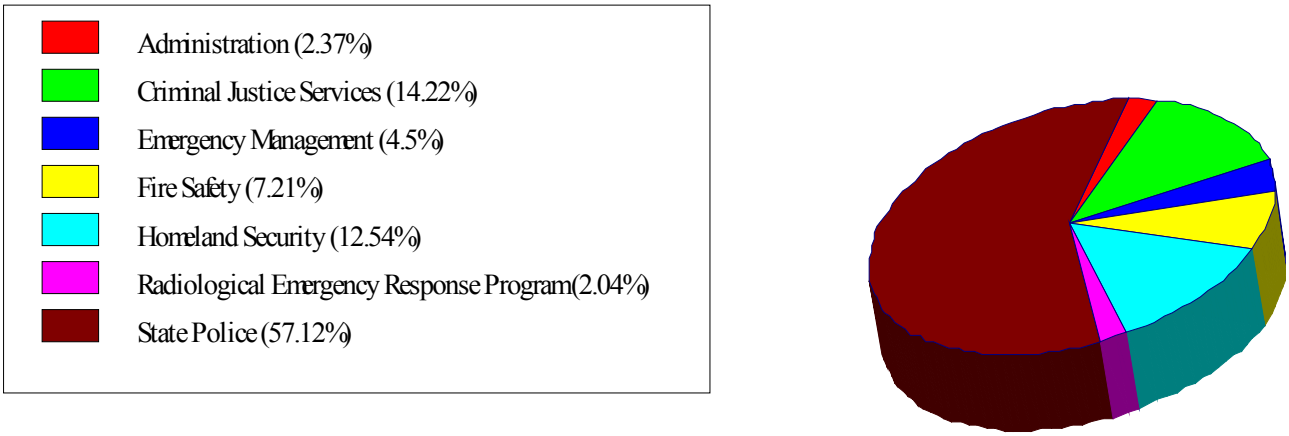


The Department of Public Safety is organized into seven appropriations: Administrative Services, Homeland Security, Vermont State Police, Criminal Justice Services, Vermont Emergency Management, the Radiological Emergency Response Program and the Fire Safety Division; which was added in FY 2005 by combing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

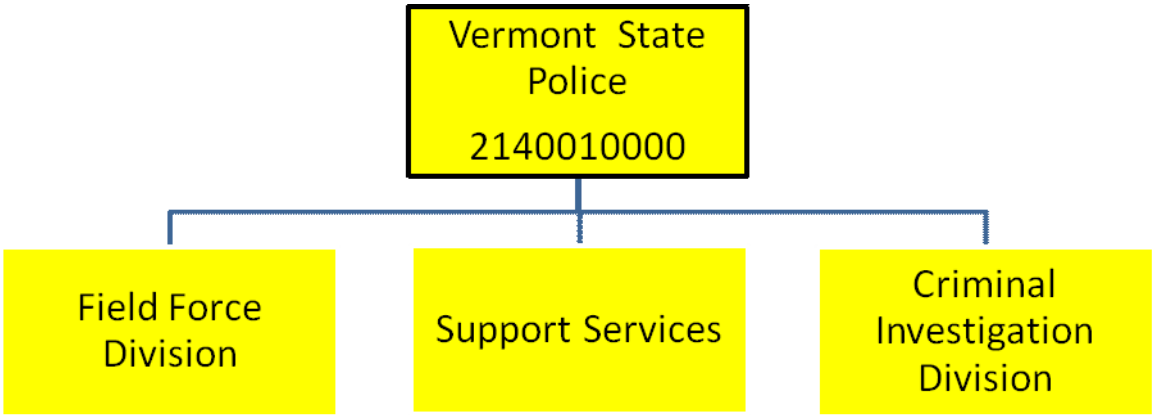
DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
State Police	465	466	466	47,412,309	45,651,007	46,665,169	47,723,858
Criminal Justice Services	69	70	70	13,220,927	12,398,810	12,398,622	11,884,113
Emergency Management	14	15	15	4,153,861	3,076,257	3,115,753	3,761,263
Fire Safety	53	58	58	5,334,607	5,655,683	5,655,343	6,024,152
Administration	25	26	26	1,842,800	2,020,893	2,011,871	1,982,203
Homeland Security	9	10	10	10,959,290	9,229,111	9,278,097	10,475,015
Radiological Emergency Response Program	9	9	9	1,394,206	1,696,435	1,699,301	1,704,736
TOTAL	643	653	653	84,318,000	79,728,196	80,824,156	83,555,340
FUND TYPE							
General Fund				11,983,007	12,171,118	12,126,680	16,106,407
Transportation Fund				35,752,928	34,879,736	35,918,255	33,725,324
Special Fund				11,580,705	10,422,139	10,426,153	10,858,422
Federal Revenue Fund				23,439,233	20,867,056	20,964,921	21,477,040
Interdepartmental Transfer				1,562,127	1,388,147	1,388,147	1,388,147
TOTAL				84,318,000	79,728,196	80,824,156	83,555,340

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Public Safety



Appropriation Key Budget Issues



The Vermont State Police includes 342 sworn members and 126 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.

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

The Field Force Division of the Vermont State Police, consists of 269 sworn members, 19 civilian staff members and 86 Emergency Dispatchers.

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, acts of family violence, securing natural and man made disasters, 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. Examples of those teams are the Search and Rescue Team, Tactical Support Unit, Hostage Negotiation Team, The Bomb Squad, Mobile Command Post and the Dive Team. The Vermont State Police also provide Peer Support services to a host of first responders.

The Field Force Division is responsible for operating four communications centers staffed by civilian Emergency Communications staff. Their duties include taking approximately 90% of E- 911 calls for service, emergency and non-emergency calls for service ensuring that "First Responders" have been dispatched to all critical incidents.

The Criminal Investigation Division consists of 78 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, untimely deaths and major crime cases. 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.

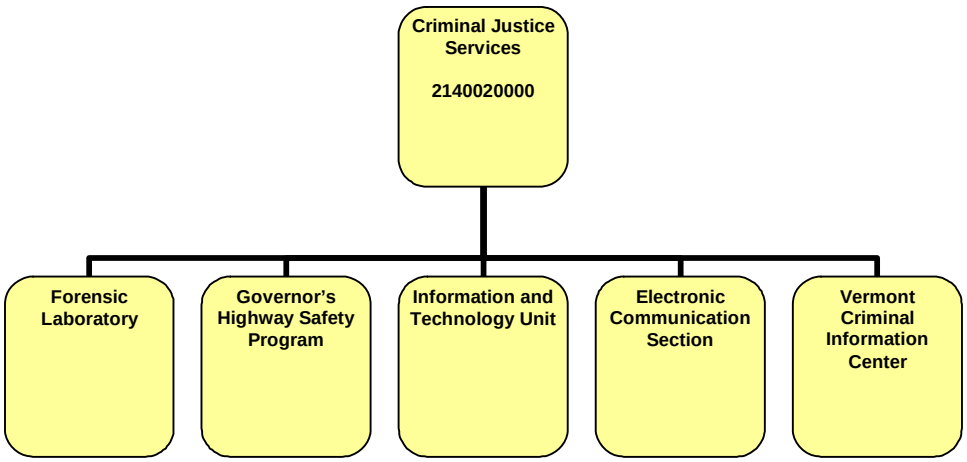
The Special Investigations Unit (SIU) is comprised of five different sections. The Vermont Drug Task Force which is divided into two "undercover" units (North and South) along with a street level unit dedicated to combat heroin trafficking (Heroin Enforcement Action Team) "HEAT". The Criminal Intelligence 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.

The Support Services Division includes Internal Affairs, the Office of Professional Development, Fleet Services, the Quartermaster's Office and the Office of Technology Services. The primary functions of the Support Service Division are the leveraging of technology to support field operations, the professional development of employees, recruiting, hiring, training and the maintaining of professional standards. The Division also manages the fleet of vehicles. There are a total of 12 sworn members and 11 civilian members in the Division.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	38,600,436	38,085,058	39,107,798	38,966,689
Operating Expenses	7,348,773	6,590,315	6,581,737	8,200,082
Grants	1,220,595	975,634	975,634	557,087
Other Financing Uses Budget	242,505	0	0	0
TOTAL	47,412,309	45,651,007	46,665,169	47,723,858
FUND TYPE				
General Fund	8,219,752	8,320,468	8,303,730	12,256,795
Transportation Fund	31,257,195	30,385,796	31,408,796	29,231,384
Special Fund	3,029,362	2,825,423	2,825,623	2,896,708
Federal Revenue Fund	4,228,748	3,558,334	3,566,034	2,777,985
Interdepartmental Transfer	677,252	560,986	560,986	560,986
TOTAL	47,412,309	45,651,007	46,665,169	47,723,858

Appropriation Key Budget Issues

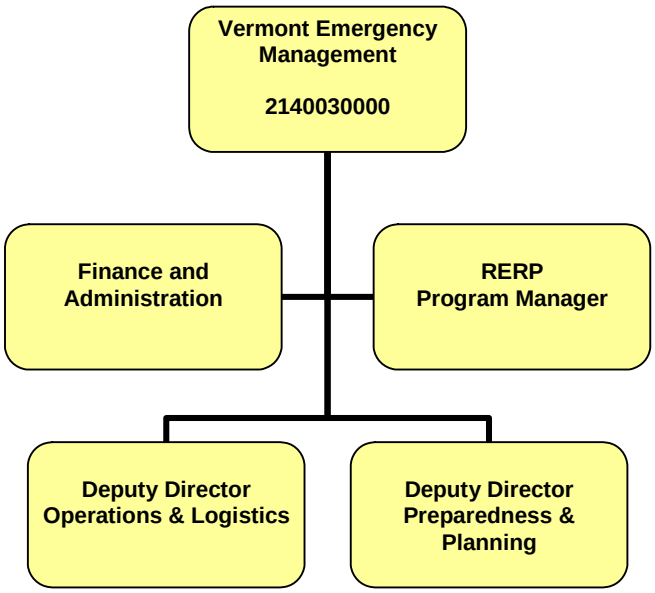


Criminal Justice Services, headed by a civilian Director, is responsible for providing system support to a variety of state, county and local criminal justice agencies. Evidence analysis is available from the Vermont Forensics Laboratory serving all law enforcement agencies in Vermont. The Vermont Crime Information Center (VCIC), the state central repository for criminal information, disseminates criminal information for criminal and non criminal justice purposes. VCIC also manages the sex offender registry program and the marijuana registry. The Electronic Radio Communication Section manages the two way radio system for the Vermont State Police and other State agencies along with the States digital microwave network. The Information Technology Section operates a wide area network that provides a system of electronic 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 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	6,289,077	5,942,894	5,942,787	5,708,438
Operating Expenses	3,799,241	3,199,016	3,198,935	3,129,222
Grants	2,848,840	3,256,900	3,256,900	3,046,453
Other Financing Uses Budget	283,769	0	0	0
TOTAL	13,220,927	12,398,810	12,398,622	11,884,113
FUND TYPE				
General Fund	805,367	760,000	744,293	759,697
Transportation Fund	4,378,585	4,429,971	4,445,490	4,429,971
Special Fund	1,431,092	1,433,512	1,433,512	1,393,043
Federal Revenue Fund	5,884,800	5,151,813	5,151,813	4,677,888
Interdepartmental Transfer	721,083	623,514	623,514	623,514
TOTAL	13,220,927	12,398,810	12,398,622	11,884,113

Appropriation Key Budget Issues

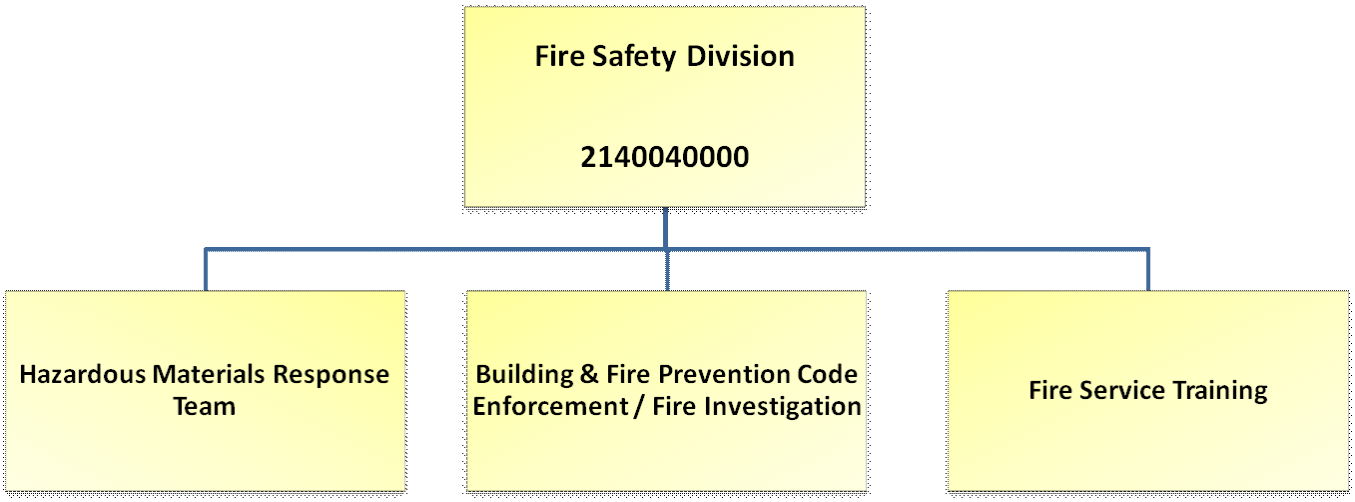


Vermont Emergency Management (VEM) is organized to ensure that Vermont is prepared to respond to emergencies, recover from them and mitigate their impacts. With authority derived from Title 20, VSA, VEM leads the coordination of federal, state and local resources in disaster response and recovery. With a professional staff of 23, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness (nuclear power plant), hazardous materials compliance, response and disaster prevention planning and mitigation. In addition, VEM staffs the state warning point that coordinates the assessment of response to the daily hazard incidents that occur in the state. 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. Sub-grants are awarded to the Local Emergency Planning Committees, Community Emergency Response Teams, Regional Planning Commissions, and municipalities for emergency planning and preparedness activities.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,123,544	1,629,045	1,629,045	1,697,752
Operating Expenses	502,493	627,812	667,308	1,244,111
Grants	1,161,692	819,400	819,400	819,400
Other Financing Uses Budget	1,366,132	0	0	0
TOTAL	4,153,861	3,076,257	3,115,753	3,761,263
FUND TYPE				
Transportation Fund	65,361	63,969	63,969	63,969
Special Fund	1,518,326	123,664	123,664	167,471
Federal Revenue Fund	2,570,174	2,888,624	2,928,120	3,529,823
TOTAL	4,153,861	3,076,257	3,115,753	3,761,263

Appropriation Key Budget Issues



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

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

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

Department of Public Safety. The Training Council continues to develop training and certification programs for all Vermont Firefighters. The chief training officer is appointed by and reports to the Director of the Fire Safety Division.

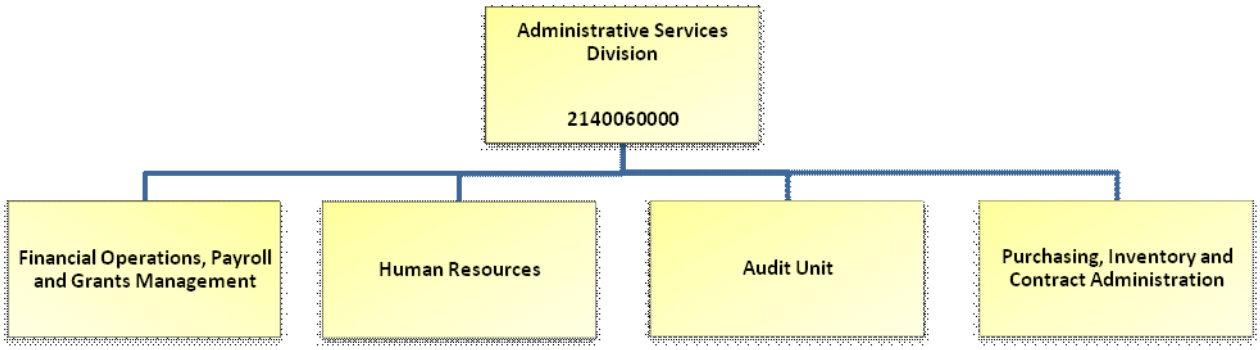
.

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

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,820,556	4,194,040	4,193,135	4,381,112
Operating Expenses	1,400,600	1,411,643	1,412,208	1,588,040
Grants	75,000	50,000	50,000	55,000
Other Financing Uses Budget	38,451	0	0	0
TOTAL	5,334,607	5,655,683	5,655,343	6,024,152
FUND TYPE				
General Fund	707,118	713,652	712,364	713,269
Transportation Fund	11,366	0	0	0
Special Fund	4,207,719	4,343,105	4,344,053	4,696,464
Federal Revenue Fund	244,612	395,279	395,279	410,772
Interdepartmental Transfer	163,792	203,647	203,647	203,647
TOTAL	5,334,607	5,655,683	5,655,343	6,024,152

Appropriation Key Budget Issues

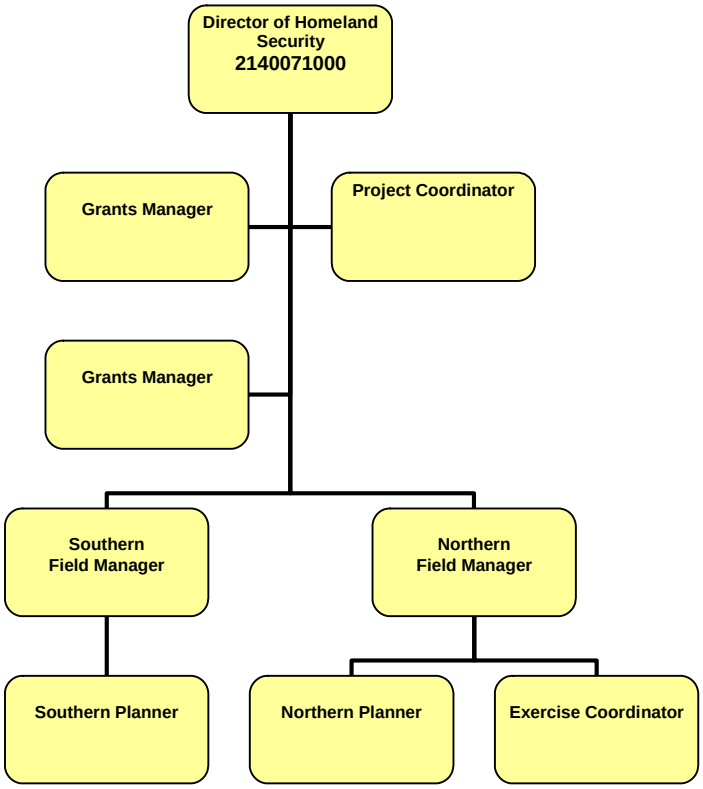


Administrative Services provides a full range of financial services, payroll administration, grants management, human resource services, auditing, purchasing and contract administration for all Public Safety divisions. Bill paying, purchasing administration, payroll and personnel activities are all managed through a central office operation consisting of 21 positions at the department headquarters in Waterbury. The audit unit provides financial monitoring and outreach to sub-recipients and review of internal procedures and fiscal controls. Grants Management is responsible for monitoring the department'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 ensure optimum utilization of federal grant funds. Recommendations are prepared for the departments' executive staff on funding opportunities that would enhance and improve the various business activities of the department through a coordinated grants management program.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,671,746	1,837,909	1,835,518	1,823,435
Operating Expenses	171,054	182,984	176,353	158,768
TOTAL	1,842,800	2,020,893	2,011,871	1,982,203
FUND TYPE				
General Fund	1,810,448	1,945,925	1,936,903	1,945,576
Transportation Fund	28,399	0	0	0
Federal Revenue Fund	3,953	74,968	74,968	36,627
TOTAL	1,842,800	2,020,893	2,011,871	1,982,203

Appropriation Key Budget Issues



The Department of Public Safety Homeland Security Unit (HSU) has been developed to enhance public safety by promoting coordinated All-Hazard response among all Vermont's first response agencies. The HSU consists of 10 positions (3 sworn State Police officers and 7 civilian classified employees) and currently contracts with five individuals who serve as advisors to the Vermont Homeland Security Unit . The Vermont State Police Troop Commanders work closely with HSU for operational issues and have been appointed by the Commissioner as Public Safety District Coordinators as defined by Title 20.
The Homeland Security Unit has been charged with four critical missions:

a. All Hazards response plans - The HSU works in partnership with Vermont Emergency Management and provides guidance, training and federal homeland security funding to Vermont's 11 Regional Planning Commission's and 13 Local Emergency Planning Commission' to assist in the development of local, regional and statewide all hazards response plans.

b. Gather, evaluate and disseminate terrorist threat information - The HSU works in a collaborative effort with the Vermont Fusion Center, the Federal Bureau of Investigation, 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 updated terrorist threats 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.

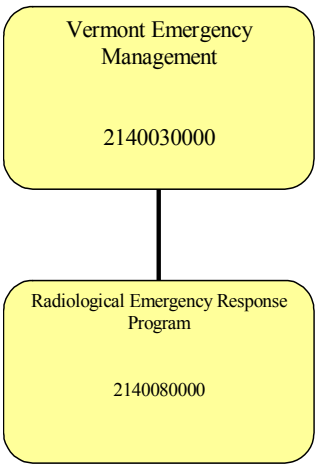
c. Train local state and federal partners in All-Hazard response planning through the two Public Safety Academies. The HSU coordinates approved All-Hazard response training programs through the Vermont Police and Fire Academies. The HSU has facilitated grant funding to these Academies in excess of $1,700.000 to ensure that all Vermont first responders receive the training required to be able to Prevent, Protect Against, Respond To, and Recover from All-Hazards events.

d. Manage and administer federal homeland security grants - Since 1999, the Vermont Homeland Security Unit has received approximately $66 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 preparedness funds. The HSU works with over 8,000 first responders, 450 first response agencies and during any one year provides grant funds to over 300 sub grantees.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,651,833	1,449,071	1,448,541	4,426,136
Operating Expenses	1,390,948	6,730,040	6,779,556	4,998,879
Grants	5,033,020	1,050,000	1,050,000	1,050,000
Other Financing Uses Budget	2,883,489	0	0	0
TOTAL	10,959,290	9,229,111	9,278,097	10,475,015
FUND TYPE				
General Fund	440,322	431,073	429,390	431,070
Transportation Fund	12,022	0	0	0
Federal Revenue Fund	10,506,946	8,798,038	8,848,707	10,043,945
TOTAL	10,959,290	9,229,111	9,278,097	10,475,015

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: Reviews, revises and distributes more than 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: Ensures that 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 2009 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	616,180	768,470	768,470	766,867
Operating Expenses	335,323	221,980	224,846	233,666
Grants	442,703	705,985	705,985	704,203
TOTAL	1,394,206	1,696,435	1,699,301	1,704,736
FUND TYPE				
Special Fund	1,394,206	1,696,435	1,699,301	1,704,736
TOTAL	1,394,206	1,696,435	1,699,301	1,704,736

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

APPROPRIATIONS: In FY2006, the Military Department received approximately $156,000,000 combined Federal and State dollars to administer to the military and state work force, maintain facilities, a well as to train and equip the military force. The State of Vermont provided approximately $3,000,000 of that total amount in general funds.

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

During the last 5 years, the Military Department has also been tasked with providing support to over 2,000 deployed Vermont Army and Air National Guard members during their participation in combat operations in Afghanistan and Iraq, as well as other operations worldwide. This support includes maintenance support for the armories throughout the State, assisting with implementing additional security measures as required at Camp Johnson, and providing facilities for the feeding and housing of soldiers called to duty for homeland security missions.

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 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 2005, the Army and Air National Guard provided over 390 military funeral details for Vermont's deceased Veterans and through November 2006 has provided an additional 456 details.

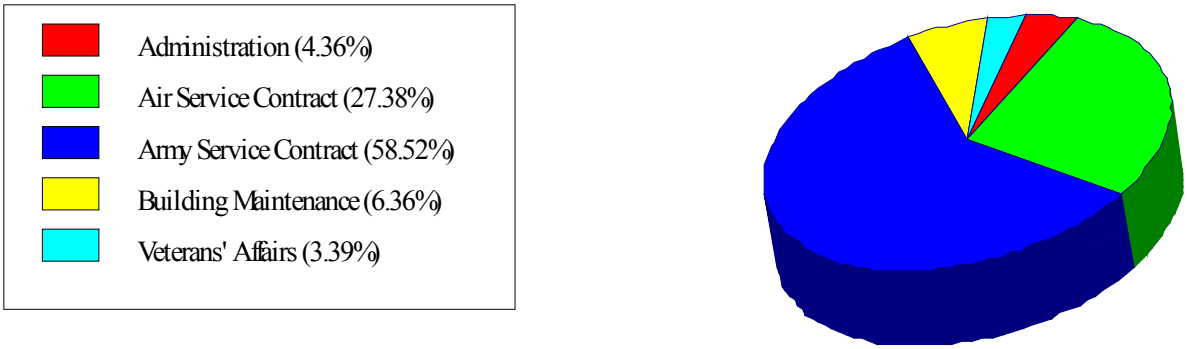
PROGRAMS: Since FY1994, the Military Department has administered Starbase, a 100% federally funded program targeting students in grades four through six with hands-on curriculum of science, math, and technology. Over 7,000 students have been served by the program. Students attend a five-day session held at the Vermont Air National Guard Base in South Burlington and a second site in Rutland. The Starbase staff are state employees whose compensation and benefits packages are federally reimbursed.

The Military Department also provides crash, fire and rescue services to the Burlington International 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.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Military

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration	7	7	7	858,846	895,380	890,857	976,330
Air Service Contract	58	58	60	4,675,553	5,133,987	5,133,007	6,135,045
Army Service Contract	41	41	41	12,032,784	9,080,594	9,140,544	13,113,894
Building Maintenance	21	21	18	1,165,386	1,417,456	1,355,264	1,425,229
Veterans' Affairs	5	5	7	617,759	627,549	627,820	760,534
TOTAL	131	131	132	19,350,328	17,154,966	17,147,492	22,411,032
FUND TYPE							
General Fund				3,114,738	3,388,909	3,381,936	3,707,776
Special Fund				18,325	0	0	66,000
Federal Revenue Fund				16,183,717	13,766,057	13,765,556	18,637,256
Interdepartmental Transfer				33,548	0	0	0
TOTAL				19,350,328	17,154,966	17,147,492	22,411,032



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	522,403	532,542	531,888	564,006
Operating Expenses	168,252	162,838	158,969	212,324
Grants	168,191	200,000	200,000	200,000
TOTAL	858,846	895,380	890,857	976,330
FUND TYPE				
General Fund	828,846	895,380	890,857	976,330
Interdepartmental Transfer	30,000	0	0	0
TOTAL	858,846	895,380	890,857	976,330

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Air Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	3,622,428	4,153,098	4,152,778	4,544,156
Operating Expenses	1,053,125	980,889	980,229	1,590,889
TOTAL	4,675,553	5,133,987	5,133,007	6,135,045
FUND TYPE				
General Fund	413,378	399,579	399,094	572,037
Federal Revenue Fund	4,262,175	4,734,408	4,733,913	5,563,008
TOTAL	4,675,553	5,133,987	5,133,007	6,135,045

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Army Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	3,586,063	3,300,460	3,360,418	3,939,774
Operating Expenses	8,446,721	5,780,134	5,780,126	9,174,120
TOTAL	12,032,784	9,080,594	9,140,544	13,113,894
FUND TYPE				
General Fund	132,223	107,064	167,020	107,151
Federal Revenue Fund	11,900,561	8,973,530	8,973,524	13,006,743
TOTAL	12,032,784	9,080,594	9,140,544	13,113,894

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Building Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	647,109	975,531	913,769	983,304
Operating Expenses	518,277	441,925	441,495	441,925
TOTAL	1,165,386	1,417,456	1,355,264	1,425,229
FUND TYPE				
General Fund	1,154,261	1,417,456	1,355,264	1,425,229
Special Fund	11,125	0	0	0
TOTAL	1,165,386	1,417,456	1,355,264	1,425,229

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Veterans' Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	311,350	356,622	356,119	424,833
Operating Expenses	301,409	93,112	93,886	157,886
Grants	5,000	177,815	177,815	177,815
TOTAL	617,759	627,549	627,820	760,534
FUND TYPE				
General Fund	586,030	569,430	569,701	627,029
Special Fund	7,200	0	0	66,000
Federal Revenue Fund	20,981	58,119	58,119	67,505
Interdepartmental Transfer	3,548	0	0	0
TOTAL	617,759	627,549	627,820	760,534

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

The Victims Compensation Program provides limited financial assistance to victims who have experienced a financial loss as a direct result of a violent crime. In general, compensation is not provided for property losses and, as designated "last payer," the program reimburses only those expenses not covered by some form of insurance. Staff members verify claims through a comprehensive investigative process, and approved payments are made either to service providers or directly to the victim. The number of new claims received annually fluctuates between 500 and 600 claims each year. In addition, claims from previous years often remain open for several years due to the on-going needs of crime victims who need counseling and support throughout their recovery process. This results in a cumulative increase over time and the total number of open claims at the start of FY 2008 was 1,870. The complexity of the claims has also increased, with payments for services such as relocation, out-of-state travel and temporary living expenses for victims fleeing domestic violence situations becoming far more common than they were when the program was first established. In addition, the cost of claims has steadily increased each year due to rising healthcare costs.

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

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

The Restitution Unit, established by Act 57 and passed by the Legislature in FY 2003, was charged with improving the system of ordering and collecting restitution owed to victims by criminal offenders. A 15% surcharge was added to court fines and traffic tickets beginning on July 1, 2003 in order to capitalize a Restitution Fund. A Restitution Unit was created at the Center and became operational on July 1, 2004. Restitution Judgment Orders ordered by the Court are sent to the Unit and payment to the victim is made out of the Restitution Fund up to a $10,000 cap. The Unit then collects from the offender to reimburse the fund (or the victim for orders over $10,000). The Unit also took over the collection of restitution ordered prior to July 1, 2004 from the Department of Corrections. During FY 07, the Restitution Unit paid out $1,581,634 dollars to crime victims and collected $1,106,579 from offenders.

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

Federal Grant Programs:

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

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

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

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

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

Bureau of Justice Assistance Congressionally Mandated grant is allocated to the Parallel Justice Pilot Project in Burlington, Vermont. This is a new program piloted in FY07.

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.

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

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Center for Crime Victims' Services	0	0	0	9,215,252	10,798,590	10,848,590	10,922,277
TOTAL	0	0	0	9,215,252	10,798,590	10,848,590	10,922,277
FUND TYPE							
General Fund				1,125,251	1,125,020	1,125,020	1,274,809
Special Fund				4,098,724	5,652,450	5,652,450	5,782,390
Federal Revenue Fund				3,991,277	4,021,120	4,021,120	3,865,078
Interdepartmental Transfer				0	0	50,000	0
TOTAL				9,215,252	10,798,590	10,848,590	10,922,277

Description of Appropriations, Divisions, & Programs

Appropriation Key Budget Issues

There are three issues that are of concern and one change for FY09. The first issue is that the health care premiums for Center employees have increased by over 17%. While changes have been made to meet the budget, it has put pressure on other areas of the budget. The second issue is that the Federal funding has decreased. The Victims of Crime Act Victim Assistance (VOCA) grant allocation will be decreased by $82,000 for FY09. In addition, the Bureau of Justice Assistance Congressionally mandated award was not renewed. The third issue is the rising cost of the Victim's Compensation Program. A large portion of compensation claims are payments to or on behalf of victims for medical care. As health care costs rise, so do the cost of these claims. In addition, the compensation claims costs are going up at a greater rate then the revenues in the compensation special fund. Legislative changes implemented last year have alleviated some of this pressure, but does not eliminate the problem. The change is a general fund appropriation increase for a grant to the Vermont Network Against Domestic and Sexual Violence for $150,000.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

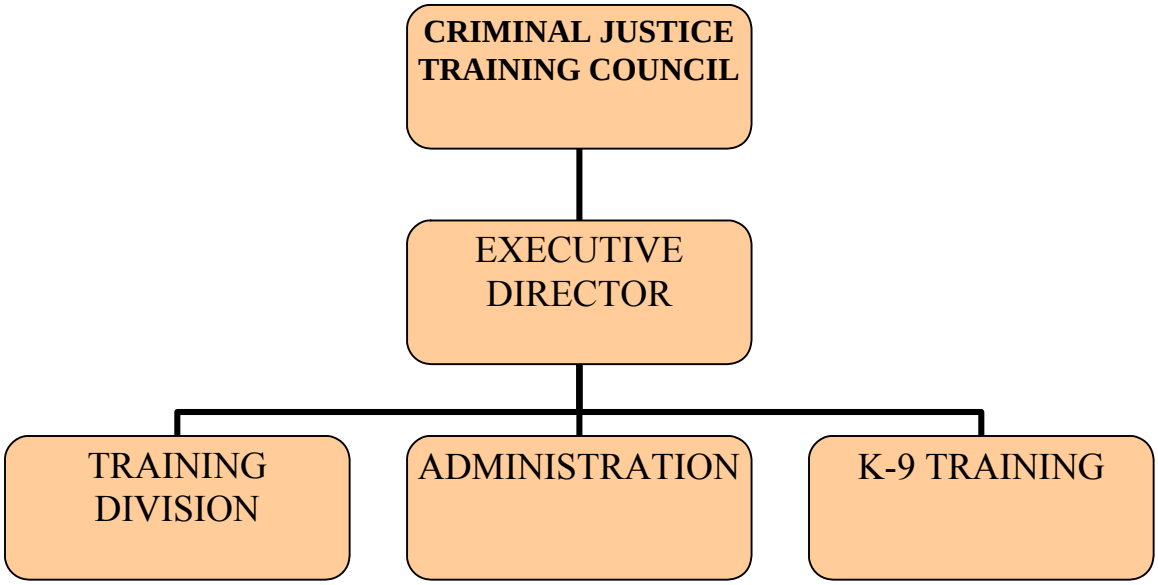
APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,143,585	1,236,878	1,286,878	1,404,168
Operating Expenses	1,755,438	303,478	303,478	318,275
Grants	6,316,229	9,258,234	9,258,234	9,199,834
TOTAL	9,215,252	10,798,590	10,848,590	10,922,277
FUND TYPE				
General Fund	1,125,251	1,125,020	1,125,020	1,274,809
Special Fund	4,098,724	5,652,450	5,652,450	5,782,390
Federal Revenue Fund	3,991,277	4,021,120	4,021,120	3,865,078
Interdepartmental Transfer	0	0	50,000	0
TOTAL	9,215,252	10,798,590	10,848,590	10,922,277

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs



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

The Council operates two full-time classes each year, consisting of a total of eighteen weeks each including the two-week post-basic training for those graduates without prior certification in such topics as DUI Enforcement, RADAR, etc. The Council also operates five part-time certification schools. The part-time program consists of three Phases. Phase I is 58 hours of classroom, Phase II is 50 hours of additional classroom training and Phase III consists of 60 hours of on the road, supervised training. While phase II and III are being completed, the officer must work under the direction of a fully certified police officer. The

Council certifies approximately 100 part-time officers and 60-70 full-time officers each year plus approximately 25 waiver students from other states. Additionally, an average of 40-50 people attend the Academy each day for in-service education and re-certification training.

The Vermont Police canine Program currently consists of 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 several youth programs geared to a future in law enforcement and/or firefighting.

Appropriations, Programs: The Criminal Justice Training Council is funded through the general fund, special funds, and interdepartmental transfers (sub-grants). The special fund is made up of tuition charged to officers' departments who attend in-service training. This includes fees for meals, lodging, materials, and tuition where applicable. The Special Fund also has receipts from penalty assessment deposited to it. Income from other tuition and reimbursement sources make up the remainder. In addition, federal, state, county and local departments are donating nearly a half million dollars in time and equipment through adjunct faculty. The Council is the receipient of additional sub-grant (interdepartmental transfer) funding in the areas of homeland security and underage drinking enforcement.

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

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Criminal Justice Training Council	11	11	10	2,248,919	2,023,906	2,042,632	2,210,066
TOTAL	11	11	10	2,248,919	2,023,906	2,042,632	2,210,066
FUND TYPE							
General Fund				1,346,763	1,385,881	1,404,607	1,419,664
Special Fund				496,640	510,393	510,393	532,539
Interdepartmental Transfer				405,516	127,632	127,632	257,863
TOTAL				2,248,919	2,023,906	2,042,632	2,210,066

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,186,184	1,032,090	1,031,748	1,160,173
Operating Expenses	1,062,735	991,816	1,010,884	1,049,893
TOTAL	2,248,919	2,023,906	2,042,632	2,210,066
FUND TYPE				
General Fund	1,346,763	1,385,881	1,404,607	1,419,664
Special Fund	496,640	510,393	510,393	532,539
Interdepartmental Transfer	405,516	127,632	127,632	257,863
TOTAL	2,248,919	2,023,906	2,042,632	2,210,066

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Agency continues its 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 FY09 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

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

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

The Food Safety and Consumer Assurance Division serves to:

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

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

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

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

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

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

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

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

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

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

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

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, artisanal cheese and livestock for meat.

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

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.

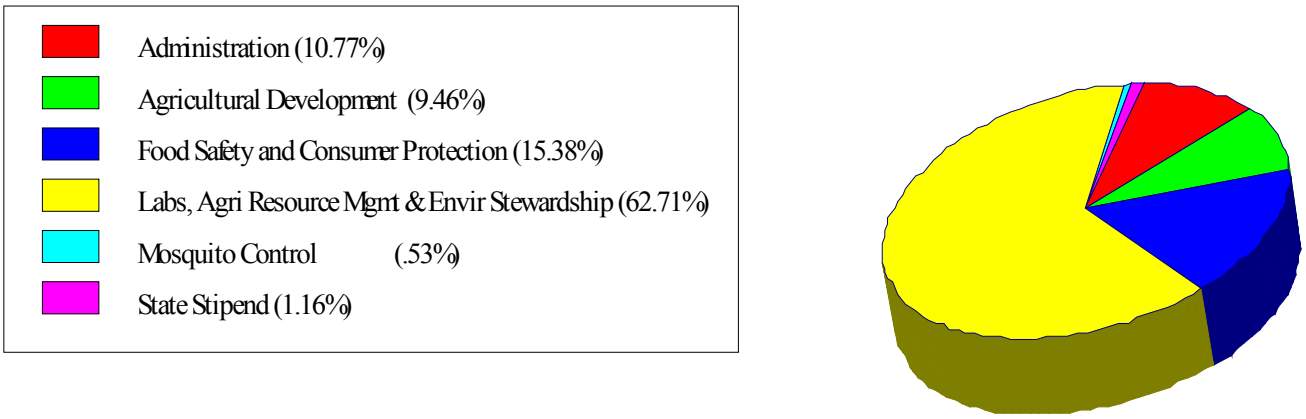
The Stipend Program makes awards to agricultural fairs and field days to encourage agricultural events.

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration	12	12	10	1,664,005	2,077,082	2,124,940	1,624,497
Food Safety and Consumer Protection	36	36	26	5,471,616	5,715,729	5,747,983	2,320,513
Agricultural Development	11	10	8	5,353,563	3,012,216	3,301,436	1,427,126
Labs, Agri Resource Mgmt & Envir	39	39	54	3,698,218	4,540,575	5,955,771	9,461,775
Stewardship	0	0	0	175,000	175,000	175,000	175,000
State Stipend	0	0	0	132,096	204,750	389,603	80,000
Mosquito Control							
TOTAL	98	97	98	16,494,498	15,725,352	17,694,733	15,088,911
FUND TYPE							
General Fund				5,380,650	5,840,116	7,574,247	5,852,082
Special Fund				6,369,933	7,747,825	7,775,942	7,260,614
Federal Revenue Fund				1,344,536	1,525,681	1,587,589	1,378,961
Interdepartmental Transfer				3,399,379	611,730	756,955	597,254
TOTAL				16,494,498	15,725,352	17,694,733	15,088,911



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

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	822,589	907,195	926,144	888,375
Operating Expenses	461,650	816,806	845,715	383,721
Grants	379,766	353,081	353,081	352,401
TOTAL	1,664,005	2,077,082	2,124,940	1,624,497
FUND TYPE				
General Fund	1,423,919	1,297,384	1,325,242	1,073,191
Special Fund	99,614	611,632	611,632	382,465
Federal Revenue Fund	62,792	125,386	125,386	126,841
Interdepartmental Transfer	77,680	42,680	62,680	42,000
TOTAL	1,664,005	2,077,082	2,124,940	1,624,497

Appropriation Key Budget Issues

Ensuring infrastructure for Vermont's meat industry while providing State inspection services to slaughter facilities and processors.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,307,038	2,620,156	2,628,263	1,963,313
Operating Expenses	538,199	495,573	519,720	357,200
Grants	2,626,379	2,600,000	2,600,000	0
TOTAL	5,471,616	5,715,729	5,747,983	2,320,513
FUND TYPE				
General Fund	1,393,058	1,732,864	1,752,001	1,176,490
Special Fund	3,446,503	3,411,959	3,425,076	647,232
Federal Revenue Fund	625,133	563,906	563,906	489,791
Interdepartmental Transfer	6,922	7,000	7,000	7,000
TOTAL	5,471,616	5,715,729	5,747,983	2,320,513

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.

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 2009 BUDGET RECOMMENDATIONS
Agricultural Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	762,100	752,331	789,927	642,276
Operating Expenses	445,312	482,385	571,116	507,350
Grants	4,146,151	1,777,500	1,940,393	277,500
TOTAL	5,353,563	3,012,216	3,301,436	1,427,126
FUND TYPE				
General Fund	975,031	743,958	913,045	802,765
Special Fund	1,203,271	1,759,258	1,774,258	380,361
Federal Revenue Fund	140,496	209,000	228,908	244,000
Interdepartmental Transfer	3,034,765	300,000	385,225	0
TOTAL	5,353,563	3,012,216	3,301,436	1,427,126

Appropriation Key Budget Issues

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

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,850,933	2,779,046	2,829,106	3,840,687
Operating Expenses	412,812	566,529	608,727	621,088
Grants	434,473	1,195,000	2,517,938	5,000,000
TOTAL	3,698,218	4,540,575	5,955,771	9,461,775
FUND TYPE				
General Fund	1,393,745	1,890,910	3,224,106	2,624,636
Special Fund	1,508,346	1,760,226	1,760,226	5,770,556
Federal Revenue Fund	516,115	627,389	669,389	518,329
Interdepartmental Transfer	280,012	262,050	302,050	548,254
TOTAL	3,698,218	4,540,575	5,955,771	9,461,775

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
State Stipend

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	175,000	175,000	175,000	175,000
TOTAL	175,000	175,000	175,000	175,000
FUND TYPE				
General Fund	175,000	175,000	175,000	175,000
TOTAL	175,000	175,000	175,000	175,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Mosquito Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	0	20,000	20,000	20,000
Operating Expenses	76,768	184,750	369,603	60,000
Grants	55,328	0	0	0
TOTAL	132,096	204,750	389,603	80,000
FUND TYPE				
General Fund	19,897	0	184,853	0
Special Fund	112,199	204,750	204,750	80,000
TOTAL	132,096	204,750	389,603	80,000

Department Mission Statement

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

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

Description of Appropriations, Divisions, & Programs

BISHCA Administration and General Counsel Division:

Division Overview:

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

of BISHCA and is responsible for the insurance market conduct program. Additionally, the General Counsel's office provides legal analysis for legislative proposals.

The mission of the **Administration Division** is to provide effective, forward looking internal tools, infrastructure and operations expertise to all the divisions of BISHCA, and thus equip them to accomplish their diverse and changing public missions in the field of financial services and health care regulation. The Division is central to maximizing the work output and cost efficiencies of every single area of BISHCA. The Administration Division is comprised of a Financial Services Director, Personnel Administrator, Information Policy and Program Chief, Systems Developer, IT Specialist, Executive Assistant, Administrative Assistant and a Program Services Clerk.

The General Counsel's Office mission is to provide high quality legal and enforcement services to BISHCA, characterized as: timely, competent, clearly communicated, independent, and effective as an advocate for the client. The General Counsel's Office is comprised of ten attorneys and two market conduct/investigator staff. The Office is responsible for providing legal services and enforcement support for each of the Divisions, and for the Department as a whole. In FY 2007, the Department's attorneys were organized into a BISHCA General Counsel's Office, within the Administration Division. Given that the Department has finite legal resources and expanding legal needs, the purpose of forming the General Counsel's Office was to increase the capabilities of the Department's attorneys to better serve the Department's regulatory and consumer protection programs. As part of the formation of the General Counsel's Office, staff dedicated to market conduct examinations and insurance enforcement have been integrated into the Office. As a result, the Department hopes to strengthen the working relationships between examination staff and the Department's attorneys, and thereby increase the Department's consumer protection capabilities.

Banking Division

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

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

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

(1) Supervision which includes issuing charters and licenses as well as conducting examinations and investigations of all regulated entities in such areas as safety and soundness, trust, electronic 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.

(2) Consumer services which is available to assist any consumer who has questions or concerns about an institution chartered or regulated by the Commissioner. Efforts are made to assist a consumer through problem resolution and intervention with regulated institutions. Examinations and investigations may be initiated where needed.

(3) Education, which was added with the passage of the new banking law in 2000, centers on providing the public valuable information through brochures, surveys, and public speaking engagements which can be used when making a decision regarding choice of institution or product. Survey results and other information about chartered and licensed entities are available on the Department's web site www.bishca.state.vt.us <http://www.bishca.state.vt.us>.

During Fiscal year 2009, the following state-chartered entities and licensees will be regulated by the Banking Division: Vermont Financial Institutions, Non-Depository Trust Companies, Independent Trust Companies, Credit Unions, Financial Holding Companies, Licensed Lenders, Mortgage Brokers, Debt Adjusters, Sales Finance Companies, Money Transmitters, Check Cashers and Currency Exchangers.

Insurance Division

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

The Insurance Division regulates those persons and companies engaged in providing insurance to Vermont consumers. The Division regulates the insurance industry through ongoing financial analysis, periodic financial and market conduct examinations, rate and policy form reviews (except for health-

related policies and forms which are reviewed by Health Care Administration), producer licensing and educational requirements for insurance agents, as well as consumer education and consumer complaint resolution in all areas other than health-related issues which are handled by the Health Care Administration.

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 fiscal year 2007, approximately 5,800 filings were received by the Section resulting in approximately $568,000 in fees. 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 primary goal of Company Licensing and Examination Section is to ensure that consumers purchase insurance from companies that are fiscally responsible. The Insurance Division's Company Licensing Section oversees approximately 1,200 licensed insurers doing business in Vermont, including surplus lines insurers. Of these, 17 traditional insurers are domiciled in Vermont. Traditional insurance companies include property and casualty companies, life and health companies, non-profit health organizations, fraternal organizations, title companies, viatical companies, HMOs, premium finance companies, service contract companies and continuing care retirement communities. In fiscal year 2007, fees amounting to approximately $1,405,000 were collected from these companies. The Division maintains a financial examination program under which the 17 insurers domiciled in Vermont are reviewed every three to five years. The companies examined pay the cost of these on-site examinations. Financial analysis of insurance companies is also conducted by the Division and involves the review and monitoring of the financial statements routinely submitted to the Division as well as other information.

Consumer assistance provided by the Division centers on resolving complaints from the public in one-to-one fashion. The Division's staff also provides consumer education and guidance of various types to consumers, including comparative information about insurance rates and products in the marketplace. During fiscal year 2007, the Consumer Assistance Section logged approximately 6,500 calls for assistance, processed 203 written inquiries including e-mails, and recovered approximately $1,441,000 for consumers through problem solving resolution and intervention with companies. Additionally in FY2007 the division published for the first time a comprehensive consumer guide for life insurance products.

The Producer Licensing Section has the responsibility of licensing insurance professionals in accordance with Vermont Statutes and Regulations on a biennial basis. Licenses are issued to insurance producers, adjusters, appraisers, consultants, public adjusters, managing general agents, reinsurance intermediaries, surplus lines brokers and viatical settlement brokers. The Section has seen a significant increase in the number of licensees and appointments over the past five years. Notwithstanding this increase, the Section maintains its performance measure of processing new applications and appointments within three working days from the date of receipt as a result of the new systems conversion and the advent of

electronic license and appointment issuance. The Section renews producer licenses and company appointments on a biennial basis in odd numbered years and renews adjuster and all other individual license types in even numbered years. Approximately 15,100 license applications processed, 32,700 licenses renewed and 70,000 appointments were processed through fiscal year 2007, which generated approximately $15.6 million in licensing fees.

Captive Insurance

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

- Performing ongoing financial surveillance
- Performing periodic financial examinations
- Implementing and enforcing laws and regulations
- Developing effective and reasonable policies and procedures
- Advancing the growth of Vermont's captive industry

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

There are 567 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 FY2007 32 new licenses were issued to Captive insurers and the Captive insurance industry remunerated approximately $24,000,000 in premium taxes to Vermont.

Securities Division

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

- Reviewing and approving securities offered to Vermont investors
- Registering securities broker/dealers, investment advisors, and their representatives
- Examining/auditing the above for compliance with the law
- Granting exceptions from registration, where appropriate
- Investigating violations of the securities laws
- Bringing administrative or civil actions against violators of the securities laws

- Responding to investor complaints
- Educating investors and industry participants about the securities laws, and
- Creating policy and regulations that further the mission

In order to accomplish the foregoing, the Division employs seven (7) staff members. This includes the Deputy Commissioner, one enforcement attorney, three securities examiners, a securities investigator and an administrative assistant.

In FY2006, the Division's revenue from all sources, including fines and licensing fees, exceeded $14.3 million. In FY2007, the Division's revenue from all sources was $15,979,658, which represents an increase in revenue of over 12% from the prior fiscal year.

Investor education and outreach to the public is an important aspect of the functions of the Division. This coming year, in addition to increasing our traditional activities, such as giving presentations and distributing materials, the Division has begun and will continue to revise its website and explore other media to include resources for small businesses as well as the general public. As an example, in this fiscal year, our website was revised to include a database of all Vermont domiciled broker/dealer and investment adviser representatives by town, so that consumers can learn about who is in their area and conduct background searches of potential financial service providers. We partnered with the Treasurer's Office to create this innovative new addition to our site. Together, we created a link from the Treasurer's website, dealing with retirement savings, to our database and a link from our website to the Treasurer's Office. The Division also partnered with the North American Securities Administrators Association to bring additional small business resources concerning capital formation to our website.

Health Care Administration

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

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

In FY2007 the Health Care Administration supported the implementation of Catamount Health Plan by reviewing and approving all rates and forms necessary for the program launch.

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

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

Division Overview

HCA strives to carry out its extensive regulatory responsibilities and respond to inquiries from the Governor, the Legislature and the public in a timely, efficient and effective manner. The Division oversees health care provider and insurer regulation and enforcement, implements the Certificate of Need and hospital budget processes, conducts data research and analysis, educates consumers, and develops information to inform policymakers.

HCA Major Functions by Unit

HEALTH CARE QUALITY IMPROVEMENT

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

Hospital Community Reports: Hospital community reports are required by 18 V.S.A. § 9405b. Each hospital must publish an annual report that includes measures of quality, patient safety, hospital-acquired infections, nurse staffing, 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. BISHCA is required to provide hospital comparisons on its website.

Consumer Price and Quality Transparency: This statutory requirement is broader than the Hospital Community Report requirement in that it extends to other health care providers and encourages reliance on insurers to provide actual health care service pricing information for their subscribers, rather than provider charge information.

CONSUMER PROTECTION PROGRAMS

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

- Consumers who are enrolled in managed care plans receive the protections contained in 18 VSA § 9414 and Vermont Rule 10 (Quality Assurance Standards and Consumer Protections for Managed Care Plans).
- Consumers who experience utilization review of mental health and substance abuse services are protected by 8 VSA § 4089a and Regulation 95-2 (regulation of mental health service review agents).
- Consumers with complaints against their health insurers have the protection of the full range of statutes, regulations and bulletins related to health insurance, and can exercise their rights in a number of ways: internal health insurer grievance processes that are specified in state and federal regulation, HCA's consumer complaint process, and/or the external review processes outlined in Regulation 95-2 (for mental health and substance abuse service denials) and Regulation 99-1 (for all other denials of coverage).
- Consumers have access to a consumer hotline and a wide range of educational materials (produced both in-house and nationally) to address their questions about health insurance in Vermont.
- Mental Health Parity, enacted in 1997 (codified at 8 VSA § 4089b) prevents insurers from imposing greater financial burdens on consumers of mental health and substance abuse services than on consumers of physical health services.

HCA Consumer Services: HCA's Consumer Services Specialists handle approximately 500 telephone calls and 20 written inquiries each month from consumers with questions about health, disability, long-term care or accident insurance. In addition, about 200 consumers file complaints against their health insurers each year. HCA maintains a database tracking the telephone inquiries; it shows that approximately 30 percent of the calls relate to purchasing insurance. Another 15 to 20 percent of the callers have questions related to coverage or billing, and approximately 8 to 10 percent are inquiring about specific laws or regulations. A database is also maintained for the consumer complaint function, which shows the nature of the complaint, the resolution, and the time needed for resolution. In order to respond to consumers with questions about health insurance, HCA produces a series of publications. Some examples include:

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

HCA also maintains a stock of publications from other organizations to inform consumers about health insurance related issues, and regularly refers consumers to other state agencies, federal agencies and

private organizations to obtain the assistance they need. An increased focus recently has been providing information and education regarding the new Catamount insurance program. Consumer services specialists also bring information to the public by participating in health fairs and other outreach efforts.

External Appeals Programs: In 1996, the Legislature established the volunteer Independent Panel of Mental Health Providers to hear appeals of mental health and substance abuse denials. An independent external review program for other health care service denials became operational in July 1999 and contracts with Independent Review Organizations (IROs) to perform reviews. These programs ensure that Vermonters can obtain independent review based on objective clinical evidence when their health insurers deny claims for lack of medical necessity or other specified medically-based grounds. The Division has received approximately 11 formal Independent Panel and 22 formal independent external review applications to date in CY 2007 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.

DATA, INFORMATION, AND ANALYSIS

Under the provisions of 18 V.S.A. § 9410, HCA is charged with maintaining a unified health care database to support research about the financing, availability, delivery, cost and quality of health care services offered to Vermonters and in Vermont. HCA administers data collection and reporting programs related to health insurance coverage and market, hospital utilization, and a new initiative called the Vermont Healthcare Claims Uniform Reporting System to develop reporting capability on health care utilization and cost across all settings and services for the insured population. This will be a key tool for evaluating the impacts of health care reform initiatives and programs. HCA also produces the annual Vermont health care expenditure analysis and forecast quantifying trends and point-in-time expenditures for health care in the state, and for state residents in and out of state.

HOSPITAL BUDGET REVIEWS AND CERTIFICATE OF NEED

The public fiscal oversight provided through the division's regulatory activities is focused on “containing or reduc[ing] increases in the cost of delivering [health care] services”, discouraging development of unnecessarily duplicative health care services, working to maintain and improve the quality of and access to health care services, and promoting 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.

Specifically, HCA:

- As required by 18 V.S.A. § 9451 et seq., establishes the Vermont hospital budgets on an annual basis which determines each hospital’s allowed level of expenditures, rate increase, revenues, and margin for that year,

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

The CON program continues to adopt standards identified in the HRAP. Additionally, one year and four-year capital budgets are developed for review. This information, along with hospital community reports, informs further development of the HRAP and CON applications filed.

The Public Oversight Commission 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 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.

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. Further, the Department is examining the need to include price and quality information as part of the decision-making process for both the Budget Reviews and CON processes.

HEALTH INSURANCE RATE PROPOSALS AND FORM FILINGS

HCA reviews all health insurance product and rate filings prior to use in the marketplace. Filings include comprehensive health insurance rates and products, as well as other product lines including long-term care, disability, Medicare Supplement and limited benefit products. Typically, HCA processes over a thousand filings a year. Product (or form) filings describe the coverage and benefit options available to the consumer. These filings require staff to review and analyze the product documents to determine whether such materials are in compliance with federal and state law and to ensure that materials 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 that apply to a rate filing depend on the product and the type of entity seeking the rate approval.

CONSENSUS INITIATIVES

Improving Quality and Containing Costs through Health Care System Reform:

$400,000 for the Uninsured Survey. This will be an update to the Vermont Family Health Insurance survey that the Department has administered since 1997 to support health care reform analyses. This will allow the incorporation of information and analysis about health insurance coverage, characteristic of the uninsured and Vermont's health insurance market in policy discussions and planning efforts of public and private entities.

$350,000 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. Initial work began in FY 2007 and additional funding for program development 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. This work will require careful consideration of patient confidentiality and privacy concerns.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Banking	16	17	16	1,409,310	1,521,591	1,521,591	1,371,402
Insurance	27	28	25	19,562,059	3,524,286	3,524,286	3,341,986
Captive	28	30	30	3,235,982	3,534,254	3,534,254	3,593,091
Securities	6	7	6	575,448	738,808	738,808	664,566
Health Care Administration	24	24	21	4,318,873	5,303,089	4,303,197	4,694,912
Administration	12	12	21	1,054,009	1,142,630	1,142,630	1,840,959
TOTAL	113	118	119	30,155,681	15,764,658	14,764,766	15,506,916
FUND TYPE							
General Fund				708,727	316,000	315,444	308,251
Special Fund				28,363,436	12,973,661	12,974,325	13,299,841
Federal Revenue Fund				0	1,000,000	0	0
Global Commitment Fund				1,019,631	1,404,997	1,404,997	1,898,824
Interdepartmental Transfer				63,887	70,000	70,000	0
TOTAL				30,155,681	15,764,658	14,764,766	15,506,916

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,125,103	1,241,297	1,241,297	1,099,669
Operating Expenses	284,207	280,294	280,294	271,733
TOTAL	1,409,310	1,521,591	1,521,591	1,371,402
FUND TYPE				
Special Fund	1,409,310	1,521,591	1,521,591	1,371,402
TOTAL	1,409,310	1,521,591	1,521,591	1,371,402

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,631,432	2,988,436	2,988,436	2,809,503
Operating Expenses	461,331	535,850	535,850	532,483
Other Financing Uses Budget	16,469,296	0	0	0
TOTAL	19,562,059	3,524,286	3,524,286	3,341,986
FUND TYPE				
Special Fund	19,562,059	3,524,286	3,524,286	3,341,986
TOTAL	19,562,059	3,524,286	3,524,286	3,341,986

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	2,749,395	3,032,154	3,032,154	3,086,100
Operating Expenses	486,587	502,100	502,100	506,991
TOTAL	3,235,982	3,534,254	3,534,254	3,593,091
FUND TYPE				
Special Fund	3,235,982	3,534,254	3,534,254	3,593,091
TOTAL	3,235,982	3,534,254	3,534,254	3,593,091

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Securities

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	477,641	602,058	602,058	506,876
Operating Expenses	97,807	136,750	136,750	157,690
TOTAL	575,448	738,808	738,808	664,566
FUND TYPE				
Special Fund	575,448	738,808	738,808	664,566
TOTAL	575,448	738,808	738,808	664,566

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,949,600	4,913,775	3,913,883	4,302,953
Operating Expenses	369,273	389,314	389,314	391,959
TOTAL	4,318,873	5,303,089	4,303,197	4,694,912
FUND TYPE				
General Fund	708,727	316,000	315,444	308,251
Special Fund	2,526,628	2,512,092	2,512,756	2,487,837
Federal Revenue Fund	0	1,000,000	0	0
Global Commitment Fund	1,019,631	1,404,997	1,404,997	1,898,824
Interdepartmental Transfer	63,887	70,000	70,000	0
TOTAL	4,318,873	5,303,089	4,303,197	4,694,912

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,019,146	1,099,435	1,099,435	1,797,764
Operating Expenses	34,863	43,195	43,195	43,195
TOTAL	1,054,009	1,142,630	1,142,630	1,840,959
FUND TYPE				
Special Fund	1,054,009	1,142,630	1,142,630	1,840,959
TOTAL	1,054,009	1,142,630	1,142,630	1,840,959

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Office is comprised of the divisions of 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, 2006 there were 433,572 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 44 professions and approximately 48,000 licensees by providing administrative, investigative and legal assistance to the regulatory programs for these professions. The mission of the Office of Professional Regulation is to protect the public from unethical, incompetent or otherwise unprofessional behavior by licensed practitioners in the professions and occupations that are regulated through the Office; to protect the public from practitioners in these fields who are unauthorized to practice; and to ensure equity in licensing, regulation and discipline by fairly and responsibly administering the rules and statutes pertaining to these professions and occupations.

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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Secretary of State	53	55	55	6,396,021	6,636,265	6,635,943	6,696,906
TOTAL	53	55	55	6,396,021	6,636,265	6,635,943	6,696,906
FUND TYPE							
General Fund				697,917	588,801	588,479	591,642
Special Fund				4,118,695	3,972,462	3,972,462	4,030,264
Federal Revenue Fund				1,504,409	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer				75,000	75,002	75,002	75,000
TOTAL				6,396,021	6,636,265	6,635,943	6,696,906

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	4,129,044	4,407,205	4,406,433	4,383,222
Operating Expenses	1,697,612	1,229,060	1,229,510	1,313,684
Grants	465,775	1,000,000	1,000,000	1,000,000
Other Financing Uses Budget	103,590	0	0	0
TOTAL	6,396,021	6,636,265	6,635,943	6,696,906
FUND TYPE				
General Fund	697,917	588,801	588,479	591,642
Special Fund	4,118,695	3,972,462	3,972,462	4,030,264
Federal Revenue Fund	1,504,409	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer	75,000	75,002	75,002	75,000
TOTAL	6,396,021	6,636,265	6,635,943	6,696,906

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.

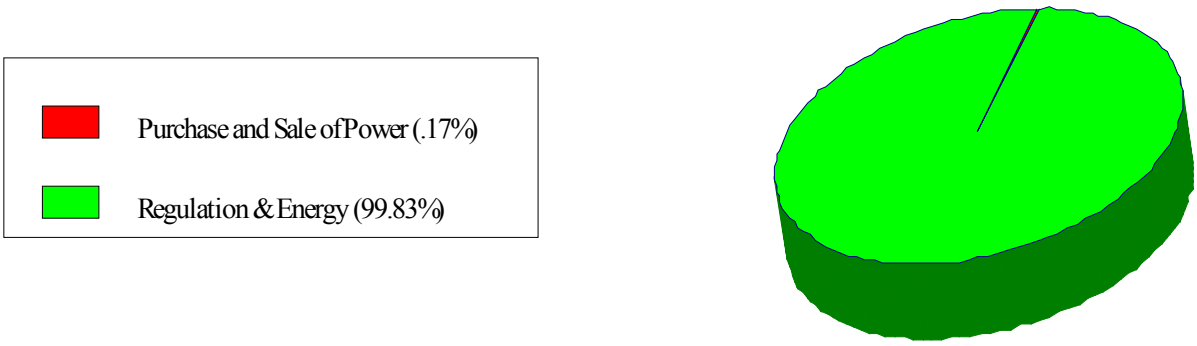
Emergency Response. The Department is involved in direct, on-site intervention at utility and fuel related accidents. DPS participates in preparedness programs for providing technical assistance in the event of nuclear accidents, and DPS coordinates with local, state, and federal emergency response teams.

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.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Regulation & Energy	42	43	43	7,818,808	11,330,854	11,339,307	11,441,777
Purchase and Sale of Power	0	0	0	16,582	13,402	13,402	20,000
TOTAL	42	43	43	7,835,390	11,344,256	11,352,709	11,461,777
FUND TYPE							
Special Fund				6,997,394	10,151,456	10,159,909	10,268,977
Federal Revenue Fund				827,939	1,157,800	1,157,800	1,157,800
Interdepartmental Transfer				10,057	35,000	35,000	35,000
TOTAL				7,835,390	11,344,256	11,352,709	11,461,777



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	4,214,776	4,873,384	4,873,384	4,981,246
Operating Expenses	521,930	687,463	695,916	690,524
Grants	556,840	5,770,007	5,770,007	5,770,007
Other Financing Uses Budget	2,525,262	0	0	0
TOTAL	7,818,808	11,330,854	11,339,307	11,441,777
FUND TYPE				
Special Fund	6,980,812	10,138,054	10,146,507	10,248,977
Federal Revenue Fund	827,939	1,157,800	1,157,800	1,157,800
Interdepartmental Transfer	10,057	35,000	35,000	35,000
TOTAL	7,818,808	11,330,854	11,339,307	11,441,777

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Purchase and Sale of Power

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	15,075	11,886	11,886	18,484
Operating Expenses	1,507	1,516	1,516	1,516
TOTAL	16,582	13,402	13,402	20,000
FUND TYPE				
Special Fund	16,582	13,402	13,402	20,000
TOTAL	16,582	13,402	13,402	20,000

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Public Service Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Public Service Board	27	27	26	2,639,808	2,826,024	2,752,841	2,857,376
TOTAL	27	27	26	2,639,808	2,826,024	2,752,841	2,857,376
FUND TYPE							
Special Fund				2,639,808	2,826,024	2,752,841	2,857,376
TOTAL				2,639,808	2,826,024	2,752,841	2,857,376

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Public Service Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	2,364,658	2,526,024	2,452,841	2,557,376
Operating Expenses	275,150	300,000	300,000	300,000
TOTAL	2,639,808	2,826,024	2,752,841	2,857,376
FUND TYPE				
Special Fund	2,639,808	2,826,024	2,752,841	2,857,376
TOTAL	2,639,808	2,826,024	2,752,841	2,857,376

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 2009 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Enhanced 9-1-1 Board	11	11	11	3,891,500	3,356,610	3,356,610	3,661,252
TOTAL	11	11	11	3,891,500	3,356,610	3,356,610	3,661,252
FUND TYPE							
Special Fund				3,891,500	3,356,610	3,356,610	3,661,252
TOTAL				3,891,500	3,356,610	3,356,610	3,661,252

Appropriation Key Budget Issues

Enhanced 9-1-1 Operating System Costs

Key components of Vermont's E9-1-1 system reached "end of life" and our former vendor, Verizon, would no longer support them past December, 2006. After requesting information and reviewing our options, the Board drafted and released a Request for Proposal in January 2006 for a significant revision or replacement of the Enhanced 9-1-1 operating system. After a competitive bid process and independent review, the Board awarded the contract to a private contractor with both the best system and the lowest cost.

Our new system is based on internet protocol. However, it must still rely upon certain key aspects of the telecommunications infrastructure owned by Verizon. As the infrastructure was considered a commodity item, our system RFP did not include any portion of a telecommunications infrastructure thus not giving any one bidder an advantage. These costs were separate in every bid proposal submitted, pursuant to the instructions in the RFP. The unbundling of these infrastructure charges, necessary for any 9-1-1 system, has proved to be more costly than the former system line costs, which were hidden within the old system contract with Verizon. The new system is in place and we are in the process of re-engineering the trunk lines feeding it, which are provided by contract with Verizon. We expect that re-engineering process to result in net operating cost savings.

Subscriber Records

Each local exchange carrier in Vermont must provide subscriber Records Information Services. These are regulated tariff charges set by the Vermont Public Service Board. In addition to the tariff payments that are due to any telephone company supplying subscriber data to the E911 Board, Verizon seeks to impose a charge for ensuring that the data it transmits to the Board is accurate. It should be noted that all the other telephone companies deem the provision of accurate data to be covered by the tariff payment. Moreover, Verizon ostensibly formerly paid the tariff itself to other telephone companies, which was E911's database provider until 2007. The Public Service Board (PSB) currently has a docket open on Verizon subscriber records and we are awaiting a Board decision in the immediate future. There can be no retroactive charges, so any additional charges would be measured forward from the date of the Order. We are unsure of the final financial impact of the PSB's decision on our budget in the event Verizon is successful with its claim. In addition, it is likely that the other telephone companies will petition the Public Service Board seeking additional charges if Verizon is successful.

Equipment Revolving Fund

As part of the converstion to a new E9-1-1 operating system, the Enhanced 911 Board purchased and owns all equipment. This was done from a $1.5M dollar loan from the Equipment Revolving Fund with an annual payback of $300,000 over five years.

Stand Alone
Verizon is leading a debate at the Public Service Board on behalf of all telcos over who should pay for redundancy outside an isolated calling area. The Enhanced 911 Board's position is that the problem is not in our (E911) network, but in the network and equipment located at the telephone company. (Stand-alone could occur when there's a fiber cut, leaving an area with dial tone only for the area they are covered by and not able to call outside that area or to call 9-1-1.) It is possible the Public Service Board will put the burden of providing a redundant pathway on the E911 Board.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,857,518	2,003,841	2,003,841	1,736,061
Operating Expenses	1,210,539	1,352,769	1,352,769	1,925,191
Other Financing Uses Budget	823,443	0	0	0
TOTAL	3,891,500	3,356,610	3,356,610	3,661,252
FUND TYPE				
Special Fund	3,891,500	3,356,610	3,356,610	3,661,252
TOTAL	3,891,500	3,356,610	3,356,610	3,661,252

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 2009 BUDGET RECOMMENDATIONS
Vermont Racing Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Racing Commission	0	0	0	626	1,000	1,000	1,000
TOTAL	0	0	0	626	1,000	1,000	1,000
FUND TYPE							
General Fund				626	1,000	1,000	1,000
TOTAL				626	1,000	1,000	1,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Racing Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	626	1,000	1,000	1,000
TOTAL	626	1,000	1,000	1,000
FUND TYPE				
General Fund	626	1,000	1,000	1,000
TOTAL	626	1,000	1,000	1,000

Department Mission Statement

The Commission promotes full civil and human rights in Vermont. The Commission protects people from unlawful discrimination in housing, state government employment and public accommodations and pursues its mission by enforcing laws, mediating disputes, educating the public and providing information and referrals.

Description of Appropriations, Divisions, & Programs

The HRC 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; and,***

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. Federal receipts for FY08 will be $68,280, down over $50,000 from the $118,657 awarded for FY07. Again, in FY08 the Commission will be seeking $170,000 in federal funds appropriation to maintain its current level of effort. The remaining $101,720 will be withdrawn from a federal reserve fund (accumulated from the capacity building phase of the HUD grant) maintained on behalf of the HRC.***

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Human Rights Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Human Rights Commission	5	5	5	415,849	482,589	559,927	483,165
TOTAL	5	5	5	415,849	482,589	559,927	483,165
FUND TYPE							
General Fund				281,857	311,850	389,188	312,426
Federal Revenue Fund				133,992	170,739	170,739	170,739
TOTAL				415,849	482,589	559,927	483,165

Appropriation Key Budget Issues

The Governor's Recommended Budget will allow HRC to continue to provide its current level of service to the citizens of Vermont. The critical budget issue facing the Commission is the decrease over time in the amount of federal funds granted. The HUD grant received during FY04 was $172,140 but has dropped to $68, 280 for FY08. In addition, the HRC has received a directive from HUD to expend the remaining reserve by the end of FY07. The immediate challenge is how to make good on the Commission's commitments to HUD Fair Housing on the promised Fair Housing Initiative activities designed to spend down this federal reserve. Failure to do so, even at a reduced level of spending, may well jeopardize the Commission's ability to receive further HUD fair housing funds. At the same time, the Commission must conserve some of the federal reserve fund to maintain its current effort in future years.

This dynamic will cause significant pressure in FY09, when the accumulated federal reserve fund will be all but depleted (with less than $25,000 projected to be remaining). The on-going disparity between the HUD Fair Housing awards received (approximately $70,000) and the Federal Fund Appropriation ($170,000) will no longer be sustainable and the Commission will be forced to dramatically reduce its level of service and its staff.

Meanwhile, HUD is requiring a more rapid response to federal fair housing complaints and has heightened its training requirements for HRC staff. HUD now requires all HRC investigative staff to attend a five-week fair housing training course. In addition, HUD is becoming more involved in its review and consideration of HRC findings in federal fair housing cases. This process demands an inordinate use of finite staff time. The question remains whether this on-going 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 2009 BUDGET RECOMMENDATIONS
Human Rights Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	335,870	386,895	463,794	391,204
Operating Expenses	79,979	95,694	96,133	91,961
TOTAL	415,849	482,589	559,927	483,165
FUND TYPE				
General Fund	281,857	311,850	389,188	312,426
Federal Revenue Fund	133,992	170,739	170,739	170,739
TOTAL	415,849	482,589	559,927	483,165

Appropriation Key Budget Issues

Enforcement, Licensing & Education Appropriation:
The total budget increase for this division is $144,813. The major part of the increase is made up of personal services which include COLAs and benefits increases. Operating expenses are for increases in DII, postage, insurance, laptops, and a new copy machine.

The department is currently monitoring direct shipping licenses for vinous beverages. These new licenses were enacted in 2006 in response to the Supreme Court's decision related to direct shipments. On-line compliance testing will be conducted for various shippers of vinous beverages. A report is due to the legislature in December 2007 detailing revenue for in- and out-of-state vinous licenses.

Tobacco Settlement money ($289,645) 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.

Appropriation Key Budget Issues

Administration Appropriation:
The total budget increase for this division is $161,841. Personal service increases of COLAs and benefits make up the majority of this change. There is also a vacancy turnover savings of $-50,923. The operating portion of the increase is for a printer, replacement of the main phone system, printing and DII costs. Additionally, the department has received a grant from the Governor's Highway Safety Program for the VTLSP/SADD program. DLC has collaborated with them in the past on the Governor's Youth Leadership Conference. Both organizations are concerned with preventing underage and promoting highway safety.

The revenue stream from sale of spirits has increased dramatically since 1996, when DLC introduced its Prime Focus sales program. The program's main objective was to promote local purchases of spirits by providing Vermonters with excellent product value while diminishing the loss of revenue due to cross-boarder purchasing. The strategy has succeeded, with sales increasing from $34,931,651 in 1996 to $54,828,743 in FY2007. Sales for the first six monts of FY2008 are looking promising. Tax revenue to the General Fund has increased due to the upward sales trends that are prevailing in all categories of spirits sales.

Summary:
The Department of Liquor Control has offered a responsible budget request based on its ability to generate appropriate revenues. The increase of 5% or 251,965 is made up of $-26,307 in operating and $278,272 in personal services, the majority of which is the above-mentioned grant of $204,000 from the Governor's Highway Safety Program. Finally, as a control state we have the ability to do two important things: first, to limit the availability of alcohol beverages in ways that can reduce consumption and problems; 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 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,717,773	1,677,769	1,722,798	1,818,624
Operating Expenses	356,823	389,890	401,255	393,848
TOTAL	2,074,596	2,067,659	2,124,053	2,212,472
FUND TYPE				
Special Fund	292,130	289,645	294,645	289,645
Enterprise Fund	1,777,219	1,778,014	1,794,408	1,922,827
Interdepartmental Transfer	5,247	0	35,000	0
TOTAL	2,074,596	2,067,659	2,124,053	2,212,472

Appropriation Key Budget Issues

Warehouse & Distribution:
The total budget decrease for this division is -$54,689. The small personal service expense decrease is due to the net increases in benefits and decreases in third party contracting for the warehouse project. The operating decrease is the net of various increases such as DII, warehouse hardware for the WMS project, phone system, and decreases in some utilities, printing, office supplies, repair and maintenance of vehicles.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,268,267	1,329,017	1,499,362	1,476,488
Operating Expenses	367,950	407,719	396,246	422,089
TOTAL	1,636,217	1,736,736	1,895,608	1,898,577
FUND TYPE				
Enterprise Fund	1,636,217	1,736,736	1,739,608	1,694,577
Interdepartmental Transfer	0	0	156,000	204,000
TOTAL	1,636,217	1,736,736	1,895,608	1,898,577

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Warehousing and Distribution

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	728,941	757,159	1,007,190	747,105
Operating Expenses	344,608	415,443	411,994	370,808
TOTAL	1,073,549	1,172,602	1,419,184	1,117,913
FUND TYPE				
Enterprise Fund	1,073,549	1,172,602	1,419,184	1,117,913
TOTAL	1,073,549	1,172,602	1,419,184	1,117,913

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(DAIL): The Department assists older Vermonters and adults with disabilities to live as independently as possible. It helps adults with disabilities to find and maintain meaningful employment. It licenses inpatient health care facilities and long-term care providers. The Department also protects elders and adults with disabilities from abuse, neglect, and exploitation.

Department of Corrections (DOC): In partnership with Vermont communities, DOC serves and protects the public by offering a continuum of graduated sanctions for offenders to repair the damage their crimes have caused to victims and communities. The Department operates Corrections facilities for incarcerated offenders and Community Correctional Service Centers for offenders convicted of lesser crimes. It also supports 65 Community Reparative Boards that develop sanctions and restorative plans to enable order for many nonviolent offenders to make amends for their crimes and return value to their communities.

Department of Health (DOH): DOH protects and promotes health, and prevents disease and injury through public health programs to maintain and improve the health status of all Vermonters. Programs focus on infectious and chronic disease control and prevention (e.g., injury prevention, and healthy babies programs), surveillance (e.g., disease reporting), and protection (e.g., restaurant inspections).

Department of Mental Health (DMH): DMH promotes the health and well being of Vermonters in coordination with community organizations, such as Designated agencies, Specialty Services agencies, and schools, as they provide statewide mental health services for children, families, adults and the elderly. These services include psychiatry, case management, employment, crisis, and residential care. In addition DMH operates the Vermont State Hospital and provides designation to the 5 independent

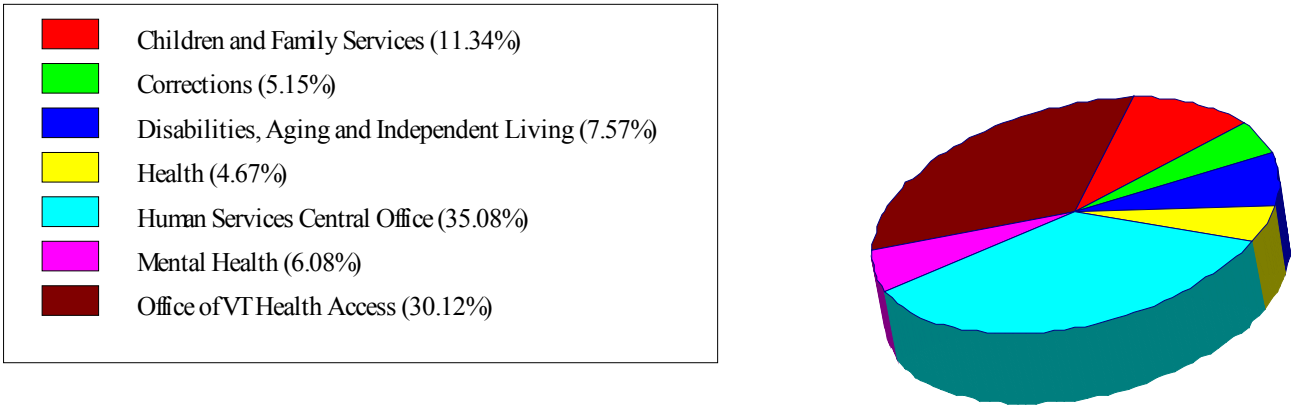
psychiatric hospital units in the state that provide inpatient services for adults and children. The Department also works in collaboration with advocacy and consumer organizations to ensure that educational, support, and peer-directed services occur statewide.

Department for Children and Family Services (DCF): DCF administers many programs that address the basic needs of Vermonters 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 play a lead role in developing quality child care services in Vermont. The Division of Child Support enforces state and federal statutes to ensure that children receive financial support from non-custodial parents. Child Support improves financial security for children by obtaining child support obligations and payments.

Office of Vermont Health Access (OVHA): OVHA promotes the well-being of families and individuals through the provision of health care coverage. 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. Additionally, in FY'08, OVHA became the lead agency in implementation of the state's new health care plan, Catamount Health. As such, it is the largest insurer in Vermont with regard to dollars spent and the second largest insurer with regard to covered lives.

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Mental Health	261	268	268	136,076,281	152,892,721	154,859,125	159,399,367
Human Services Central Office	105	103	104	830,547,419	886,977,933	867,825,145	920,286,212
Office of VT Health Access	88	105	117	654,394,431	748,610,297	725,277,986	789,950,714
Health	610	604	604	109,635,993	125,522,299	122,141,741	122,458,600
Children and Family Services	978	1,000	963	289,298,184	290,293,319	310,318,684	297,408,937
Disabilities, Aging and Independent Living	297	305	316	168,543,122	186,809,306	188,025,161	198,475,939
Corrections	1,171	1,164	1,168	123,699,591	123,486,784	132,054,898	135,090,838
TOTAL	3,510	3,549	3,540	2,312,195,021	2,514,592,659	2,500,502,740	2,623,070,607
FUND TYPE							
General Fund				482,934,309	492,817,061	513,382,812	519,720,010
Special Fund				246,420,150	271,463,858	276,271,644	292,088,297
Federal Revenue Fund				841,276,430	878,625,153	871,776,028	897,015,808
Permanent Trust Fund				10,000	10,000	10,000	10,000
Global Commitment Fund				721,382,476	852,139,156	821,238,399	900,315,560
Internal Service Fund				1,795,252	3,322,612	3,320,120	3,282,548
Interdepartmental Transfer				18,376,404	16,214,819	14,503,737	10,638,384
TOTAL				2,312,195,021	2,514,592,659	2,500,502,740	2,623,070,607


Children and Family Services (11.34%)
Corrections (5.15%)
Disabilities, Aging and Independent Living (7.57%)
Health (4.67%)
Human Services Central Office (35.08%)
Mental Health (6.08%)
Office of VT Health Access (30.12%)

Department Mission Statement

VISION

Mental health will be a cornerstone of health in Vermont. People will live in caring communities with compassion for and a determination to respond effectively and respectfully to, the mental-health needs of all citizens. Vermonters will have access to effective prevention, early intervention, and mental-health treatment and supports as needed to live, work, learn, and participate fully in their communities.

MISSION

It is the mission of the Vermont Department of Mental Health to promote and improve the mental health of Vermonters.

VALUES

We support and believe in the Agency of Human Services values of respect, integrity, and commitment to excellence and express these as:

Excellence in Customer Service

- People receiving mental health services and their families should be informed and involved in planning at the individual and the system levels
- Services must be accessible, of high quality and reflect state-of-the-art practices.
- A continuum of community-based services is the foundation of our system.

Holistic approach to our clients

- We can promote resilience and recovery through effective prevention, treatment, and support services.

Strength Based Relationships

- It is important to foster the strengths of individuals, families, and communities.

Results Orientation

- Strong leadership, active partnerships and innovation are vital strategies to achieve our mission.
- We are accountable for results.

.

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

The **Division of Mental Health** provides services to adults with severe mental illness and adults with less severe emotional or behavioral problems that still disrupt their lives; children and adolescents experiencing a serious emotional disturbance and their families; and anyone who is experiencing an acute mental-health crisis. All services to individuals are provided through contracts with 17 private non-profit designated and specialized service agencies located throughout the state.

Adults receive mental health services for the following reasons, including but not limited to: suicidal or homicidal behavior, extreme self-injurious behavior, severe psychoses which diminish or destroy one's ability to care for oneself in ordinary life situations, homelessness, substance abuse, marital and family distress, medical management of symptoms of mental illness, and /or need for rehabilitation and supports to restore the ability to function in the community and avoid hospitalization. Approximately 6,384 clients received these community-based mental health services in FY2007.

In addition, approximately 9,609 children and adolescents and their families received community-based mental health services in FY2007. These children and adolescents either experience a severe emotional disturbance or are at substantial risk for developing a severe disturbance. They include youth who exhibit behavioral, emotional, or social impairment that disrupts academic or developmental progress or family or interpersonal relationships. They fall into at least one of three categories: (1) exhibit seriously impaired contact with reality and severely impaired social, academic and self-care functioning; (2) classified as management or conduct disordered because they manifest long-term behavior problems (e.g., aggressiveness, anti-social acts, suicidal behavior, substance abuse); (3) suffer serious discomfort from anxiety, depression, or irrational fears whose symptoms may be exhibited as serious eating and sleeping disturbance, or persistent refusal to attend school.

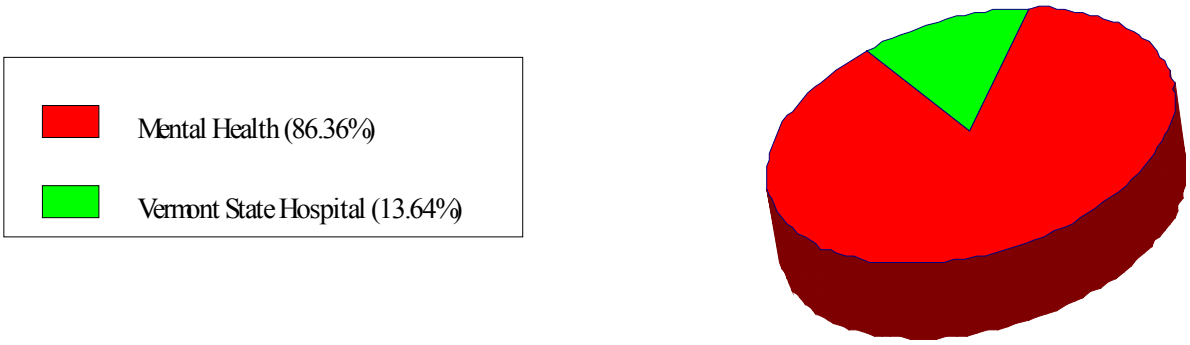
The contracted designated agencies also operate mental health Emergency Services programs which are available 24 hours a day, seven days a week, responding to any individual experiencing a mental health crisis and to communities following natural disasters, accidental deaths, suicides, and other traumatic events. Emergency programs also screen situations to determine if there is a need for admission into involuntary and / or acute-care arrangements. Approximately 3,489 Vermonters were served through these Emergency programs in 2007.

The **Vermont State Hospital** appropriation funds:
The Vermont State Hospital (VSH) has 54 beds and is Vermont's only public psychiatric inpatient facility. Inpatient services are for involuntary emergency examinations and commitments in which adults have become dangerous to themselves or others, or for psychiatric evaluations of competency to stand trial in criminal cases. During FY2007, VSH had 243 admissions and served 231 clients with an average daily census of 54.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Mental Health

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Mental Health	38	42	42	116,970,599	132,030,884	133,421,999	137,651,731
Vermont State Hospital	223	226	226	19,105,682	20,861,837	21,437,126	21,747,636
TOTAL	261	268	268	136,076,281	152,892,721	154,859,125	159,399,367
FUND TYPE							
General Fund				20,119,259	21,039,953	21,567,804	14,931,176
Special Fund				1,839,080	170,000	220,000	170,000
Federal Revenue Fund				937,689	4,086,059	4,168,839	4,128,839
Global Commitment Fund				112,863,733	127,296,709	128,602,482	139,849,352
Interdepartmental Transfer				316,520	300,000	300,000	320,000
TOTAL				136,076,281	152,892,721	154,859,125	159,399,367



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	5,401,146	4,653,064	4,962,308	4,963,769
Operating Expenses	633,396	640,626	640,552	614,618
Grants	109,312,057	126,737,194	127,819,139	132,073,344
Other Financing Uses Budget	1,624,000	0	0	0
TOTAL	116,970,599	132,030,884	133,421,999	137,651,731
FUND TYPE				
General Fund	1,628,737	698,116	740,678	703,540
Special Fund	1,624,000	0	0	0
Federal Revenue Fund	837,609	4,036,059	4,078,839	4,078,839
Global Commitment Fund	112,863,733	127,296,709	128,602,482	132,849,352
Interdepartmental Transfer	16,520	0	0	20,000
TOTAL	116,970,599	132,030,884	133,421,999	137,651,731

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont State Hospital

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	17,024,301	19,039,338	19,276,265	19,922,915
Operating Expenses	2,081,098	1,819,499	2,157,861	1,821,721
Grants	283	3,000	3,000	3,000
TOTAL	19,105,682	20,861,837	21,437,126	21,747,636
FUND TYPE				
General Fund	18,490,522	20,341,837	20,827,126	14,227,636
Special Fund	215,080	170,000	220,000	170,000
Federal Revenue Fund	100,080	50,000	90,000	50,000
Global Commitment Fund	0	0	0	7,000,000
Interdepartmental Transfer	300,000	300,000	300,000	300,000
TOTAL	19,105,682	20,861,837	21,437,126	21,747,636

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 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, human resources, and internal affairs. The Division also supports agency-wide planning efforts to create integrated and consistent AHS wide standards and guidelines in key areas of operations, including but not limited to trauma, housing and transportation, quality improvement and outcome based decision making and refugee resettlement programming. This Division is also the locus of responsibility for the Global Commitment to Health 1115 Medicaid demonstration waiver. Two independent boards are also housed within the Agency and receive some support from the Division; these are the Vermont Developmental Disabilities Council and the Tobacco Evaluation & Review Board. A third independent Board, The Human Services Board, is included under the umbrella and receives basic administrative support from AHS.

Fiscal Unit:

The fiscal unit coordinates the development of the Agency's budget (including Global Commitment to Health Waiver) to ensure that departmental programs reflect the Governor's priorities and are in compliance with legislative requirements. The unit develops financial status reports and monitors key program performance indicators for each Agency department and office. The fiscal unit also coordinates all federal block grant internal audit and statewide single audit functions, development of the AHS indirect rate, and updates of federal cost allocation plans and monitors the Global Commitment Health 1115 waiver budget.

Rate Setting Unit:

This 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 Disabilities, Aging and Independent Living (DAIL) and private non-medical institutions

for the Department for Children and Family (DCF). Through the application of its rules, the unit evaluates the reasonableness and allowability of program budgets and expenditures to ensure both cost containment and quality of care.

Office of the Chief Information Officer and Network Systems:

The Agency's CIO office provides overall leadership in the development of and use of information technology in the delivery of agency services, assures that network, software and hardware support services are functioning at optimum levels throughout the agency, maintains the agency's web pages, coordinates the development of new web sites throughout the agency, develops and maintains applications and systems necessary to support the mission of the Agency, works with department IT managers on IT goals and standards, reviews and approves agency IT procurements, and provides broad oversight of all IT expenditures.

Human Resources Unit:

AHS HR personnel staff supports all management functions for an Agency workforce of approximately 3,500 employees. These include maintenance of personnel records and employee status, position management, recruitment, performance management, workers' compensation, administration of leave benefits, employment investigations, grievances, and administration of collective bargaining agreements and personnel policies. Additionally, the unit integrates and aligns professional development and human resource management practices so that all employees of the Agency of Human Services perform their respective functions adhering to four key practices: customer service, holistic service, strengths-based relationships and results orientation.

Internal Affairs Unit:

This unit is responsible for all labor related investigations within the Agency of Human Services, specifically those within the Department of Corrections. In addition to labor related issues this Unit investigates incidents within the Department of Corrections 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 pursuant to 3 V.S.A.3090. Its duties are to act as a fair hearing board for appeals brought by individuals who believe they have been 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:

Vermont Developmental Disabilities Council (VTDDC) is a state-wide board that works to increase public awareness about critical issues affecting people with developmental disabilities and their families. 60% of its members are self-advocates and family members. The mission of VTDDC is to facilitate connections and to promote supports that bring people with developmental disabilities into the heart of Vermont communities. Each year VTDDC uses its federal funds to engage in advocacy, capacity building, and systems change activities, including projects in public education, leadership training, and advocacy aimed at enhancing services and supports, community participation and choice.

Tobacco Evaluation & Review Board:

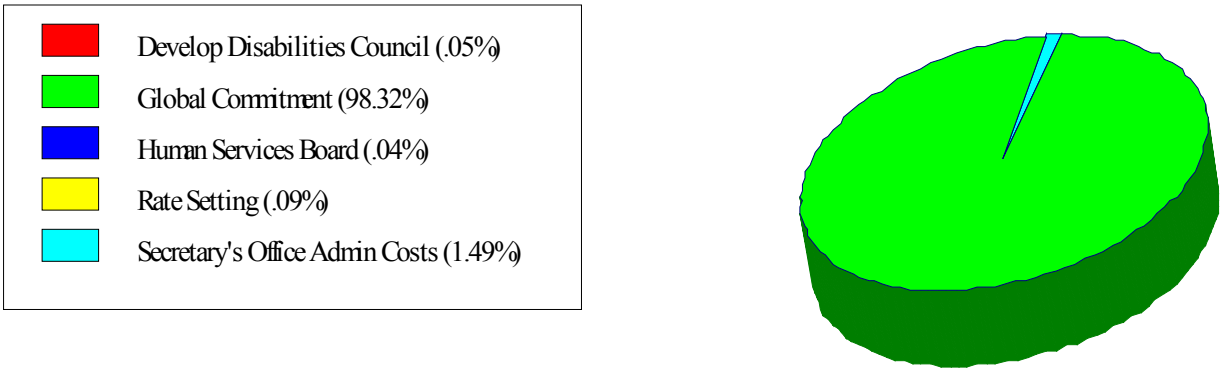
The Vermont Tobacco Evaluation & Review Board, an independent state board, was established by the Legislature in July 2000. The Board establishes an annual budget, program criteria and policy development and oversees evaluation of the state's comprehensive tobacco control program.

e

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Human Services Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Secretary's Office Admin Costs	89	87	87	13,823,979	14,055,336	14,266,178	13,726,758
Juv Accountability Block Grant	0	0	0	31,495,915	0	0	0
Global Commitment	0	0	0	780,863,008	871,278,097	851,913,553	904,858,032
Rate Setting	10	10	10	719,436	809,169	809,169	853,607
Develop Disabilities Council	2	2	3	431,785	493,251	493,251	497,990
Human Services Board	4	4	4	301,533	342,080	342,994	349,825
Gov Com on Emp of People w/Dis	0	0	0	4,111	0	0	0
Administrative Management Fund	0	0	0	2,907,652	0	0	0
TOTAL	105	103	104	830,547,419	886,977,933	867,825,145	920,286,212
FUND TYPE							
General Fund				111,727,508	123,403,395	119,116,679	136,316,186
Special Fund				201,430,606	209,853,912	206,908,748	211,587,290
Federal Revenue Fund				509,506,185	545,811,036	533,667,897	567,174,106
Global Commitment Fund				0	0	809,169	791,672
Interdepartmental Transfer				7,883,120	7,909,590	7,322,652	4,416,958
TOTAL				830,547,419	886,977,933	867,825,145	920,286,212



STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Secretary's Office Admin Costs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	6,828,734	6,890,677	6,942,403	6,962,784
Operating Expenses	2,105,144	2,676,686	2,698,815	3,018,821
Grants	4,890,101	4,487,973	4,624,960	3,745,153
TOTAL	13,823,979	14,055,336	14,266,178	13,726,758
FUND TYPE				
General Fund	3,830,410	3,940,516	4,151,358	4,434,112
Special Fund	593,904	619,538	619,538	404,538
Federal Revenue Fund	4,762,350	4,954,088	4,954,088	5,183,280
Interdepartmental Transfer	4,637,315	4,541,194	4,541,194	3,704,828
TOTAL	13,823,979	14,055,336	14,266,178	13,726,758

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Juv Accountability Block Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Other Financing Uses Budget	31,495,915	0	0	0
TOTAL	31,495,915	0	0	0
FUND TYPE				
Special Fund	3,445,685	0	0	0
Federal Revenue Fund	28,050,230	0	0	0
TOTAL	31,495,915	0	0	0

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Global Commitment

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	780,863,008	871,278,097	851,913,553	904,858,032
TOTAL	780,863,008	871,278,097	851,913,553	904,858,032
FUND TYPE				
General Fund	107,851,816	119,412,816	114,914,344	131,832,044
Special Fund	194,483,365	209,234,374	206,289,210	211,182,752
Federal Revenue Fund	476,248,625	540,351,704	528,208,565	561,480,582
Interdepartmental Transfer	2,279,202	2,279,203	2,501,434	362,654
TOTAL	780,863,008	871,278,097	851,913,553	904,858,032

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	628,495	739,407	739,407	776,648
Operating Expenses	90,941	69,762	69,762	76,959
TOTAL	719,436	809,169	809,169	853,607
FUND TYPE				
Global Commitment Fund	0	0	809,169	791,672
Interdepartmental Transfer	719,436	809,169	0	61,935
TOTAL	719,436	809,169	809,169	853,607

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Develop Disabilities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	140,778	152,876	152,876	207,538
Operating Expenses	25,622	40,817	40,817	45,452
Grants	265,385	299,558	299,558	245,000
TOTAL	431,785	493,251	493,251	497,990
FUND TYPE				
Federal Revenue Fund	431,785	493,251	493,251	497,990
TOTAL	431,785	493,251	493,251	497,990

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Human Services Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	260,431	287,458	287,165	284,719
Operating Expenses	41,102	54,622	55,829	65,106
TOTAL	301,533	342,080	342,994	349,825
FUND TYPE				
General Fund	45,282	50,063	50,977	50,030
Federal Revenue Fund	9,084	11,993	11,993	12,254
Interdepartmental Transfer	247,167	280,024	280,024	287,541
TOTAL	301,533	342,080	342,994	349,825

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Gov Com on Emp of People w/Dis

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,740	0	0	0
Operating Expenses	2,041	0	0	0
Grants	330	0	0	0
TOTAL	4,111	0	0	0
FUND TYPE				
Federal Revenue Fund	4,111	0	0	0
TOTAL	4,111	0	0	0

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Administrative Management Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	273,721	0	0	0
Operating Expenses	2,633,931	0	0	0
TOTAL	2,907,652	0	0	0
FUND TYPE				
Special Fund	2,907,652	0	0	0
TOTAL	2,907,652	0	0	0

Department Mission Statement

Office of Vermont Health Access (OVHA) is the State office responsible for the management of Medicaid, the State Children's Health Insurance Program (SCHIP), and other publicly funded health insurance programs in Vermont. OVHA is the largest insurer in Vermont in terms of dollars spent and the second largest insurer in terms of covered lives.

The mission of OVHA is to:
-Assist beneficiaries in accessing clinically appropriate health services.
-Administer Vermont's public health insurance system efficiently and effectively.
-Collaborate with other health care system entities in bringing evidence based practices to Medicaid beneficiaries.

Description of Appropriations, Divisions, & Programs

OVHA Leadership & Organization
OVHA is led by the Medicaid Director, Deputy Director of Program Operations, Deputy Director of Administrative Operations and the Medical Director. The Medicaid Director is responsible for oversight of all of OVHA's operations. The Deputy Director of Program Operations is primarily responsible for data analysis, health programs integration, pharmacy and program integrity. The Deputy Director of Administrative Operations is responsible for policy, communications, benefit coordination, reimbursement and administrative services. The Medical Director is responsible for clinical operations, chronic care management and care coordination.

Program Descriptions with Enrollment & Expenditure Information
In fiscal year 2006, OVHA became the first statewide public Managed Care Organization (MCO) in the nation. As a result of transitioning to the MCO structure, implementation of Medicare Part D, and with the implementation of the Health Care Reform legislation, people were grouped as follows:

- Aged, Blind, and Disabled (ABD) Adults - eligible under the Medicaid rules in Title XIX of the Social Security Act; adults who are "medically needy" according to Medicaid rules (they meet other criteria, but they must also spend a portion of their income or resources on health care to become eligible).

- Aged, Blind, and Disabled (ABD) Dual Eligibles - eligible under the Medicaid rules in Title XIX of the Social Security Act; age 65 or over.

- Long-Term Care Waiver participants are a subset of the Aged, Blind, and Disabled population. These individuals participate in a new waiver managed by the Department of Disabilities, Aging, and Independent Living, in conjunction with the Office of Vermont Health Access and the Department for Children and Families. The purpose behind this new initiative is to equalize the entitlement to both home and community based services with nursing home services for all those eligible.

- ANFC Adults - adults in the Reach Up financial assistance related enrollment/eligibility group including parents or caretaker relatives and pregnant women.

- Vermont Health Access Program (VHAP) - part of an 1115 waiver to Title XIX of the Social Security Act to provide health care coverage for adults who would otherwise be uninsured or underinsured.

- Aged, Blind, and Disabled (ABD) Children - blind and/or disabled children up to the age of 19.

- ANFC Children - children in the Reach Up financial assistance related enrollment/eligibility group.

- State Children's Health Insurance Program (SCHIP) - uninsured children who are eligible under the SCHIP eligibility rules in Title XXI of the Social Security Act.

- Underinsured - underinsured children eligible for Medicaid through an 1115 waiver to Title XIX.

Pharmacy
Vermont's pharmacy programs have transitioned due to the implementation of Medicare Part D as the primary prescription drug insurance for those individuals with Medicare. Individuals with both Medicaid and Medicare are known as full dual eligibles.

Prior to the implementation of Medicare Part D, Medicaid was the primary payer for prescription drugs. Now Medicare is the primary payer for prescription drugs.

The Medicaid pharmacy program identifying costs for drug classes that are excluded from Medicare Part D coverage is VPharm. The MCO financial categories associated with VPharm are: Global Non-Medicare, Global VPharm1, Global VPharm2, and Global VPharm3.

State-only funded pharmacy benefits are available for populations that do not fit within the construct of the regular Medicaid programs but whose income level still qualifies them for State support. The MCO financial categories associated with State-only funded pharmacy benefits are: State-only Pharmacy Non-Medicare, State-only Pharmacy Pharm1, State-only Pharmacy Pharm2, and State-only Pharmacy Pharm3.

Healthy Vermonters

The Healthy Vermonters program allows individuals to obtain their prescriptions at the Medicaid rate. Individuals who are at least age 65 (or those receiving social security disability benefits) up to 400% of the FPL and all others up to 300% of the FPL are eligible. Medicare beneficiaries may utilize this benefit only for drug classes that are excluded from Medicare Part D and not covered by their prescription drug plan (PDP).

Catamount Health
Catamount Health is a new health insurance plan that became available for enrollment on October 1, 2007 and is offered, in cooperation with the state of Vermont, by Blue Cross Blue Shield of Vermont. It provides comprehensive, quality health coverage at a reasonable cost no matter how much income. Help is also available in paying premiums, based on income. The intent of this program is to help reduce the number of uninsured citizens of Vermont, and is available to those who fall at or below 300% of the federal poverty level (FPL).

Employer-Sponsored Insurance
Employer-Sponsored Insurance (ESI) Premium Assistance is a new program in 2007 for uninsured Vermonters. The state of Vermont is offering premium assistance to eligible employees to help them enroll in their employer-sponsored health insurance plan if all of the following criteria are met:

- The employee meets the eligibility criteria to enroll in Catamount Health or the Vermont Health Access Plan (VHAP);
- The employee's household income is under $2,6131 a month for one person (higher for larger households).*
- The employer's plan has comprehensive benefits; and
- The cost of providing premium assistance to enroll in an employer's plan is less than the cost of providing premium assistance to enroll in Catamount Health or the Vermont Health Access Plan (VHAP).

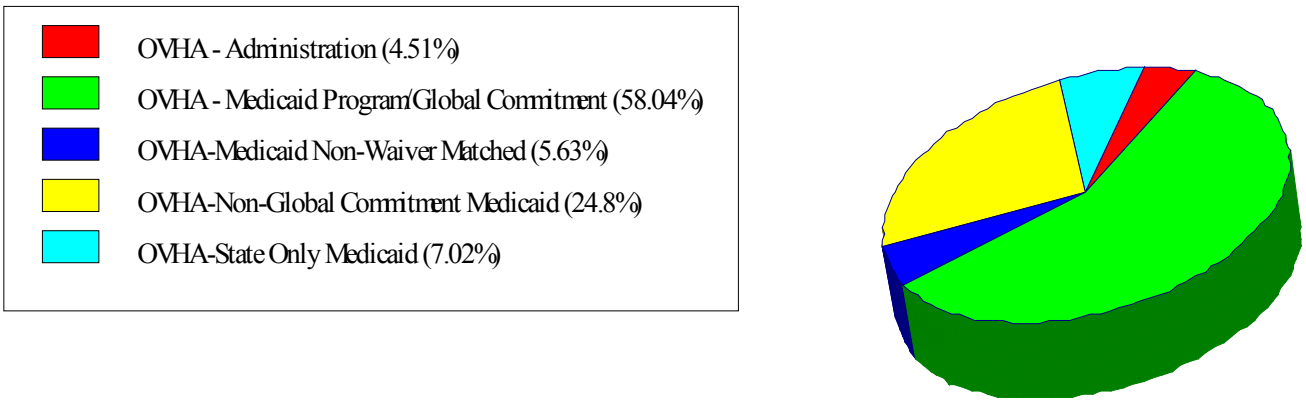
Appropriation Key Budget Issues

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

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Office of VT Health Access

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
OVHA - Administration	88	105	117	24,884,115	31,393,906	37,301,622	35,654,075
OVHA - Medicaid Program/Global	0	0	0	361,763,076	442,025,956	399,946,836	458,493,742
Commitment	0	0	0	169,388,543	187,675,107	189,793,638	195,885,710
OVHA-Non-Global Commitment	0	0	0	31,493,853	29,124,517	40,992,388	55,468,870
Medicaid	0	0	0	66,864,844	58,390,811	57,243,502	44,448,317
OVHA-State Only Medicaid							
OVHA-Medicaid Non-Waiver	88	105	117	654,394,431	748,610,297	725,277,986	789,950,714
Matched							
TOTAL				127,154,008	127,692,746	132,130,990	129,779,473
				0	0	7,534,260	20,827,098
FUND TYPE				141,684,719	147,992,502	148,424,615	145,338,440
General Fund				384,587,910	472,562,255	437,188,121	494,005,703
Special Fund				967,794	362,794	0	0
Federal Revenue Fund							
Global Commitment Fund				654,394,431	748,610,297	725,277,986	789,950,714
Interdepartmental Transfer							
TOTAL							



Appropriation Key Budget Issues

The federal government continues to impose requirements and issue decisions that impact the OVHA either fiscally, operationally or programmatically, with cascading impact on beneficiaries and providers. This coupled with state financial constraints, creates significant financial pressures in SFY '09 and beyond.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
OVHA - Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	21,828,299	28,851,926	34,316,642	32,033,668
Operating Expenses	1,969,587	1,561,980	1,966,980	2,424,407
Grants	1,086,229	980,000	1,018,000	1,196,000
TOTAL	24,884,115	31,393,906	37,301,622	35,654,075
FUND TYPE				
General Fund	216,088	50,000	47,333	75,246
Special Fund	0	0	557,083	750,582
Federal Revenue Fund	1,776,108	700,000	700,000	700,000
Global Commitment Fund	21,924,125	30,281,112	35,997,206	34,128,247
Interdepartmental Transfer	967,794	362,794	0	0
TOTAL	24,884,115	31,393,906	37,301,622	35,654,075

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
OVHA - Medicaid Program/Global Commitment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	361,763,076	442,025,956	399,946,836	458,493,742
TOTAL	361,763,076	442,025,956	399,946,836	458,493,742
FUND TYPE				
Global Commitment Fund	361,763,076	442,025,956	399,946,836	458,493,742
TOTAL	361,763,076	442,025,956	399,946,836	458,493,742

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
OVHA-Non-Global Commitment Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	169,388,543	187,675,107	189,793,638	195,885,710
TOTAL	169,388,543	187,675,107	189,793,638	195,885,710
FUND TYPE				
General Fund	70,006,081	76,928,027	77,796,413	79,627,541
Federal Revenue Fund	99,382,462	110,747,080	111,997,225	116,258,169
TOTAL	169,388,543	187,675,107	189,793,638	195,885,710

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
OVHA-State Only Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	31,493,853	29,124,517	40,992,388	55,468,870
TOTAL	31,493,853	29,124,517	40,992,388	55,468,870
FUND TYPE				
General Fund	30,593,144	28,869,330	32,771,132	34,008,640
Special Fund	0	0	6,977,177	20,076,516
Global Commitment Fund	900,709	255,187	1,244,079	1,383,714
TOTAL	31,493,853	29,124,517	40,992,388	55,468,870

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
OVHA-Medicaid Non-Waiver Matched

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	66,864,844	58,390,811	57,243,502	44,448,317
TOTAL	66,864,844	58,390,811	57,243,502	44,448,317
FUND TYPE				
General Fund	26,338,695	21,845,389	21,516,112	16,068,046
Federal Revenue Fund	40,526,149	36,545,422	35,727,390	28,380,271
TOTAL	66,864,844	58,390,811	57,243,502	44,448,317

Department Mission Statement

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

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

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

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

The Department of Health is organized into seven divisions:

Administration,
Blue Print,
Health Protection,
Health Surveillance,
Health Improvement,
Community Public Health,
Board of Medical Practice
Alcohol and Drug Abuse Programs,

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

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

The **Administration** appropriation includes:
- the Commissioner's Office (department management, public information and legal),
- Information Technology Services,
- Budget and Grants Management,

- Business Office (accounts receivable, accounts payable, payroll, support services),

The Commissioner's Office provides policy direction and guidance to staff and programs of the Department. It provides leadership in policy development, assessment, and assurance for promoting the health and safety of all Vermonters. It manages the department to ensure the efficient use of limited resources. It keeps the public informed of issues that may affect their health and wellbeing. Information Technology Services maintains a 500+ user network serving 15 sites statewide. Staff develop, support and maintain multiple and diverse 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.

The Business Office provides financial and logistical support for all departmental operations. It works to ensure that program financial management is reliable, timely, and in accordance with applicable state and federal compliance requirements. It implements internal controls as necessary and provides periodic reporting to partners.

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

.
The **Blue Print** appropriation:
The Vermont Blueprint for Health is a vision, a plan and a statewide partnership to improve health and the health care system for Vermonters. The Blueprint provides the information, tools and support that Vermonters with chronic conditions need to manage their own health - and that doctors need to keep their patients healthy. The Blueprint is working to change health care to a system focused on preventing illness and complications, rather than reacting to health emergencies.

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; childhood lead poisoning prevention program; school indoor air program; coordinates development of state asthma plan; and enforces the Clean Indoor Air Act.

The **Health Surveillance** appropriation includes:

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

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

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

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

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

The **Health Improvement** appropriation includes:

Maternal and Child Health section administers the Maternal and Child Health federal block grant, the federal family planning grant and the abstinence education grant, and it monitors and works to improve

the system of health care for women, children and families. Activities include: promoting evidence-based prevention and intervention strategies and practices; analyzing data, serving as MCH coordinators for the DCF/CDD Healthy Babies, Kids, and Families program; and collaborating with external partners and organizations.

- Children with Special Health Needs (CSHN) which provides health care and support services to children (0-21) who have complex health problems. It coordinates the School Health Initiative funded through EPSDT to promote health in coordination with school staff.

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

- Health Promotion and Chronic Disease Prevention programs, including those for Tobacco Control, which work to cut the prevalence of tobacco use by 50% by 2010 (see performance budget narrative); the Obesity control program including Fit and Healthy Kids which monitors the progress of the obesity epidemic and provides programs to improve nutrition and increase physical activity, Women's Health, including Wise Woman and Ladies First, which provide screening and health promotion services to low income women; Injury Prevention, which works 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 works to reduce the prevalence of cancer in Vermont, the Diabetes Control Program which works to assure that services and information to assure access to and quality of diabetic care, and Arthritis which addresses key primary and secondary prevention issues for arthritis.

Much of the work of this division is funded by Federal grants. The Division receives limited private funding. State funds are used to meet federal match requirements, cover costs for programs that are only partially federally funded, and begin new initiatives. Those general funds not encumbered by federal matching requirements are applied as much as possible to draw down Medicaid funds.

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

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

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

EPSDT:
The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program for children on Medicaid seeks to enhance the health of participants by assuring access to health insurance and primary care; prescribing standards for children's preventive health care and working to see that these standards are applied

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. Plans and manages training and technical assistance to develop the community substance abuse workforce.

Alcohol and Drug Abuse Treatment:
Manages and provides quality assurance for the state's substance abuse treatment system and assures regional access to substance abuse treatment. System of care includes outpatient, intensive outpatient, residential and pharmacological treatment, recovery services and transitional housing. Monitors and approves programs through site visits and ongoing technical assistance. Develops and implements treatment modalities and programs as needed. Funds treatment services for VHAP and uninsured clients. Manages and monitors Medicaid funding of treatment providers. Responsible for licensing/certification standards for substance abuse counselors. Operates the Drinking Driver Rehabilitation (CRASH) Program. Manages Student Assistance Programs. Provides technical assistance and funding to the Court Administrator's Office for development and implementation of drug court programs in family and district courts.

Alcohol and Drug Prevention:
Through staff based in district offices, develops community substance abuse prevention coalitions and programs. Collaborates with the Department of Education to help schools and colleges develop

comprehensive alcohol and drug abuse prevention programs. Provides funding for prevention programs through grants to schools and community agencies and monitors implementation and results.

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

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
Vermont State Hospital.

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

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

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

The **Administration** appropriation includes:

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

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

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

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

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

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

The **Health Protection** appropriation includes:

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

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

Radiological Health Services:

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

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

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

The **Health Surveillance** appropriation includes:

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

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

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

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

Office of the Chief Medical Examiner:
Performs autopsies and investigates unexpected or unnatural 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, the federal family planning grant and the abstinence education grant, and it monitors and works to improve the system of health care for women, children and families.

- Children with Special Health Needs (CSHN) which 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.

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

- Health Promotion and Chronic Disease Prevention programs, including those for Tobacco Control, which work to cut the prevalence of tobacco use by 50% by 2010 (see performance budget narrative); the Obesity control program including Fit and Healthy Kids which monitors the progress of the obesity epidemic and provides programs to improve nutrition and increase physical activity, Women's Health, including Wise Woman and Ladies First, which provide screening and health promotion services to low income women; Injury Prevention, which works 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 works to reduce the prevalence of cancer in Vermont, the Diabetes Control Program which works to assure that services and information to assure access to and quality of diabetic care, and Arthritis which addresses key primary and secondary prevention issues for arthritis.

Much of the work of this division is funded by Federal grants. The Division receives limited private funding. State funds are used to meet federal match requirements, cover costs for programs that are only partially federally funded, and begin new initiatives. Those general funds not encumbered by federal matching requirements are applied as much as possible to draw down Medicaid funds.

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

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

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

EPSDT:

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

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

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

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

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

Alcohol and Drug Abuse Treatment:
Manages and provides quality assurance for the state's substance abuse treatment system and assures regional access to substance abuse treatment. System of care includes outpatient, intensive outpatient, residential and pharmacological treatment, recovery services and transitional housing. Monitors and approves programs through site visits and ongoing technical assistance. Develops and implements treatment modalities and programs as needed. Funds treatment services for VHAP and uninsured clients. Manages and monitors Medicaid funding of treatment providers. Responsible for licensing/certification standards for substance abuse counselors. Operates the Drinking Driver Rehabilitation (CRASH) Program. Manages Student Assistance Programs. Provides technical assistance and funding to the Court Administrator's Office for development and implementation of drug court programs in family and district courts.

Alcohol and Drug Prevention:

Through staff based in district offices, develops community substance abuse prevention coalitions and programs. Collaborates with the Department of Education to help schools and colleges develop comprehensive alcohol and drug abuse prevention programs. Provides funding for prevention programs through grants to schools and community agencies and monitors implementation and results.

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

The Division of Mental Health provides services to adults with severe mental illness and adults with less severe emotional or behavioral problems that still disrupt their lives; children and adolescents experiencing a serious emotional disturbance and their families; and anyone who is experiencing an acute mental-health crisis. All services to individuals are provided through contracts with 10 private non-profit designated agencies and one specialized service agency located throughout the state.

Adults receive mental health services for the following reasons, including but not limited to: suicidal or homicidal behavior, extreme self-injurious behavior, severe psychoses which diminish or destroy one's ability to care for oneself in ordinary life situations, homelessness, substance abuse, marital and family distress, medical management of symptoms of mental illness, and /or need for rehabilitation and supports to restore the ability to function in the community and avoid hospitalization. Approximately 6,631 clients received these community-based mental health services in FY2006.

In addition, approximately 9,812 children and adolescents and their families received community-based mental health services in FY2006. These children and adolescents either experience a severe emotional disturbance or are at substantial risk for developing a severe disturbance. They include youth who exhibit behavioral, emotional, or social impairment that disrupts academic or developmental progress or family or interpersonal relationships. They fall into at least one of three categories: (1) exhibit seriously impaired contact with reality and severely impaired social, academic and self-care functioning; (2) classified as management or conduct disordered because they manifest long-term behavior problems (e.g., aggressiveness, anti-social acts, suicidal behavior, substance abuse); (3) suffer serious discomfort from anxiety, depression, or irrational fears whose symptoms may be exhibited as serious eating and sleeping disturbance, or persistent refusal to attend school.

The contracted designated agencies also operate mental health Emergency Services programs which are available 24 hours a day, seven days a week, responding to any individual experiencing a mental health crisis and to communities following natural disasters, accidental deaths, suicides, and other traumatic events. Emergency programs also screen situations to determine if there is a need for admission into involuntary and / or acute-care arrangements. Approximately 4,208 Vermonters were served through these Emergency programs in 2006.

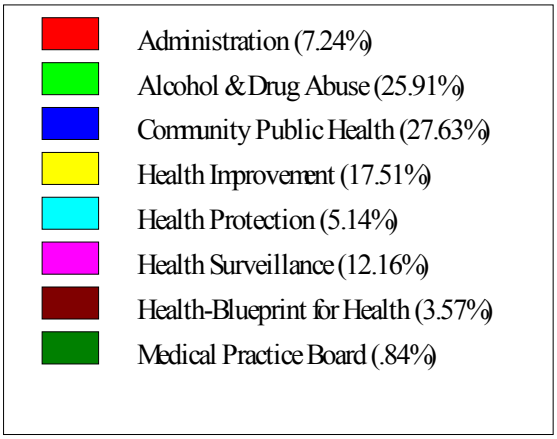
The **Vermont State Hospital** appropriation funds:

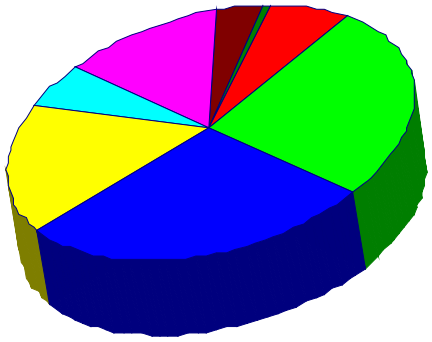
The Vermont State Hospital (VSH) has 54 licensed beds and is Vermont's only public psychiatric inpatient facility. Inpatient services are for involuntary emergency examinations and commitments in which adults have become dangerous to themselves or others, or for psychiatric evaluations of competency to stand trial in criminal cases. During FY2006, VSH had 215 admissions and served 216 clients with an average daily census of 48.

The **Board of Medical Practice** appropriation funds:
The Board of Medical Practice 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 Health Department, using Board-generated fee revenues, is required by law to create and maintain individual profiles on all health care professionals licensed, certified, or registered by the Board and to make these profiles available to the public on a website. The Department 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.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration	96	90	90	8,368,140	7,942,413	8,628,355	8,871,033
Health-Blueprint for Health	0	0	0	4,012,161	4,807,708	4,908,404	4,373,745
Health Protection	47	47	47	5,873,628	6,520,601	6,517,943	6,290,704
Health Surveillance	133	132	132	16,199,610	14,706,510	14,706,131	14,889,716
Health Improvement	78	79	79	19,681,881	21,191,541	21,305,534	21,441,755
Community Public Health	210	208	208	29,158,319	38,158,180	33,131,387	33,830,998
Alcohol & Drug Abuse	40	42	42	25,574,188	31,170,337	31,918,978	31,727,332
Medical Practice Board	6	6	6	768,066	1,025,009	1,025,009	1,033,317
TOTAL	610	604	604	109,635,993	125,522,299	122,141,741	122,458,600
FUND TYPE							
General Fund				10,655,820	7,910,215	9,644,766	9,491,005
Special Fund				10,312,634	18,756,626	15,756,626	15,786,331
Federal Revenue Fund				46,487,361	50,305,704	52,180,704	51,411,346
Permanent Trust Fund				10,000	10,000	10,000	10,000
Global Commitment Fund				41,369,633	47,795,275	43,737,166	44,945,787
Interdepartmental Transfer				800,545	744,479	812,479	814,131
TOTAL				109,635,993	125,522,299	122,141,741	122,458,600


Administration (7.24%)
Alcohol & Drug Abuse (25.91%)
Community Public Health (27.63%)
Health Improvement (17.51%)
Health Protection (5.14%)
Health Surveillance (12.16%)
Health-Blueprint for Health (3.57%)
Medical Practice Board (.84%)



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	5,650,403	5,623,417	6,309,359	6,288,145
Operating Expenses	2,120,445	2,268,996	2,268,996	2,582,888
Grants	594,339	50,000	50,000	0
Other Financing Uses Budget	2,953	0	0	0
TOTAL	8,368,140	7,942,413	8,628,355	8,871,033
FUND TYPE				
General Fund	694,306	0	234,976	480,283
Special Fund	103,105	24,525	24,525	24,743
Federal Revenue Fund	5,824,349	6,101,179	6,101,179	6,043,287
Global Commitment Fund	1,610,381	1,812,709	2,195,675	2,250,720
Interdepartmental Transfer	135,999	4,000	72,000	72,000
TOTAL	8,368,140	7,942,413	8,628,355	8,871,033

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Health-Blueprint for Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,193,259	2,851,522	3,379,629	2,588,970
Operating Expenses	1,539,595	385,783	63,273	63,273
Grants	1,279,307	1,570,403	1,465,502	1,721,502
TOTAL	4,012,161	4,807,708	4,908,404	4,373,745
FUND TYPE				
General Fund	807,095	0	488,091	0
Special Fund	0	1,846,713	1,846,713	1,846,713
Federal Revenue Fund	0	27,597	27,597	27,870
Global Commitment Fund	3,205,066	2,933,398	2,546,003	2,499,162
TOTAL	4,012,161	4,807,708	4,908,404	4,373,745

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,105,388	3,974,089	3,972,116	3,744,590
Operating Expenses	644,563	757,012	756,327	756,614
Grants	2,123,677	1,789,500	1,789,500	1,789,500
TOTAL	5,873,628	6,520,601	6,517,943	6,290,704
FUND TYPE				
General Fund	174,505	445,730	443,072	476,915
Special Fund	917,157	1,313,121	1,313,121	1,321,929
Federal Revenue Fund	4,072,636	4,210,313	4,210,313	3,931,805
Global Commitment Fund	406,329	147,502	147,502	154,930
Interdepartmental Transfer	303,001	403,935	403,935	405,125
TOTAL	5,873,628	6,520,601	6,517,943	6,290,704

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	9,518,856	9,710,579	9,704,774	9,850,677
Operating Expenses	3,867,600	2,471,432	2,463,198	2,514,540
Grants	2,622,574	2,524,499	2,538,159	2,524,499
Other Financing Uses Budget	190,580	0	0	0
TOTAL	16,199,610	14,706,510	14,706,131	14,889,716
FUND TYPE				
General Fund	2,707,255	1,901,636	2,251,257	2,366,707
Special Fund	1,535,654	1,307,500	1,307,500	1,315,130
Federal Revenue Fund	9,286,633	8,923,937	8,923,937	8,937,692
Permanent Trust Fund	10,000	10,000	10,000	10,000
Global Commitment Fund	2,575,524	2,498,893	2,148,893	2,195,643
Interdepartmental Transfer	84,544	64,544	64,544	64,544
TOTAL	16,199,610	14,706,510	14,706,131	14,889,716

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	7,203,696	8,051,727	8,045,318	8,166,759
Operating Expenses	909,736	1,038,409	1,025,811	1,037,591
Grants	10,258,605	12,101,405	12,234,405	12,237,405
Other Financing Uses Budget	1,309,844	0	0	0
TOTAL	19,681,881	21,191,541	21,305,534	21,441,755
FUND TYPE				
General Fund	2,423,412	1,432,640	1,339,633	1,758,652
Special Fund	4,241,284	3,510,025	3,510,025	3,515,852
Federal Revenue Fund	6,921,730	8,251,158	8,251,158	8,084,407
Global Commitment Fund	6,090,456	7,990,718	8,197,718	8,075,844
Interdepartmental Transfer	4,999	7,000	7,000	7,000
TOTAL	19,681,881	21,191,541	21,305,534	21,441,755

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	12,350,566	14,449,064	12,136,091	11,456,786
Operating Expenses	2,331,900	2,127,292	2,228,492	2,546,371
Grants	14,171,193	21,581,824	18,766,804	19,827,841
Other Financing Uses Budget	304,660	0	0	0
TOTAL	29,158,319	38,158,180	33,131,387	33,830,998
FUND TYPE				
General Fund	1,096,954	900,638	919,525	864,574
Special Fund	347,168	7,231,400	4,231,400	4,232,856
Federal Revenue Fund	15,127,966	14,080,223	15,955,223	15,698,074
Global Commitment Fund	12,464,229	15,830,919	11,910,239	12,920,032
Interdepartmental Transfer	122,002	115,000	115,000	115,462
TOTAL	29,158,319	38,158,180	33,131,387	33,830,998

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	4,957,578	9,360,208	3,358,376	3,372,335
Operating Expenses	568,719	1,097,983	1,097,623	811,106
Grants	20,046,891	20,712,146	27,462,979	27,543,891
Other Financing Uses Budget	1,000	0	0	0
TOTAL	25,574,188	31,170,337	31,918,978	31,727,332
FUND TYPE				
General Fund	2,752,293	3,229,571	3,968,212	3,543,874
Special Fund	2,589,505	2,618,333	2,618,333	2,619,044
Federal Revenue Fund	5,254,047	8,711,297	8,711,297	8,688,211
Global Commitment Fund	14,828,343	16,461,136	16,471,136	16,726,203
Interdepartmental Transfer	150,000	150,000	150,000	150,000
TOTAL	25,574,188	31,170,337	31,918,978	31,727,332

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Medical Practice Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	633,487	617,224	617,224	625,532
Operating Expenses	134,580	407,785	407,785	407,785
Grants	(1)	0	0	0
TOTAL	768,066	1,025,009	1,025,009	1,033,317
FUND TYPE				
Special Fund	578,761	905,009	905,009	910,064
Global Commitment Fund	189,305	120,000	120,000	123,253
TOTAL	768,066	1,025,009	1,025,009	1,033,317

Department Mission Statement

The Department for Children and Families, as part of an integrated Agency of Human Services, fosters the healthy development, safety, well-being, and self-sufficiency of Vermonters.

We are passionate about prevention and will:

- Reduce poverty and homelessness;
- Improve the safety and well-being of children and families;
- Create permanent connections for children and youth; and
- Provide timely and accurate financial supports for children, individuals, and families.

Description of Appropriations, Divisions, & Programs

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

Child Development Division (CDD). CDD supports the well being of Vermont's children through the development and provision of comprehensive child development services for children and their families from pre-birth to age sixteen. The Division consists of the following six units: Licensing, Subsidy, Workforce Development, Operations, Early Childhood and Afterschool Systems of Care, and Children's Integrated Early Intervention 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 provides both benefits and services to low income Vermonters. ESD consists of the following programs: Reach Up, Aid to the Aged, Blind, & Disabled (AABD), Health Care eligibility, Home Heating Assistance (LIHEAP), Food & Nutrition, Essential Person, Telephone Lifeline, General and Emergency Assistance

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 developmental well being of Vermont's children by ensuring access to high quality, economically viable, child development services. The goals for the division include promoting school readiness and life long success for Vermont's children and youth thereby reducing the need for more costly, long term social, education, economic and correction services. The CDD works in partnership with a network of community based providers to ensure a continuum of early childhood and after-school services are available throughout Vermont. Direct services for children and families include regulated early childhood and afterschool programs, early intervention services for at risk children, resource and referral for families, and parent education and family support services. The division also provides technical assistance and professional development opportunities to the early childhood and afterschool workforce in the state.

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 including afterschool programs, family child care homes and certified legally exempt providers in

Vermont. There are currently 642 Licensed Centers, 1,094 Registered Homes and 1,030 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 also part of this unit.

Children's Integrated Early Intervention Services: This unit brings together early intervention and primary prevention services to build a more seamless continuum of services for children and families. The immediate goal is to merge three early intervention programs into a holistic approach for service delivery that utilizes a primary interventionist model. Each AHS region is currently involved in the planning and implementation of this new service approach. The programs included in this work to date are:

The Healthy Babies, Kids & Families program which provides home visiting, nursing and family support services to pregnant women and children up to 6 who are receiving Medicaid benefits. Over 5,000 women and children are served annually through this program.

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 700 active participants at any given time with over 1,200 children served through the course of a year.

The CUPS Program which is the main vehicle for providing early childhood mental health services in Vermont. CUPS provides direct therapeutic services to about 600 children and provides consultation services to several hundred early childhood programs annually.

Subsidy: The Subsidy Unit manages the child care tuition 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 including all early childhood and afterschool program. Major initiatives include promoting the ongoing professional development of the workforce through the Northern Lights Career Development Center, promoting increased quality through the Step Ahead Recognition System (STARS) and the expansion of infant/toddler and school age services through initiatives targeted to each age group.

Early Childhood and Afterschool Systems of Care: This unit supports external work with community, state and federal partners to establish, sustain and enhance the infrastructure and direct service capacity for 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 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,
Parent Child Centers; and
Success by Six

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.

Transition services: Services to support the successful transition of youth in custody to adulthood, including training and support services through the Youth Development program, housing supports, extended foster care, and financial assistance with post-secondary training. Services are available to the young adults 22nd birthday.

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.

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, single 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 by providing assistance-to-work services, health care coverage, cash assistance and food support.

ESD programs serves about 150,000 low to moderate income people at any given time during the year. More than one in five Vermonters will receive benefits or services from these programs.

Reach Up Program- On average around 4500 Families with children who are unable to provide for themselves as a result of family breakup, single parenthood, temporary or permanent disability, unemployment, or low-wage employment, receive cash assistance, case management, other help so that they can become self sufficient. Families receiving Reach Up are provided with Medicaid coverage and approximately nine out of ten receive Food Stamps. General funds are required to receive the federal TANF state block grant. Reach Up supports participants in program activities such as basic education, work experience, occupational training, parenting, Postsecondary Education, job readiness and job search. Reach Up also provides support services to help participants with the cost of child care, transportation and other work related expenses.

In FY 2009, the estimated average Reach Up caseload is expected to be 11,004 participants a month.

Aid to the Aged, Blind, & Disabled (AABD) - The AABD appropriation funds the State Supplement to federal Supplemental Security Income (SSI) benefits Vermonters receive from the Social Security Administration. The majority of recipients live independently in the community, and the remainder lives in community or residential care homes. This appropriation also funds the Essential Person Program that provides cash assistance to needy household members, in many instances the SSI recipient's spouse,

who is 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 2009 the estimated average AABD caseload is expected to be 13,900 recipients a month and the Essential Person Program caseload should be approximately 185 households a month.

General Assistance - General Assistance/Emergency Assistance (GA/EA) programs are emergency financial assistance and services for eligible individuals and families. People may qualify for GA/EA in two ways: by meeting either the non-catastrophic or the catastrophic rules.

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

Most of the GA/EA funds are used for housing needs however some are used for burial costs for the poor. Vermonters who are homeless or about to lose their home may receive financial assistance if eligible for temporary housing or back rent.

ESD has been given authorization by the Legislature to run three district pilots to try out new approaches to serving those seeking housing assistance. ESD is requesting in the SFY 08 Budget Adjustment Act authority to expand pilots to the Burlington and Rutland Districts.

In an effort to control cost, ESD is implementing two projects. The first will shift the increasing number of homeless from temporary placements in motels to apartments. ESD will work with community based organizations to obtain the apartments. The cost of putting people in apartments is about half the cost of motels.

ESD has joined with SEOO and Voc. Rehabilitation Division to address the large number of regular GA recipients who are SSI applicants. The SSI application process is extremely complex and by providing specialized services, ESD hopes to shorten the time it takes for these GA recipients to get through the process.

GA is funded from General Funds and EA from federal TANF block grant.

In FY 2009 the estimated average GA caseload is expected to be 2100 recipients per month.

Food & Nutrition Program - The Food & Nutrition Program otherwise known as food stamps provides help in purchasing food for low income households. The Federal Government pays the full costs of food stamp benefits which can be used to purchase nutritious foods such as meat, dairy products, fruits and vegetables, but not items such as soap, tobacco or alcohol.

Vermont provides "cash-out" food stamp benefits for households in which everyone is either 65 or older or an SSI recipient.

In FY 2009 the estimated Food Stamp caseload should be 55,000 recipients a month if previous years' trends continue. These numbers could be higher depending on the success of aggressive outreach and program redesign strategies under consideration to boost participation rates and improve program access.

Vermont has received two cash bonuses from the Federal Government for high performance. One was for most improved negative error rate and the other was for increased participation.

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.

These payments are not intended to meet the total cost of heating the home, but rather to provide supplemental assistance to households that qualify. If the cost of home energy continues to rise, the seasonal fuel assistance caseload is expected to increase in the 2008/2009 heating season.

The crisis component of the program was also able to help approximately 4870 households avert a heating emergency.

The fuel program is funded from both General and federal funds.

In FY 2009 the average seasonal Fuel assistance caseload is estimated to be 23,750 households for the season.

Health Care Programs

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, implemented on January 1, 2006, has had 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.

Citizenship: In the Deficit Reduction Act passed in February, 2006, Congress mandated a new verification requirement for Medicaid applicants and beneficiaries. The law now requires most US citizens who apply for or receive Medicaid to present documentary evidence of their citizenship status and identity. Medicaid applicants and beneficiaries who also receive Supplemental Security Income (SSI) or Medicare are exempt from the requirement, as they had to prove citizenship and identity when they applied for those federal programs. A bill awaiting the President's signature would also extend the exemption to those who receive Social Security Disability Income (SSDI), foster children, and recipients of Title IV-E adoption assistance.

Premium Assistance Programs: Act 191 passed during the 2006/2007 legislative session created premium assistance programs for Employer-Sponsored Insurance (ESI) and Catamount Health. Catamount Health is the new private insurance product that will be offered by one or more of Vermont's largest carriers to uninsured Vermonters. Premium assistance programs are intended to allow more uninsured Vermonters to obtain affordable and comprehensive health care coverage. The ESI component of premium assistance has the potential of saving several million dollars each year in VHAP expenditures.

This initiative will result in the transition of some VHAP beneficiaries to the ESI program and an increase in health care program applicants through the Economic Services Division. It also creates a new level of complexity in eligibility determination and administration of the program. We have been working collaboratively with OVHA, to develop the system design, rules, notices and related information for these new programs. Thus far, work on this new initiative is proceeding on schedule.

Medical support from non-custodial parents: Pursuing medical support from non-custodial 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 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.

Modernization of Vermont's Enterprise: The Economic Services Division (ESD) is deeply involved in an agency-wide project called "Modernization of Vermont's Enterprise" (MOVE). MOVE is developing a new Medicaid eligibility determination information technology system. We plan to complete system procurement by July 2009 and to implement by December 2010.

Field Services Division

Program Focus:

The Field Services Division was created through the reorganization of the Agency of Human Services in FY2005 for the purpose of maximizing the effectiveness of human services provision across 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 consumer groups to design and implement coordinated, innovative solutions to human services challenges with a focus on the ten outcomes identified by 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 in partnership with communities to promote healthy individuals and families.

Preventing Crises: Providing support to individuals and families as early as possible to avert crisis and 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 relationships across communities and service sectors.

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: Enabling consumer voice in quality assessment and system and program improvements. 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:

Historically the human services system in Vermont, as in other states, has been organized around particular human problems. There are departments, divisions, and units dedicated to economic problems, substance abuse, mental health, public health, child abuse, corrections, physical disabilities, developmental disabilities, aging, and other disabilities and circumstances. In many of these focus areas, Vermont's programs have been exceptional, among the best in the country. There have also been a number of initiatives in recent years that have encouraged collaboration across specialized programs. Despite all of this good work, various indicators continued to demonstrate the shortcomings of a system built primarily around programmatic silos.

Leading up to May 2004, when the Legislature authorized the Agency of Human Services to reorganize, eighteen months of inquiry produced a large body of information from citizens throughout Vermont, indicating that despite specific programs that provided excellent services and results, there were serious issues for consumers around respect, access, and service coordination. In addition, it was realized that Vermont needed to focus on addressing problems earlier. The Field Services Division was created to concentrate on all of these issues.

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:

Twelve 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 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: a position in each district which is designed to offer service coordination to those individuals or families with complex needs who do not otherwise have access to

this function; to assist existing teams in identifying a lead case manager 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 Navigators: a position designed to offer support to service participants from someone who has experienced the system first-hand and who can assist with access and navigation through the complexities of the human service landscape.

Office of Disability Determination Services

Program Focus/Population Served:

DDS serves the public by making prompt, regulation-compliant decisions of medical eligibility for disability benefits under Social Security and Supplemental Security Income (SSI). All funds expended by DDS to process Social Security and SSI disability claims are 100% federally reimbursed. A small part of the DDS workload (7.8% in Federal Fiscal Year 2007) involves medical eligibility for Medicaid based on the regulatory definition of SSI disability, including Katie Beckett Medicaid waiver level-of-care determinations for children.

Office of Child Support

Program Focus:

The Office of Child Support (OCS) manages the Vermont child support program under Title IV-D of the Social Security Act by enforcing ordered child support obligations, establishing child support, medical support, parentage orders, and locating missing non-custodial parents. Title IV-D requires that states have child support programs. OCS is the sole organization in the State of Vermont responsible for the child support program - one mission, one program. Ultimately, Vermont OCS is required by law to perform the complete array of our existing services regardless of budgetary circumstances.

OCS was funded with approximately $2.5 million in general fund for SFY 08 and it is anticipated that the $2.5 M will generate child support collections of $55.8 million for families or as recovery of welfare expenditures. By maximizing federal reimbursements, as well as federal incentives awarded for meeting or exceeding performance benchmarks, OCS has remained a highly productive organization where modest General Fund investment generates a substantial return ($55.8 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. 46% of families served by OCS have 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 (70%), although typically low income, are not receiving TANF

benefits. While TANF caseloads may be declining (30% of OCS families), OCS provides an income support to the former-TANF families for many years to come.

In addition to child support, OCS obtains medical insurance provisions in court orders. When parents provide medical insurance, public medical insurance program expenditures can be avoided. Nationally, child support organizations are seen as a key partner in the challenge of providing medical coverage.

Office of 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, which provides support for community-based organizations engaged in a variety of anti-poverty efforts.

WEATHERIZATION SERVICES, a statewide program that works to reduce the energy costs for low-income families, particularly for the elderly, people with disabilities, and children.

HOMELESS SERVICES, which provides multiple grants and technical support to community non-profits engaged in sheltering the homeless, homelessness prevention, and moving families and individuals towards permanent housing.

ASSET DEVELOPMENT:

- The Micro Business Development Program operated by Community Action Agencies, which promotes self-employment and business opportunities for low-income Vermonters through Job Start loans, business planning and technical assistance.
- Individual Development Accounts, a matched savings program which enables low-income Vermonters to move out of poverty through investment in their education, employment or home-ownership.

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 2007, Vermont CAA's provided direct services to nearly 40,000 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 persons who are homeless or at risk of homelessness. In SFY 2007, 3463 individuals including 888 children 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 2007, nearly 1006 new businesses were started, and approximately 150 new full- and part-time 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 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. In 2007, of approximately 275 savers, 250 met their savings goal (90%) and the amount of aggregated savings was close to$80,000.

VERMONT WEATHERIZATION PROGRAM

Mission:

To reduce the energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency and comfort of their homes while ensuring their health and safety.

History:

The Vermont Weatherization Program was started in 1976 in response to a national energy crisis. Funding for the early days of the program was provided solely by the US Department of Energy (USDOE). This changed in 1990 when the State of Vermont Legislature introduced and passed bill H.832 which established the Vermont Weatherization Trust Fund (WTF). The WTF provides state funding for weatherization through a one half percent gross receipts tax on all non-transportation fuels sold in the state. The WTF stabilized the funding, infrastructure and technical capacity of the program. It also allowed Vermont to raise the average cost per job for more comprehensive work. Current funding for weatherization in Vermont, about $8.2 million annually, is comprised 83% from state funds and 17% from USDOE.

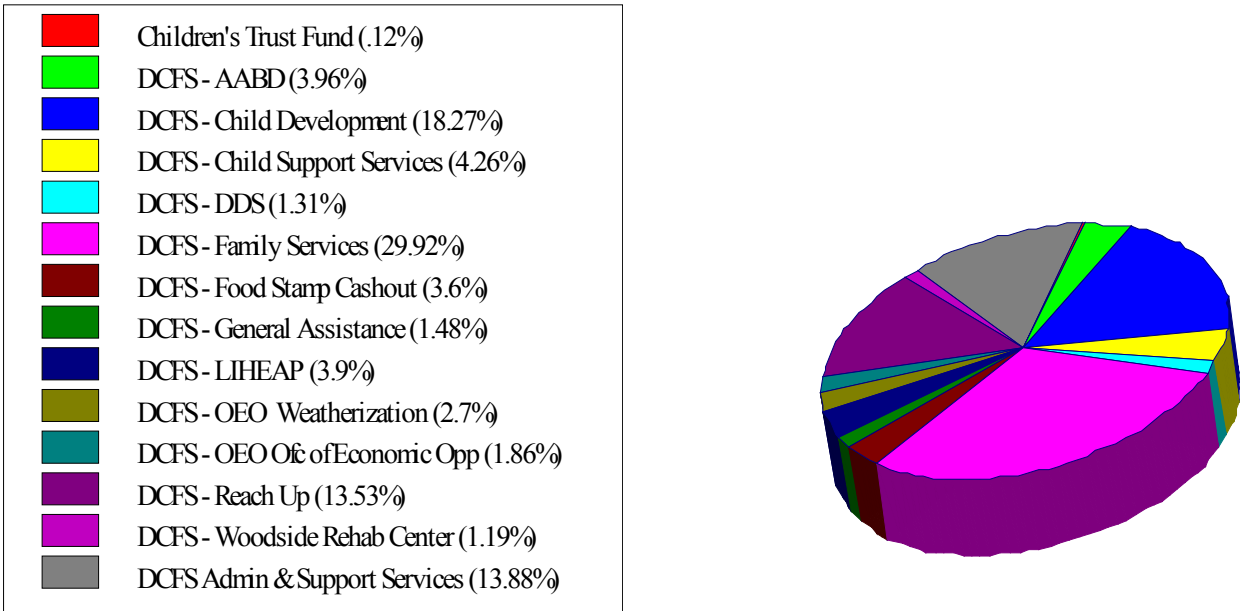
Services Available to Income-Eligible People Include:

- 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 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
DCFS Admin & Support Services	445	462	434	40,540,330	40,993,971	44,266,261	41,282,742
DCFS - Family Services	289	293	290	78,035,995	86,673,409	87,505,701	88,981,328
DCFS - Child Development	41	43	41	51,265,846	52,335,703	54,416,700	54,344,476
DCFS - Child Support Services	134	134	130	12,149,995	12,824,960	12,399,909	12,658,366
DCFS - AABD	0	0	0	11,260,092	11,362,279	11,550,832	11,790,589
DCFS - General Assistance	0	0	0	4,909,745	4,376,259	4,676,259	4,401,516
DCFS - Food Stamp Cashout	0	0	0	10,267,198	11,288,833	11,288,833	10,710,133
DCFS - Reach Up	0	0	0	40,413,275	39,205,606	42,542,772	40,248,530
DCFS - LIHEAP	0	0	0	20,841,294	10,256,117	20,380,464	11,612,664
DCFS - OEO Ofc of Economic Opp	4	3	3	4,875,975	5,557,741	5,581,751	5,546,558
DCFS - OEO Weatherization	2	2	2	7,927,273	8,024,481	8,024,121	8,032,627
DCFS - Woodside Rehab Center	33	33	33	3,127,109	3,256,823	3,537,943	3,548,725
DCFS - DDS	30	30	30	3,275,384	3,796,246	3,787,868	3,904,792
Children's Trust Fund	0	0	0	408,673	340,891	359,270	345,891
TOTAL	978	1,000	963	289,298,184	290,293,319	310,318,684	297,408,937
FUND TYPE							
General Fund				78,790,551	80,253,588	90,071,037	84,717,124
Special Fund				30,560,291	39,684,080	42,860,453	40,743,519
Federal Revenue Fund				120,174,971	105,629,332	108,497,036	104,046,353
Global Commitment Fund				56,038,969	61,969,929	67,063,118	67,015,569
Interdepartmental Transfer				3,733,402	2,756,390	1,827,040	886,372
TOTAL				289,298,184	290,293,319	310,318,684	297,408,937

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Children and Family Services



Appropriation Key Budget Issues

Implementing Legislative changes to Reach Up: The State Legislature passed major revisions to the Reach Up Program in 2007. These revisions include several strategies to meet new Federal Work Participation Rates. The program and resource implications of these changes are significant. ESD is making every effort to improve Reach Up outcomes though program evaluation, implementing Reach First and the reallocation of resources to fulfill the state's new Work Participation Rate obligations to avoid Federal fiscal penalties.

An additional challenge has been the increase in the Reach Up caseload over the last year which has put pressure on funds allocated to Reach Up benefits.

Exploration of Food Stamp Call Centers: ESD is researching and exploring ways to simplify and streamline Food Stamp Program administration by redesigning and modernizing its FSP eligibility determination and change tracking processes. The primary initiatives under consideration are the development and implementation of a Call Center model, web-based application process, and document imaging and indexing system.

Although eligibility modernization is primarily a Food Stamp initiative, ESD entire range of integrated program eligibility systems will benefit from its implementation.

Increased applications for Catamount Health: The new Premium Assistance Programs have significantly increased health care coverage in Vermont. ESD has a major role in determining eligibility. The State is actively recruiting new participants through a marketing campaign.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	31,563,787	33,748,978	36,097,854	33,227,280
Operating Expenses	7,800,402	6,094,778	6,644,898	6,655,247
Grants	1,176,141	1,150,215	1,523,509	1,400,215
TOTAL	40,540,330	40,993,971	44,266,261	41,282,742
FUND TYPE				
General Fund	11,448,029	12,377,866	11,753,358	12,372,107
Special Fund	0	0	928,798	560,036
Federal Revenue Fund	14,448,967	14,815,041	13,923,395	13,651,708
Global Commitment Fund	12,841,829	12,890,508	17,432,987	14,698,891
Interdepartmental Transfer	1,801,505	910,556	227,723	0
TOTAL	40,540,330	40,993,971	44,266,261	41,282,742

Appropriation Key Budget Issues

Increases in substance abuse and domestic violence in Vermont negatively affect children, youth and families - and precipitate DCF intervention. Often, these families' circumstances result in a neglect or risk of harm substantiation.

Implementation of due process requirements for individuals whose names may be placed on the state child abuse and neglect registry - required, but not funded by the legislature in 2007 - has required the hiring of ten full and part time independent reviewers, and one additional state position.

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. In addition, the population of children in foster care continues to become older - over 60% are twelve and older. Overall, the percent of children in custody who require residential care is growing.

IV-E eligibility and receipts are stable, as the federal government has "frozen" income standards at 1996 ANFC limits. In addition, the federal government has issued a number of regulations which threaten our federal receipts, especially for targeted case management.

Changing family demographics, with more two-parent families working outside the home, make it challenging to assure that there are adequate numbers of resource families with the necessary skills to nurture children with complex behaviors and needs.

Currently, the division provides supports to nearly 1500 adopted children with special needs. These children, adopted at an older age, continue to need supportive services after adoption, which have not kept pace with caseload.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	18,732,150	20,267,158	20,284,613	21,476,718
Operating Expenses	2,955,576	3,118,322	3,458,481	3,330,327
Grants	56,348,269	63,287,929	63,762,607	64,174,283
TOTAL	78,035,995	86,673,409	87,505,701	88,981,328
FUND TYPE				
General Fund	15,292,391	16,270,209	17,072,836	17,327,961
Special Fund	1,829,606	1,831,152	1,831,152	2,031,152
Federal Revenue Fund	24,207,785	26,059,058	27,416,491	25,669,650
Global Commitment Fund	35,959,712	41,832,990	40,505,222	43,690,692
Interdepartmental Transfer	746,501	680,000	680,000	261,873
TOTAL	78,035,995	86,673,409	87,505,701	88,981,328

Appropriation Key Budget Issues

Changing Federal Requirements:
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, ongoing requirements for assessing all children and tracking outcomes for all children and families served by the FIT program, and increasing number of children on the caseload, including growing numbers of children with autism will continue to require additional resources for provision of the entitled direct services and for the development and management of the data systems.

The increased work participation requirements under TANF is resulting in an increased demand for subsidized child care as families receiving TANF benefits are working additional hours that require their children to be in out of home care.

The federal Improper Payment Act for the Child Care Subsidy program is having an immediate impact on Vermont. The state was notified in May of 2007 that we would be in wave one for this federal initiative that is designed to establish a national error rate for the program. Implementation began on October 1, 2007. One additional position was approved to assist with this major work requirement that includes a comprehensive file review of 276 cases to be completed by March 2008 with a report submitted by June, 2008. Once the reviews are complete, an error rate is established and Vermont will then have to develop a corrective action plan to address errors/deficiencies. The long term potential of losing some federal Child Care Development Funds as a result of the Improper Payment Act is a real possibility.

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 to advise 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 has resulted in a negative financial impact both on the families in the subsidy program and the families who are not currently eligible for any assistance but would be if Vermont used current poverty and state median income guidelines for determining eligibility for this program. This situation directly impact the children in these families as families often are left making less than desirable choices for care for their children based on finances alone. We must vigorously address this issue in order to ensure the subsidy program offers a reasonable level of support to low income working families so they can enroll their children in appropriate child development programs that fosters healthy growth and development while the children are out of the direct care of their families and to be in compliance with the requirements for the Federal Child Care Development Fund.

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.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - Child Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,286,709	2,943,906	3,252,140	3,338,891
Operating Expenses	635,005	762,228	770,703	843,660
Grants	47,344,132	48,629,569	50,393,857	50,161,925
TOTAL	51,265,846	52,335,703	54,416,700	54,344,476
FUND TYPE				
General Fund	20,170,620	21,585,001	21,649,859	22,326,089
Special Fund	1,007,515	865,000	865,000	865,000
Federal Revenue Fund	26,780,600	26,619,204	26,887,697	26,724,411
Global Commitment Fund	3,147,499	3,040,746	4,788,392	4,289,469
Interdepartmental Transfer	159,612	225,752	225,752	139,507
TOTAL	51,265,846	52,335,703	54,416,700	54,344,476

Appropriation Key Budget Issues

Vermont continues to see reductions in federal incentives.

1. The Deficit Reduction Act ’05 eliminated the state’s ability to receive 66% match on federal incentive payments. This amounts to approximately a 19% cut in federal funds. However, in SFY’08, OCS received nine months additional GF to cover this loss. SFY’09 includes the budget request to include the remaining three month of lost federal funding in the OCS budget.

2. A capped incentive funding pool is shared by all states. All states compete for monies from the capped incentive pool. Thus, while Vermont’s performance remains high, 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.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - Child Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	8,201,498	9,027,353	8,536,427	8,768,046
Operating Expenses	3,948,497	3,797,607	3,863,482	3,890,320
TOTAL	12,149,995	12,824,960	12,399,909	12,658,366
FUND TYPE				
General Fund	2,190,076	2,535,052	2,402,587	2,690,872
Special Fund	122,321	455,718	456,293	455,718
Federal Revenue Fund	9,391,916	9,446,590	9,153,429	9,124,176
Interdepartmental Transfer	445,682	387,600	387,600	387,600
TOTAL	12,149,995	12,824,960	12,399,909	12,658,366

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - AABD

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,583,230	1,570,699	1,396,296	1,596,276
Grants	9,676,862	9,791,580	10,154,536	10,194,313
TOTAL	11,260,092	11,362,279	11,550,832	11,790,589
FUND TYPE				
General Fund	7,510,092	7,612,279	7,800,832	8,040,589
Global Commitment Fund	3,750,000	3,750,000	3,750,000	3,750,000
TOTAL	11,260,092	11,362,279	11,550,832	11,790,589

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - General Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	4,909,745	4,376,259	4,676,259	4,401,516
TOTAL	4,909,745	4,376,259	4,676,259	4,401,516
FUND TYPE				
General Fund	3,061,739	2,854,939	3,224,939	2,950,196
Special Fund	20,295	0	0	0
Federal Revenue Fund	1,487,782	1,111,320	1,111,320	1,111,320
Global Commitment Fund	339,929	410,000	340,000	340,000
TOTAL	4,909,745	4,376,259	4,676,259	4,401,516

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - Food Stamp Cashout

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	10,267,198	11,288,833	11,288,833	10,710,133
TOTAL	10,267,198	11,288,833	11,288,833	10,710,133
FUND TYPE				
Federal Revenue Fund	10,267,198	11,288,833	11,288,833	10,710,133
TOTAL	10,267,198	11,288,833	11,288,833	10,710,133

Appropriation Key Budget Issues

After experiencing several years of caseload reductions, the Reach Up appropriation caseload has increased during the last year which has put pressure on funds allocated to Reach Up benefits. This challenge will require changes in policy, program and practice.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - Reach Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Operating Expenses	130,387	0	0	0
Grants	40,282,888	39,205,606	42,542,772	40,248,530
TOTAL	40,413,275	39,205,606	42,542,772	40,248,530
FUND TYPE				
General Fund	12,689,739	12,677,114	14,858,771	13,765,723
Special Fund	2,200,000	19,403,000	18,200,000	18,200,000
Federal Revenue Fund	25,523,536	7,079,807	9,484,001	8,282,807
Global Commitment Fund	0	45,685	0	0
TOTAL	40,413,275	39,205,606	42,542,772	40,248,530

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - LIHEAP

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	19,594	20,000	20,000	20,000
Operating Expenses	125,040	90,000	90,000	90,000
Grants	20,696,660	10,146,117	20,270,464	11,502,664
TOTAL	20,841,294	10,256,117	20,380,464	11,612,664
FUND TYPE				
General Fund	2,371,253	0	6,674,347	0
Special Fund	18,470,041	10,256,117	13,706,117	11,612,664
TOTAL	20,841,294	10,256,117	20,380,464	11,612,664

Appropriation Key Budget Issues

Homelessness plagues many Vermonters. Families with children are found in increasing numbers in homeless shelters. Homeless shelters, Community Action Agencies and other service providers struggle to find decent housing - at any price - for the large number of working, but homeless, families. Living in shelters and being homeless has a negative effect on children. As shelters reach capacity, more and more Vermonters are turned away, ultimately living on the streets or on someone's couch. Transitional housing with supportive services can alleviate some of this pressure.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	211,401	223,699	223,110	235,441
Operating Expenses	53,101	80,705	81,113	81,555
Grants	4,611,473	5,253,337	5,277,528	5,229,562
TOTAL	4,875,975	5,557,741	5,581,751	5,546,558
FUND TYPE				
General Fund	917,600	1,038,546	1,038,365	1,649,103
Special Fund	57,340	57,340	57,340	57,340
Federal Revenue Fund	3,636,449	4,210,782	4,234,973	3,797,615
Interdepartmental Transfer	264,586	251,073	251,073	42,500
TOTAL	4,875,975	5,557,741	5,581,751	5,546,558

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	90,053	159,531	159,531	164,613
Operating Expenses	166,664	129,950	129,590	133,014
Grants	7,670,556	7,735,000	7,735,000	7,735,000
TOTAL	7,927,273	8,024,481	8,024,121	8,032,627
FUND TYPE				
Special Fund	6,695,698	6,745,753	6,745,753	6,886,609
Federal Revenue Fund	1,231,575	1,278,728	1,278,368	1,146,018
TOTAL	7,927,273	8,024,481	8,024,121	8,032,627

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DCFS - Woodside Rehab Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,676,535	2,632,506	2,901,925	2,899,574
Operating Expenses	450,574	624,317	636,018	649,151
TOTAL	3,127,109	3,256,823	3,537,943	3,548,725
FUND TYPE				
General Fund	3,049,802	3,201,931	3,483,051	3,493,833
Interdepartmental Transfer	77,307	54,892	54,892	54,892
TOTAL	3,127,109	3,256,823	3,537,943	3,548,725

Appropriation Key Budget Issues

1. Chronic federal budget shortfalls for the Social Security Administration have led to tightening of DDS staffing, such as delays in federal funding for critical replacement hiring. In a small DDS like Vermont, the loss of even one adjudicator jeopardizes our ability to keep our workload current. In Federal Fiscal Year 2007, the DDS adjudicator staff suffered significant attrition (31%), causing processing times to lengthen to 106 days for initial SSI claims by the end of the calendar year. This situation will continue for at least another year, since it takes a minimum of two years to train new adjudicators.

2. The chronic federal budget shortfall has also led Social Security to postpone continuing disability reviews. These reviews serve the important function of ensuring that beneficiaries whose conditions have improved leave the rolls. Although most reviews (90% of those the DDS did in 2007) result in continuing medical eligibility, the return on administrative costs is quite high: more than $10 in program/trust fund savings for every $1 dollar spent on administration.

3. Implementation of Social Security's electronic disability claims process has revealed both benefits and drawbacks. The process of transferring claims between Social Security and DDS and retrieving prior files is now instantaneous, and different individuals can work on the same claim simultaneously, rather than consecutively. As more healthcare facilities transition to electronic records and transmit those records to DDS in electronic format, the documentation of disability claims will become more streamlined. However, developing speed/efficiency in reading large medical documents on the screen is a challenge for the DDS staff, as each claim averages 150 pages mostly in the form of scanned images.

There are not enough licensed psychologists in Vermont willing or able to provide the consultative examinations needed to meet the federal requirements for disability claims involving mental/emotional impairments. Social Security limits payment to the Medicare fee schedule, making it difficult for DDS to compete with insurance companies and other programs for appointments. In Federal Fiscal Year 2007, the DDS scheduled 1343 psychological examinations. Applicants often waited months and traveled long distances for these examinations. Lack of transportation and other problems with applicants' keeping appointments caused further claim delays. Last minute cancellations and no shows (18% of the examinations scheduled) jeopardized DDS relationships with its few available sources. With Social Security and Vocational Rehabilitation, DDS provided several informational training sessions for community partners who can assist applicants in keeping these appointments. More work is still needed in this area.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,849,549	3,221,300	3,218,320	3,330,894
Operating Expenses	425,845	574,946	569,548	573,898
Grants	(10)	0	0	0
TOTAL	3,275,384	3,796,246	3,787,868	3,904,792
FUND TYPE				
Federal Revenue Fund	3,037,175	3,549,729	3,541,351	3,658,275
Global Commitment Fund	0	0	246,517	246,517
Interdepartmental Transfer	238,209	246,517	0	0
TOTAL	3,275,384	3,796,246	3,787,868	3,904,792

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Children's Trust Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	408,673	340,891	359,270	345,891
TOTAL	408,673	340,891	359,270	345,891
FUND TYPE				
General Fund	89,210	100,651	112,092	100,651
Special Fund	157,475	70,000	70,000	75,000
Federal Revenue Fund	161,988	170,240	177,178	170,240
TOTAL	408,673	340,891	359,270	345,891

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

* **The Division of Disability and Aging Services (DDAS)** manages a wide variety of programs and services for elders, people with physical disabilities, individuals with developmental disabilities and people with traumatic brain injuries. The primary goal of these services is to help individuals gain independence or remain independent and active in their community. The major programs in this division include: the long term care Section 1115 Choices for Care Waiver (managed by DAIL, but the funds are in OVHA); the Developmental 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; Attendant Services Program; the Public Guardianship services; Traumatic Brain Injury Waiver (now part of Global Commitment), Children's Personal Care Services (managed in DDAS, but the funds are in OVHA); and the High Tech Program (managed in DDAS, but the funds are in OVHA).

* **The Division of Vocational Rehabilitation (VR)** assists Vermonters with a disability to enter or re-enter the work force through a wide variety of programs and individual support services. The core program (VR Section 110) enables Vermonters with a disability to assess their skills and abilities, identify a vocational goal, develop an Individualized Plan for Employment and receive services leading to meaningful employment. VR invests heavily in serving people with the most significant disabilities through supported employment programs and has developed a network of specialized Transition Counselors to support young adults from school to work. The Division operates the VR Reach Up program to serve TANF recipients with disabilities, a statewide Benefits Counseling Program to support Social Security beneficiaries to work, and the Assistive Technology Project that provides Vermonters with information, training on AT devices and services.

* **The Division for the Blind and Visually Impaired (DBVI)** assists Vermonters who are blind or have a visual impairment to enter or return to work, much the same as VR. It also provides some funds for independent living services, to help blind or visually impaired individuals to live and contribute in their communities. The major programs in DBVI include: the core rehabilitation work, known as Section 110 services and the Older Blind Program.

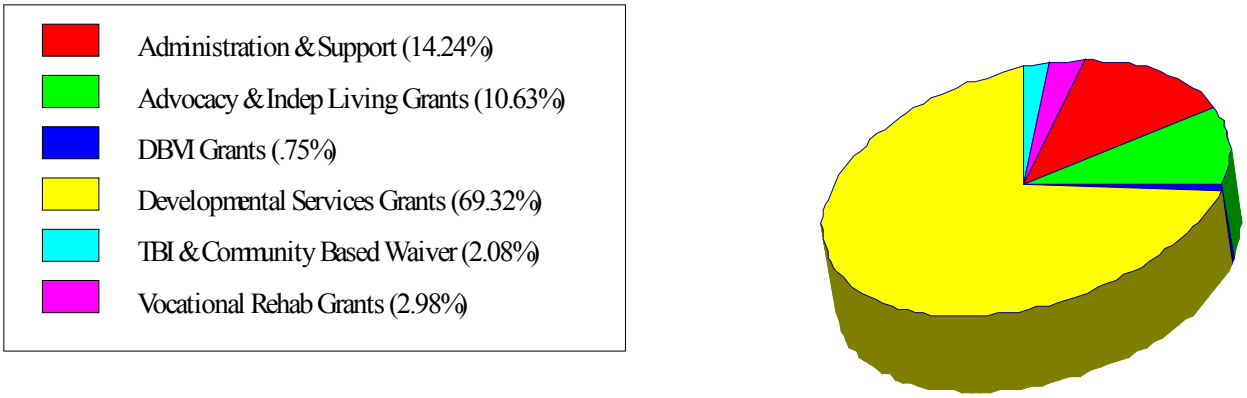
---

* **The Division of 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.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration & Support	297	305	316	24,359,497	27,145,298	26,969,374	28,268,847
Advocacy & Indep Living Grants	0	0	0	21,181,811	21,295,486	21,090,286	21,091,705
DBVI Grants	0	0	0	1,318,222	1,486,457	1,486,457	1,486,457
Vocational Rehab Grants	0	0	0	5,583,239	5,921,471	5,921,471	5,921,471
Developmental Services Grants	0	0	0	112,817,461	127,545,146	128,862,125	137,580,011
TBI & Community Based Waiver	0	0	0	3,282,892	3,415,448	3,695,448	4,127,448
TOTAL	297	305	316	168,543,122	186,809,306	188,025,161	198,475,939
FUND TYPE							
General Fund				18,723,038	18,549,610	18,505,693	18,958,736
Special Fund				1,272,632	1,361,823	1,361,823	1,350,598
Federal Revenue Fund				21,621,734	24,113,659	24,150,076	24,331,863
Global Commitment Fund				123,572,087	139,620,844	140,744,199	150,613,333
Interdepartmental Transfer				3,353,631	3,163,370	3,263,370	3,221,409
TOTAL				168,543,122	186,809,306	188,025,161	198,475,939

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	20,569,354	23,442,892	23,276,875	24,536,384
Operating Expenses	3,746,481	3,702,406	3,692,499	3,732,463
Grants	43,662	0	0	0
TOTAL	24,359,497	27,145,298	26,969,374	28,268,847
FUND TYPE				
General Fund	6,329,837	6,467,588	6,605,245	7,057,766
Special Fund	845,328	952,910	952,910	941,685
Federal Revenue Fund	9,854,089	11,352,141	11,342,213	11,524,000
Global Commitment Fund	4,913,916	5,940,176	5,536,523	6,254,874
Interdepartmental Transfer	2,416,327	2,432,483	2,532,483	2,490,522
TOTAL	24,359,497	27,145,298	26,969,374	28,268,847

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Advocacy & Indep Living Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,123,990	0	0	0
Operating Expenses	8,378	0	0	0
Grants	18,049,443	21,295,486	21,090,286	21,091,705
TOTAL	21,181,811	21,295,486	21,090,286	21,091,705
FUND TYPE				
General Fund	10,401,776	10,059,299	9,859,070	9,855,518
Special Fund	41,100	0	0	0
Federal Revenue Fund	7,160,363	7,655,791	7,655,791	7,655,791
Global Commitment Fund	3,057,309	3,142,896	3,137,925	3,142,896
Interdepartmental Transfer	521,263	437,500	437,500	437,500
TOTAL	21,181,811	21,295,486	21,090,286	21,091,705

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
DBVI Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	140	0	0	0
Grants	1,318,082	1,486,457	1,486,457	1,486,457
TOTAL	1,318,222	1,486,457	1,486,457	1,486,457
FUND TYPE				
General Fund	364,064	364,064	364,064	364,064
Special Fund	147,362	223,450	223,450	223,450
Federal Revenue Fund	556,796	648,943	648,943	648,943
Global Commitment Fund	250,000	250,000	250,000	250,000
TOTAL	1,318,222	1,486,457	1,486,457	1,486,457

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vocational Rehab Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	304	0	0	0
Operating Expenses	36	0	0	0
Grants	5,582,899	5,921,471	5,921,471	5,921,471
TOTAL	5,583,239	5,921,471	5,921,471	5,921,471
FUND TYPE				
General Fund	1,445,697	1,495,695	1,495,695	1,495,695
Federal Revenue Fund	3,718,645	4,132,389	4,132,389	4,132,389
Global Commitment Fund	2,856	0	0	0
Interdepartmental Transfer	416,041	293,387	293,387	293,387
TOTAL	5,583,239	5,921,471	5,921,471	5,921,471

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Developmental Services Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	50	0	0	0
Operating Expenses	(50)	0	0	0
Grants	112,817,461	127,545,146	128,862,125	137,580,011
TOTAL	112,817,461	127,545,146	128,862,125	137,580,011
FUND TYPE				
General Fund	181,664	162,964	181,619	185,693
Special Fund	238,842	185,463	185,463	185,463
Federal Revenue Fund	331,841	324,395	370,740	370,740
Global Commitment Fund	112,065,114	126,872,324	128,124,303	136,838,115
TOTAL	112,817,461	127,545,146	128,862,125	137,580,011

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
TBI & Community Based Waiver

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	3,282,892	3,415,448	3,695,448	4,127,448
TOTAL	3,282,892	3,415,448	3,695,448	4,127,448
FUND TYPE				
Global Commitment Fund	3,282,892	3,415,448	3,695,448	4,127,448
TOTAL	3,282,892	3,415,448	3,695,448	4,127,448

Department Mission Statement

The Vermont Department of Corrections supports community safety by ensuring offenders serve their sentence, take responsibility for their crimes and have the opportunity to make amends to their victims. We partner with Vermont communities to manage offender risk and assure accountability. We provide disciplined preparation of offenders to become productive citizens. The vision statement for the Department states it more broadly: To be valued by the citizens of Vermont as a partner in the prevention, research, control and treatment of criminal behavior.

Description of Appropriations, Divisions, & Programs

ADMINISTRATION

Corrections has five basic goals: to involve the community; to address the needs of victims; to restore the community; to ensure that offenders are held responsible; and to keep offenders safely in custody.

The administration of the Department consists of the commissioner and deputy commissioner and the supporting divisions of finance, information technology, planning and 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 to perform parole hearings as required by law.

EDUCATION

The purpose of the Community High School of Vermont (CHSVT) is to provide an accredited, coordinated and personalized education that assists students in their academic, social and vocational successes. Through education, students in the custody of the Vermont DOC obtain the basic educational and job skills that allow a contribution to communities, as well as the economic health of our state upon release.

The Community High School of Vermont awarded 135 High School Diplomas and 29 G.E.D.s during FY2007.

CORRECTIONAL SERVICES

Correctional Services administers for the courts six Legal Sanctions:

Probation: An offender found guilty of a crime upon verdict or plea, is released by the court without confinement, subject to the conditions and supervision by the Commissioner of Corrections. This is a contract between the offender and the court, to abide by conditions in return for the court not imposing the sentence. Violation of this sanction requires due process, with a court hearing, counsel, and proof beyond reasonable doubt. Within the probation sanction is the reparative probation program, which allows citizens on community panels to determine the quality of restitution made to the victim and repair of harm to the community, consistent with 28 VSA Chapter 12.

Supervised Community Sentence: Based on a law passed in 1990 that provides the legal framework for the intermediate sanctions, 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.

Pre-approved Furlough: The offender is sentenced to a term of confinement, but with prior approval of the Commissioner, for immediate release on furlough. Furlough status is a community placement, but the revocation is administrative, and the rules for behavior more stringent.

Incarceration: The sentence is confinement to a correctional facility, under the care and custody of the Commissioner. Release is by the Parole Board, upon completion of the minimum term or placement on conditional reentry by the Commissioner.

Conditional Reentry: Up to 90 days prior to completion of the minimum term of sentence, the inmate may be released to the community, still under confinement, subject to conditions of reentry. This status is more restrictive than any other community based placement.

Parole: On completion of Conditional Reentry, or during the term of incarceration, on petition of the State or the inmate, the Parole Board may release the inmate on Parole, subject to the rules of the Board, supervised by Corrections.

PROGRAMS:

Correctional Facilities

Central Correctional Facilities: Northern State [Newport], Northwest State [St. Albans], and Southern State [Springfield] hold and treat violent and sexual offenders serving long sentences.

Regional Correctional Facilities: St. Johnsbury [Northeast Regional], S. Burlington [Chittenden Regional] and Rutland [Marble Valley Regional] serve courts and law enforcement agencies by providing detention, classification and short sentence housing, though this distinction has become less defined as a result of increased incarceration.

Work Camp: The Caledonia Community Work Camp [St. Johnsbury] provides less expensive incarceration for appropriate non-violent offenders working in the community.

Facilities for Female Offenders: Dale State Correctional Facility [Waterbury] and the Southeast State Correctional Facility [Windsor] provide incarceration for women offenders.

Key outcomes include public safety, rehabilitation/reentry and quality assurance. Programs in facilities include sex offender treatment, the violent offender program, an intensive domestic violence program, a Federally funded substance abuse program, Community High School of Vermont, vocational training, and offender work programs. Offenders are entitled to standards of care such as nutrition, sanitation, recreation, education, religion, basic safety, medical, dental, and mental health care. More detailed data is presented in Facts and Figures, the Department's annual report on statistics and outcomes.

Probation & Parole Offices

Thirteen Probation and Parole Offices manage offenders in the community who need supervision, treatment, and surveillance. The Vermont DOC partners with community-based organizations and treatment providers to offer programs in domestic violence, intensive substance abuse, cognitive skills training and education (through Community High School of Vermont), sex offender treatment and women's programs.

Probation & Parole Offices provide information to the courts at sentencing and eligibility determinations for program placement, while assisting Community Justice Centers and Reparative Boards in creating appropriate reparative sanctions to low risk offenders. These services can also include restitution and community service.

Key outcomes include community and victim reparation, and community involvement/reintegration.

There are currently 13 Community Justice Centers that assist 65 reparative boards operating in 36 different Vermont communities. In the last year, these groups have included over 750 citizen volunteers who developed sanctions and restorative plans for 1,331 offenders under DOC probation supervision,

and a large number who were diverted from prosecution in Community Justice Centers. These offices also monitor probation conditions for some 8,400 offenders.

Other Outcomes

There was one escape from custody last year. Failures to return under field supervision were up slightly from 6.1% of the number furloughed to 6.6%. New charges filed against persons under supervision are down from 19.7% of all charges in Vermont to 17.6% of all charges, a real reduction of 7% of new crimes. Recidivism: Three year followup recidivism for the 2004 cohort is 50%, down significantly from the previous year's releases. Reparation to community: Offender work hours increased 0.6% to 416,400 person hours. Community involvement: More than 1,400 Vermonters volunteer time and services to inmates in prison, and through 13 community justice centers and some 65 reparative boards.

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 donations to victims activities. The Recreation fund is also used to pay for inmate postage and to provide for support for reentry after release including housing.

CORRECTIONAL SERVICES-OUT OF STATE BEDS

Due to the current size and continued growth of the sentenced and detainee populations in Vermont, additional space to house inmates is provided by correctional facilities outside the state. The Out of State population (at this time, +/- 520 inmates) is currently managed by the Out of State Unit, located in St. Johnsbury. This office coordinates the classification and movement of appropriate offenders between Vermont DOC facilities and out of state facilities located in Kentucky, Oklahoma, Tennessee and elsewhere.

VERMONT OFFENDER WORK PROGRAMS (VOWP)

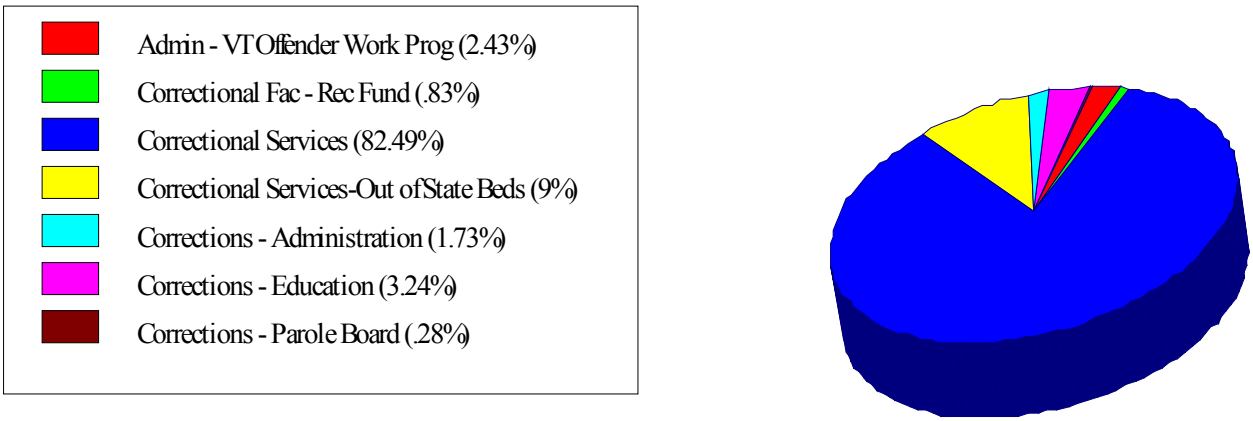
Vermont Offender Work Programs administers industrial and training programs in correctional facilities, including a print shop, a silk screen shop, a furniture manufacture and assembly shop, a license plate and sheet metal working shop, and smaller correctional industries. The program also works with the Caledonia Community Work Camp, providing many surrounding communities with work service crews that perform a wide variety of reparative services.

The Vermont Offender Work Programs also works with 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, while also providing support to the Vermont State Parks and several forest projects. Crews work for nearly every town in Vermont, and many of the non-profit agencies ranging from food shelves to public libraries.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Corrections - Administration	28	27	27	2,303,908	2,357,187	2,407,443	2,337,541
Corrections - Parole Board	3	3	3	363,752	371,734	374,269	379,449
Corrections - Education	55	58	58	4,150,742	4,219,136	4,293,708	4,374,469
Correctional Services	1,055	1,047	1,052	105,967,758	102,467,775	108,675,441	111,431,340
Correctional Fac - Rec Fund	10	9	9	804,043	1,126,998	1,126,049	1,126,998
Correctional Services-Out of State	0	0	0	8,314,136	9,621,342	11,857,868	12,158,493
Beds	20	20	19	1,795,252	3,322,612	3,320,120	3,282,548
Admin - VT Offender Work Prog							
TOTAL	1,171	1,164	1,168	123,699,591	123,486,784	132,054,898	135,090,838
FUND TYPE				115,764,125	113,967,554	122,345,843	125,526,310
General Fund				1,004,907	1,637,417	1,629,734	1,623,461
Special Fund				863,771	686,861	686,861	584,861
Federal Revenue Fund				2,950,144	2,894,144	3,094,144	3,094,144
Global Commitment Fund				1,795,252	3,322,612	3,320,120	3,282,548
Internal Service Fund				1,321,392	978,196	978,196	979,514
Interdepartmental Transfer							
TOTAL				123,699,591	123,486,784	132,054,898	135,090,838

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Corrections



Appropriation Key Budget Issues

VT DOC again faces a myriad of fiscal and programmatic challenges this year. These challenges include dealing with security, staff and offender safety issues, investigations, overcrowding, and increasing demands from advocates for both victims and offenders.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,997,893	2,041,100	2,092,049	2,022,147
Operating Expenses	306,015	316,087	315,394	315,394
TOTAL	2,303,908	2,357,187	2,407,443	2,337,541
FUND TYPE				
General Fund	2,303,908	2,357,187	2,407,443	2,337,541
TOTAL	2,303,908	2,357,187	2,407,443	2,337,541

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 the procedures manual, and is implementing a system of using actuarial risk indicators to help guide the release decision.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Corrections - Parole Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	281,631	306,179	312,193	317,373
Operating Expenses	82,121	65,555	62,076	62,076
TOTAL	363,752	371,734	374,269	379,449
FUND TYPE				
General Fund	363,752	371,734	374,269	379,449
TOTAL	363,752	371,734	374,269	379,449

Appropriation Key Budget Issues

The VT DOC is statutorily mandated to provide education services for offenders in custody who are under the age of 23. Critical issues facing the education program include the provision of appropriate educational services to the offenders who are special education students. In FY 2009, the VT DOC is requesting that special education funding from the Vermont Department of Education be included in our base appropriation.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,453,415	3,875,474	3,951,629	4,032,390
Operating Expenses	609,122	343,662	342,079	342,079
Grants	85,000	0	0	0
Other Financing Uses Budget	3,205	0	0	0
TOTAL	4,150,742	4,219,136	4,293,708	4,374,469
FUND TYPE				
General Fund	3,191,117	3,321,986	3,396,558	3,476,001
Special Fund	3,205	0	0	0
Interdepartmental Transfer	956,420	897,150	897,150	898,468
TOTAL	4,150,742	4,219,136	4,293,708	4,374,469

Appropriation Key Budget Issues

Budget issues in correctional services include increases for the annualization of pay act, DII/VISION/HRMS increases, and increases in contractual expenses for both the inmate health and mental health contracts. Other increases include regular inflationary items that impact facility operations (food and utilities) and the replacement of fleet vehicle funding that was redirected to other needs in FY 2008. VT DOC continues to be financially challenged by the staffing realities associated with operating 24/7 facilities. As statewide staffing reductions become reality, VT DOC will be confronted with the scenario of providing optimal services with fewer staff.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Correctional Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	72,632,103	69,621,558	75,831,353	77,382,681
Operating Expenses	30,901,476	31,185,717	31,129,458	32,325,859
Grants	2,369,868	1,660,500	1,714,630	1,722,800
Non Operating Exp Budget	1,125	0	0	0
Other Financing Uses Budget	63,186	0	0	0
TOTAL	105,967,758	102,467,775	108,675,441	111,431,340
FUND TYPE				
General Fund	101,516,401	98,170,305	104,184,705	107,049,826
Special Fund	272,470	635,419	628,685	621,463
Federal Revenue Fund	863,771	686,861	686,861	584,861
Global Commitment Fund	2,950,144	2,894,144	3,094,144	3,094,144
Interdepartmental Transfer	364,972	81,046	81,046	81,046
TOTAL	105,967,758	102,467,775	108,675,441	111,431,340

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 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. The recreation fund has struggled financially in recent years following the discontinuance of cigarette sales. To ensure that the inmate recreation fund can continue to be self supportive, internal allocations are limited to annual fund receipts and general fund contributions.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	469,310	603,012	602,063	603,012
Operating Expenses	334,733	523,986	523,986	523,986
TOTAL	804,043	1,126,998	1,126,049	1,126,998
FUND TYPE				
General Fund	74,811	125,000	125,000	125,000
Special Fund	729,232	1,001,998	1,001,049	1,001,998
TOTAL	804,043	1,126,998	1,126,049	1,126,998

Appropriation Key Budget Issues

As the population of incarcerated individuals in the State of Vermont continues to grow, our ability to house inmates in state operated facilities will persistently be surpassed. At present, +/-520 male inmates are incarcerated outside the state in private facilities run by Corrections Corporation of America (CCA). The Vermont DOC entered into a new contract with CCA in late FY 2007 that resulted in a price increase that was unanticipated. This price increase can be linked to the increased demand for additional correctional bed space throughout the country. Due to the Vermont's relatively small offender population that is placed with these vendors, the VT DOC lacks the leverage to negotiate a more cost effective contract price. We will consider new CCA facilities that may be developed in the northeast should they become available. These facilities would provide shorter distances for inmate transport and offender visitation; however, these additional beds would come at prices that are higher than those beds secured through our current agreements with CCA. The need for increasing space to house inmates will continue to exert upward pressure on the Vermont DOC budget. While Out of State providers are significantly less costly than Vermont DOC prisons, these funds flow out of the state with no positive impact on the local economy.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	8,314,136	9,621,342	11,857,868	12,158,493
TOTAL	8,314,136	9,621,342	11,857,868	12,158,493
FUND TYPE				
General Fund	8,314,136	9,621,342	11,857,868	12,158,493
TOTAL	8,314,136	9,621,342	11,857,868	12,158,493

Appropriation Key Budget Issues

The VOWP is a self-funded operation, providing offender work and vocational training at no cost to the general fund.

Service Impacts

In addition to the programmatic value of preparing offenders for the work force, the VOWP adds value in several other ways. Virtually all VOWP expenses represent money put back into the economy that would not have otherwise existed. The majority of this money is spent in Vermont. All raw materials are purchased in the private sector, as are many services. Wages to offenders and VOWP staff are also spent mostly in the Vermont economy. Essentially, nearly all VOWP revenues represent an equal amount of money put into the local economy in the form of operating expenses.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,249,859	1,412,977	1,410,485	1,372,913
Operating Expenses	545,393	1,909,635	1,909,635	1,909,635
TOTAL	1,795,252	3,322,612	3,320,120	3,282,548
FUND TYPE				
Internal Service Fund	1,795,252	3,322,612	3,320,120	3,282,548
TOTAL	1,795,252	3,322,612	3,320,120	3,282,548

Department Mission Statement

The Vermont Veterans' Home has been serving veterans for over 120 years. On April 1, 1887, the first Civil War Veteran was admitted to what would later become the Vermont Veterans' Home. In its earliest years, the Vermont Veterans' Home provided housing to one hundred and sixty veterans on a working farm in Bennington. That farm on the Northern gateway to town is now the site of our nursing care facility. We have changed over time but have maintained our rich tradition of serving veterans and their families. Our mission of "Fulfilling the Promise" is deeply ingrained in the culture of our Home.

The Vermont Veterans' Home is one of five skilled nursing facilities in Bennington County. We have a 177 bed skilled nursing facility with a 8 bed Residential Care Unit. We only consider Veterans, their spouses and Gold Star Parents for admission. Our facility has a certified Alzheimer's Unit and we are home to the nationally acclaimed and award winning "Namaste" program. The Namaste program is a palliative care program for those with a diagnosis of end stage dementia.

Clinically, our residents differ from those who reside in other skilled nursing facilities in that the population is overwhelmingly male, greater than 75 percent have a diagnosis of post traumatic stress disorder or depression, and many have little or no active family involvement, placing them at higher risk for negative outcomes. We continue our focus on meeting the individualized needs of our residents as veterans and as individuals. We do this by way of our skilled nursing services, skilled mental health services, a new and intensive rehabilitative service and an intensive recreational therapy program. All are designed to meet the special needs of our veteran population.

Although all Vermont veterans are eligible for admission, we currently serve residents from the following counties of Vermont: Addison, Bennington, Chittenden, Rutland, Windham, and Windsor. Additionally, since we receive Medicare and Medicaid funding and are unable to restrict admissions based on originating state, we also serve veterans from New York,Massachusetts, New Hampshire, North Carolina, and Pennsylvania.

The administration of the Vermont Veterans' Home continues to strive to:

- Assess and implement financial efficiencies without impacting resident services.
- Recruit and retain a high quality health care team.
- Continue to pursue and implement best practice programs and care interventions.
- Continue to foster and encourage residents to make their own life decisions while meeting their medical and psychosocial needs.

We look to 2009 as we continue to implement programmatic changes to improve the delivery of care to our residents:

- The development of a sub-acute wound care program.

- Cultural changes to include alternate pain relieving techniques and improve the dining experience for our residents.
- Explore the provision of care for those veterans with traumatic brain injury.

In 2009 we will begin the internal work of the geo-thermal project.The major portion of work in this phase is the renovation of the existing Dom space into a 15 bed nursing unit

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 $16.3 million of revenue in SFY '07 and provided over 58,000 days of resident care. Sources of funding were Medicare, Vermont and New York Medicaid, Private funds, other insurances and the stipends from the Veterans Administration. The budgeted revenue is based on a daily census of 159 residents nursing and 5 domiciliary days. This represents 89 % occupancy of available beds.

PROGRAMS:

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

1) **DEMENTIA CARE** - The Vermont Veterans' Home is the site of "Namaste", a world acknowledged dementia program. This program has the demonstrated the ability to facilitate contact with the inner being of residents diagnosed with advanced dementia. Our program has been so successful that it has been the focus of many conferences, 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. Our palliative care library serves as both a quiet place to go and a resource for end of life issues. Our Chapel continues to be available for both residents and their families.

3) **PAIN MANAGEMENT** - Pain management is a critical component of the care at the Vermont Veterans' Home. Continuous education is provided to staff to assist in identifying pain related issues and to intervene and advocate for our residents so that they are as comfortable as is humanly possible. We 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 level of functioning so that many 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, bathe, and dress for as long as they are physically capable.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Care and Support Services	219	225	222	16,033,902	16,426,467	17,016,709	17,497,324
TOTAL	219	225	222	16,033,902	16,426,467	17,016,709	17,497,324
FUND TYPE							
General Fund				170,826	0	0	0
Special Fund				10,005,280	10,466,920	11,088,920	10,675,489
Federal Revenue Fund				4,944,749	5,046,500	5,046,500	5,940,546
Global Commitment Fund				913,047	913,047	881,289	881,289
TOTAL				16,033,902	16,426,467	17,016,709	17,497,324

Appropriation Key Budget Issues

Vermont Veterans' Home
2009 Budget Assumptions

Operations

- The geo-thermal/renovation project will have no budgetary impact to the Home's operations. Phase 1 will be completed by summer of 2007, providing air-conditioning and a new heating system to the Home's common areas. Phase 2 and 3 are contingent on CON approval which is expected in late 2007. Phase 2 and 3 will have a major impact on the 2009 budget.
- Maintenance of the Home's plant is always a concern. In 2007 the Home received a special appropriation through BGS to maintain and repair crucial elements of the heating system. These funds are not included in the 2008 budget request.
- The Home usually operates several LNA classes for expectant employees to become nursing assistants. These were eliminated in the 2008 budget.
- As part of Phase 2 and 3 of the geothermal/renovation project the Home will need to reduce its bed compliment. While the exact number is contingent on final construction designs and the CON process, this budget assumes a reduction of 15 beds and therefore a reduction of the bed tax. This should have no impact on the census.
- In October 2006, the Home changed its therapy provider in order to have a more integrated and comprehensive service. We have budgeted for an increase expense which is more than offset by increases in part B revenue.

Revenue

- The Veterans' Home budgeted for an average daily census of 156 nursing and 4 domiciliary days. This is a reduction of 1 from the 2007 budget and a little below the current level of activity.
- Medicare A residents are budgeted at 14, down 2 from the 2007 budget. The Medicare rate remains at $300 a day.
- Vermont Medicaid rate is $190 a day, our current actual rate. NY Medicaid is budgeted at the same amount. We have received notification that they will increase their payment to us.
- Part B revenue budget increased to $338,000 based on the new service provider.
- An increase in private pay charges is incorporated in this budget. Effective January 2007 the charge will be $224 semi-private and $235 for a private room. We expect the charge to increase another 5% in 2008.
- The global commitment funds remain level at $913,057.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	12,909,501	13,342,317	13,310,559	14,202,744
Operating Expenses	3,124,401	3,084,150	3,706,150	3,294,580
TOTAL	16,033,902	16,426,467	17,016,709	17,497,324
FUND TYPE				
General Fund	170,826	0	0	0
Special Fund	10,005,280	10,466,920	11,088,920	10,675,489
Federal Revenue Fund	4,944,749	5,046,500	5,046,500	5,940,546
Global Commitment Fund	913,047	913,047	881,289	881,289
TOTAL	16,033,902	16,426,467	17,016,709	17,497,324

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Department Mission Statement

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

Core Values: The Commission operates with these tenets in mind:
*that all women and girls must have the opportunity and be encouraged to participate fully in society for the betterment of the lives of all.
*that all women should be able to live with justice, equity, freedom, dignity, privacy, equality, economic self-sufficiency, mental and physical health, and well-being.

The Commission is comprised of 16 Commissioners, appointed by multiple appointing authorities, and drawn throughout the state and from diverse backgrounds. An Advisory Council, representing various organizations, provides information on the concerns of Vermont women and assists the Commission with the fulfillment of its responsibilities.

Description of Appropriations, Divisions, & Programs

The Commission is the only state entity singularly focused on women's economic and social well-being. The activities of the Commission are organized into three program areas: information and referral, public education, and public policy, and the Commission work is guided by a strategic plan, summarized below:

PRIORITY AREA #1: ECONOMIC EQUITY & SECURITY
Goal: Women will have support to balance work and family life.
Goal: Women and men will earn equal pay and a livable wage.
Goal: Workplaces will be free of gender bias and harassment.

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.

PRIORITY AREA #5: VERMONT WOMEN'S HISTORY PROJECT
Goal: Develop and maintain a web site that will provide a central directory to the primary and secondary historical resources about Vermont women.
Goal: Create programs for educators to learn a new historical narrative and develop more inclusive curricula.
Goal: Promote educational programs designed to broaden historical perspectives on women.
Goal: Provide information on cultural and heritage tourism activities and educational opportunities in Vermont related to women's history.
Goal: Encourage further historical research on Vermont women.
Goal: Maximize effectiveness by collaborating with the academic community, and partnering with public and private organizations.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Commission on Women

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Commission on Women	3	3	3	293,692	265,890	288,103	280,538
TOTAL	3	3	3	293,692	265,890	288,103	280,538
FUND TYPE							
General Fund				276,551	260,890	267,602	275,538
Special Fund				2,002	5,000	5,000	5,000
Interdepartmental Transfer				15,139	0	15,501	0
TOTAL				293,692	265,890	288,103	280,538

Appropriation Key Budget Issues

Seventy-nine percent of the Commission's budget is for personal services, providing for 2.75 FTE staff positions. Thirteen percent is for allocated expenses such as fee-for-space and VISION. The remaining eight percent covers all other operating expenses, such as commissioner travel reimbursement (mandated), staff travel, phone, printing/publications, postage, membership/dues, the copier lease, computer repair and maintenance.

Staff share responsibilities for implementation in all program areas; capital needs are met by utilizing recycled equipment from other state departments, and interns and volunteers are relied upon for many Commission activities.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Commission on Women

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	237,769	207,262	227,510	218,912
Operating Expenses	55,923	58,628	60,593	61,626
TOTAL	293,692	265,890	288,103	280,538
FUND TYPE				
General Fund	276,551	260,890	267,602	275,538
Special Fund	2,002	5,000	5,000	5,000
Interdepartmental Transfer	15,139	0	15,501	0
TOTAL	293,692	265,890	288,103	280,538

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 2,657 volunteers who, in grant year 2007, gave 535,662 hours of service to over 663 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 Windham, and Windsor Counties.
-Green Mountain Community Network for Bennington County.
-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 2009 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Retired Senior Volunteer Program	0	0	0	131,096	131,096	131,096	139,096
TOTAL	0	0	0	131,096	131,096	131,096	139,096
FUND TYPE							
General Fund				131,096	131,096	131,096	139,096
TOTAL				131,096	131,096	131,096	139,096

Appropriation Key Budget Issues

This program has been given an increase of $8,000 in FY09 to help deal with inflationary pressures that have built up over the last several years. The program had been level funded for the prior four years.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	131,096	131,096	131,096	139,096
TOTAL	131,096	131,096	131,096	139,096
FUND TYPE				
General Fund	131,096	131,096	131,096	139,096
TOTAL	131,096	131,096	131,096	139,096

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

During this next year the department will look for further ways to improve service to Vermont's businesses and workforce. The department has updated its website to assist the user to more easily access information and services from all divisions. The department, with federal funding, is implementing internet based employer reporting systems 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 total fiscal '09 request is approximately $28.8 million. 72 percent of the funding is federal with 12 percent special funds, 8 percent general funds and 8 percent interdepartmental transfer.

Economic and Labor Market Information

The Economic and Labor Market Information Division, in cooperation with the US Bureau of Labor Statistics, surveys businesses and utilizes information from the Current Population Survey to produce a wide variety of information on jobs, the labor force, occupations, and workplace injuries and deaths. The division also produces a number of reports for the US Department of Labor's Employment and Training Administration. The Economic and Labor Market Information Division has 13 employees. Its funding is 100 percent federal. There remains a threat of significant federal budget cuts to this activity.

Information generated by the Division is used by other state agencies particularly the Department of Economic Development and the Regional Development Corporations. We produce monthly reports disseminated to and use by a wide variety of Vermont businesses. The Division can produce certain specialized reports upon request.

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 processes approximately 350,000 weekly claims for unemployment benefits, resolves 16,000 disputed claims and processes 92,000 employer reports annually. Benefit payments in calendar year 2007 totaled $81 million. Federal funds account for 97 percent of the division's resources and pay for unemployment insurance activities.

The Benefit Accuracy Measure and Tax Performance System programs test methods and procedures, many of which are related to federally mandated performance measures. Program Integrity Unit audits paid unemployment benefits to detect and administer improper payments stemming from unreported employment, resulting in credit adjustments to taxable employers. The Employer Services Unit and Unemployment Claims Center handle employer and claimant unemployment insurance needs.

Wage and hour staff receives over 12,000 inquiries from businesses and workers and pursues about 400 wage claims each year. The Wage and Hour program works closely with employers and employees to educate them of their rights and responsibilities under the Vermont employment laws as well as oversees the program to get mandatory postings out to Vermont employers. The division also provides information about wage and hour and child labor laws and resolves wage disputes. The 2.5 FTE wage and hour staff is supported with general funds.

The Division is also developing and implementing several improvements including:

- Automatic cross-match with the Social Security Administration files to reduce identity theft and UI fraud.
- Internet based registration program in cooperation with the Secretary of State and Tax Department.
- Totally immersed in developing processes, methods, and procedures to handle reporting and collection of contributions due on "uncovered" workers related to the 2006 Health Care Reform bill.
- Updating the computer system that accepts weekly unemployment claims. (enterprise project with DII, Tax, and DMV).
- Various Internet applications to assist claimants and employers with responding to department request and/or accessing/updating individual account information
- Cross-match of state and national New Hire directory in order to identify potential fraud..

Workforce Development Council

The Workforce Development Council is designated as the State Workforce Investment Board under the Federal Workforce Investment Act, and under State law 10 VSA 541. The Council advises the Governor on the development and implementation of a comprehensive, flexible and responsive workforce

education and training system. The Council, by law, has a business majority to help ensure that the workforce development efforts of the public members of the Council are consistent with business needs.

The Department serves as fiscal agent for the Council and staff are housed at our offices at 5 Green Mountain Drive. Limited funding is provided to the Council from the Department and the federal government.

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 division's goal is to:

- Reduce injuries and shorten time for those injured to return to work.
- Make safety a "core" value for all employers
- Lower workers' compensation costs

The division's strategy is to:

- Combine labor market information and workers' compensation to better determine what sectors need the most focus.
- Reach out to the medical community, employer groups, health and safety associations, insurers and others to reduce injuries and identify efficiencies.
- Acknowledge and commend those employers in Vermont who have successful workplace safety programs.

The Workers' Compensation program of the division ensures that workers who are injured because of work receive medical and disability compensation from the employer or employer's insurance company. The 17 staff provides dispute resolution, including form audits, mediation, adjudication, and compliance reviews. Annually the division receives 22,000 injury reports. Approximately 8,100 of the injuries involve lost work time of three or more days. 6,400 cases involve dispute resolution and roughly 60 went to formal hearing. The Workers' compensation Program at VDOL is funded by an assessment on workers' compensation premiums. Because it is anticipated that premiums will be reduced in calendar year 2008, it may be necessary to increase the assessment rate this year. In addition, program staff track employer compliance with Vermont's workers' compensation laws, and investigate alleged fraud. Where non-compliance or fraud is identified, administrative sanctions and penalties are issued. During the last fiscal year, approximately 60 investigations were conducted and a dozen administrative citations and penalties were issued. It is important to note the Department does NOT set worker's compensation insurance rates. That function is performed by the Banking, Insurance, Securities and Health Care Administration.

The Vermont Occupational Safety and Health Administration (VOSHA) works to ensure that all persons are provided safe and healthy conditions at their workplace. Activities include inspecting workplaces for violations of VOSHA standards and imposing penalties when violations are not corrected. In addition compliance officers investigate serious workplace accidents. The VOSHA inspections at Vermont businesses are mandatory. The department also recognizes businesses for their efforts in workplace safety with programs such as the Voluntary Protection Program (VPP). The13 employees are funded on a 50 percent federal, 50 percent general fund basis.

Project WorkSAFE provides voluntary consulting services to employers wishing to improve the health and safety condition of the workplace. Its six employees are funded with a combination of federal and state funds. Seventy-five to eighty percent of the funding is federal and the remainder is a mixture of general funds and funding from the workers' compensation administrative fund.

The Employers traffic safety program provides educational outreach to employers concerning employee travel related hazards. Travel related accidental injury or death continues to be a significant problem in Vermont and nationally. The program provides a regular safety newsletter, and works closely with the Governor's Highway Safety Council, and industry groups to promote awareness and traffic safety education. The one employee in this program is funded through a federal grant.

The Passenger Tramway Program inspects the construction, operation and maintenance of ski tows, lifts and trams and monitors them for compliance with state regulations. Each year there are about 250 injuries related to ski lifts over the course of 4 million skier days. Vermont's 26 ski areas pay the cost of this program. There are three inspectors.

Workforce Development

The Workforce Development Division provides employment services and training assistance to businesses 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 enables more than 900 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. It should be noted enrollment in the Apprenticeship program is at an all time high since the program came to VDOL. Demand for these services is increasing.
- The Employment Service helps match employers and job seekers. Twelve thousand individuals, 76 percent of those exiting programs managed by the department, find employment after receiving services through this program.
- The Workforce Education and Training Fund has $365,644 from the general fund to assist businesses develop and implement training to improve skills to assist unemployed and under-employed workers. The application process for this funding has recently been simplified. This

remains a very popular program to help employees or potential employees to develop the skills needed by Vermont employers. This program is expanding with the addition of state Next Generation funds.

- The Reach-Up Program is administered by VDOL 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.
- The Division also oversees discretionary grant programs that currently total approximately $1,700,000.

The Division is working towards:

Implementing a Demand-Driven System that will focus on and respond to employer needs.
Finalizing implementation of a New Service Delivery system for Workforce Development.
Administering the Interagency Committee within State Government to coordinate the State's response to workforce development needs
Maintaining a Seamless Continuum of Workforce Development and Training Services
Establishing a Career Development Website System, supported by VDOL and VSAC
Expanding the use of existing training resources to include Apprenticeship Programs, OJT, Workforce Education and Training Fund (WETF), and collaboration with all VDOL training partners.
Developing, applying for, and administering federal discretionary grants.

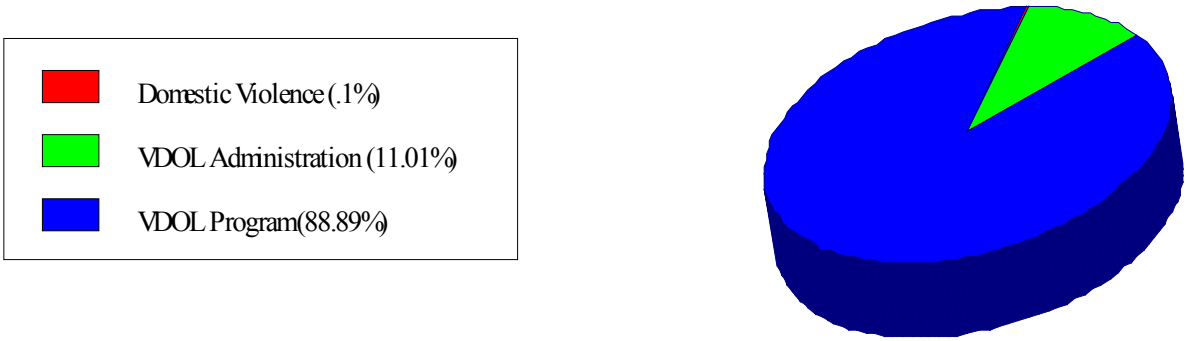
Administration

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 2009 BUDGET RECOMMENDATIONS
Department of Labor

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Employment and Training	0	0	0	77,483,027	0	0	0
VDOL Program	276	276	255	24,167,052	25,459,575	27,255,034	25,851,372
VDOL Administration	40	40	34	2,102,594	3,227,777	3,227,099	3,201,189
Domestic Violence	0	0	0	0	30,000	30,000	30,000
TOTAL	316	316	289	103,752,673	28,717,352	30,512,133	29,082,561
FUND TYPE							
General Fund				2,430,673	2,358,195	2,352,976	2,354,673
Special Fund				3,132,656	3,321,291	5,121,291	3,710,180
Federal Revenue Fund				93,043,228	20,634,028	20,634,028	20,613,870
Interdepartmental Transfer				5,146,116	2,403,838	2,403,838	2,403,838
TOTAL				103,752,673	28,717,352	30,512,133	29,082,561



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	109,850	0	0	0
Operating Expenses	14,770	0	0	0
Grants	(24,553)	0	0	0
Other Financing Uses Budget	77,382,960	0	0	0
TOTAL	77,483,027	0	0	0
FUND TYPE				
Special Fund	823,912	0	0	0
Federal Revenue Fund	74,793,512	0	0	0
Interdepartmental Transfer	1,865,603	0	0	0
TOTAL	77,483,027	0	0	0

Appropriation Key Budget Issues

The challenges discussed last year remain the same. 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 finding skilled labor for many Vermont businesses. Skilled workers are leaving and there is difficulty finding suitable replacements. There is an increased demand for services to help locate and train workers needed to replace retiring specialized craft people. There are also increased requests for assistance in helping avoid workplace accidents and injuries.

While demand for services is strong and growing, federal support for many VDOL programs has declined and for other programs is relatively static. While the department has been successful in obtaining systems building and training pass-through grants, the support of basic workforce development services, labor statistics, and unemployment insurance has declined. Reduced resources for the on-going programs have been met with reduced staffing and reduced service hours in some geographic areas. It has also led to efficiencies such as a centralized, highly automated UI claim center, increased use of on-line services such as Vermont Joblink, and other automation projects.

Explanation of Significant Changes:

Special Funds- The Department of Labor was tasked to collect the employer health care premium contribution in Act 191. The increase in special funding reflects the cost associated with that activity. The employer health care contribution will be collected using the same forms and processes as unemployment insurance contributions recommended by the Act. The US Department of Labor will reduce its support of the unemployment insurance program to reflect the health care contributions share of the cost. The decline in federal funding may or may not occur in this fiscal year so the decline is not reflected in this request. However, the department cannot spend federal funds to support state activities such as the health care contribution collections.

Level funding has been included for services provided to Agency of Human Services clients. Should anticipated federal budget cuts come to pass, all efforts will be made to work with AHS to find ways of gaining operational efficiencies and minimizing reductions in service levels.

Federal Funds - Congress has just recently resolved the US Department of Labor's budget for the current fiscal year; the effects on unemployment insurance funding and workforce development activity funding for SFY '09 are not completely known at this time. The assumption in the budget request is that formula funds, which support staffing and programs, will remain level and any growth will be associated with one-time system building grants.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
VDOL Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	19,778,510	19,476,718	19,475,255	19,385,810
Operating Expenses	4,414,994	4,317,857	4,314,779	4,800,562
Grants	(26,452)	1,665,000	3,465,000	1,665,000
TOTAL	24,167,052	25,459,575	27,255,034	25,851,372
FUND TYPE				
General Fund	2,316,632	2,135,711	2,131,170	2,147,525
Special Fund	2,007,676	2,896,844	4,696,844	3,287,808
Federal Revenue Fund	16,782,005	18,326,794	18,326,794	18,309,290
Interdepartmental Transfer	3,060,739	2,100,226	2,100,226	2,106,749
TOTAL	24,167,052	25,459,575	27,255,034	25,851,372

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	74,797	2,463,105	2,463,105	2,460,451
Operating Expenses	0	764,672	763,994	740,738
Grants	2,027,797	0	0	0
TOTAL	2,102,594	3,227,777	3,227,099	3,201,189
FUND TYPE				
General Fund	114,041	222,484	221,806	207,148
Special Fund	301,068	394,447	394,447	392,372
Federal Revenue Fund	1,467,711	2,307,234	2,307,234	2,304,580
Interdepartmental Transfer	219,774	303,612	303,612	297,089
TOTAL	2,102,594	3,227,777	3,227,099	3,201,189

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Domestic Violence

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	0	30,000	30,000	30,000
TOTAL	0	30,000	30,000	30,000
FUND TYPE				
Special Fund	0	30,000	30,000	30,000
TOTAL	0	30,000	30,000	30,000

Department Mission Statement

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 2004, the Board, Commissioner Cate, and the Department developed a strategic plan. The plan, complete with objectives, strategies and indicators, guides the work of the Board and the Department. Each year, the Board revisits the plan and highlights specific focus strategies for the upcoming year. The guiding principles of the five-year plan are 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.

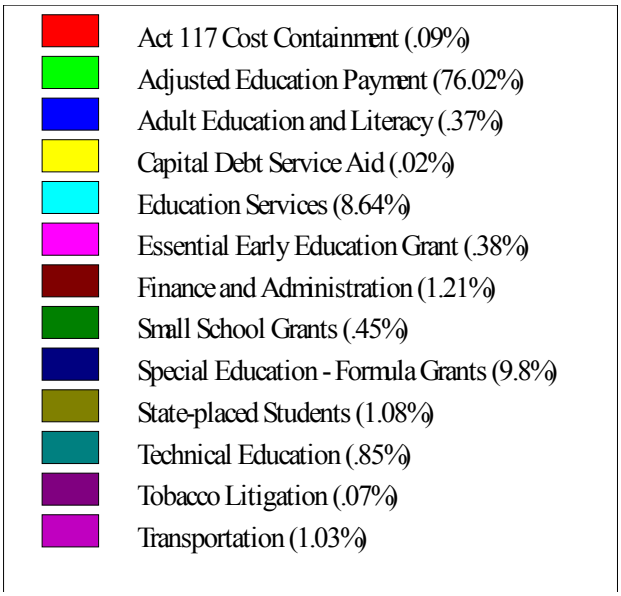
Transportation: Funds used for formula reimbursement for a portion of school transportation expenses.

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. Funding for education spending under Act 130 is being fully implemented for the first time in FY2009. Union school districts will not assess union education spending to member districts. Funding for union education spending will come directly from theState Education Fund rather than the member districts.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Finance and Administration	63	63	64	16,928,593	21,107,630	21,177,195	17,632,708
Standards and Assessment	0	0	0	22,654	0	0	0
Education Services	134	133	121	124,567,662	124,282,589	124,682,620	125,849,020
Special Education - Formula Grants	0	0	0	125,157,041	133,794,159	133,899,858	142,687,975
State-placed Students	0	0	0	13,093,530	14,750,000	16,072,469	15,767,500
Adult Education and Literacy	0	0	0	4,032,686	4,593,059	5,343,059	5,315,885
Adjusted Education Payment	0	0	0	1,017,404,724	1,063,700,000	1,058,295,808	1,107,064,375
Transportation	0	0	0	13,983,637	14,453,479	14,453,479	15,002,711
Small School Grants	0	0	0	5,664,573	6,093,552	6,093,552	6,562,385
Capital Debt Service Aid	0	0	0	317,825	280,000	224,407	218,540
Tobacco Litigation	2	2	2	988,967	995,668	995,668	995,668
Essential Early Education Grant	0	0	0	4,729,529	5,199,124	5,199,124	5,517,841
Technical Education	0	0	0	10,245,026	11,633,000	11,964,207	12,411,841
Act 117 Cost Containment	14	15	15	1,146,462	1,282,705	1,282,705	1,330,722
TOTAL	213	213	202	1,338,282,909	1,402,164,965	1,399,684,151	1,456,357,171
FUND TYPE							
General Fund				13,949,799	13,886,668	14,292,326	13,763,525
Transportation Fund				127,483	127,483	127,483	127,483
Education Fund				1,190,409,921	1,250,673,314	1,247,722,904	1,306,753,168
Special Fund				15,151,253	19,233,189	19,233,189	15,695,107
Federal Revenue Fund				117,444,009	116,935,063	116,999,001	118,910,533
Global Commitment Fund				963,047	1,052,999	1,052,999	1,075,143
Interdepartmental Transfer				237,397	256,249	256,249	32,212
TOTAL				1,338,282,909	1,402,164,965	1,399,684,151	1,456,357,171

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Education



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	4,674,292	4,930,371	4,943,271	5,161,711
Operating Expenses	1,443,592	1,671,659	1,728,324	1,713,880
Grants	10,806,332	14,505,600	14,505,600	10,757,117
Other Financing Uses Budget	4,377	0	0	0
TOTAL	16,928,593	21,107,630	21,177,195	17,632,708
FUND TYPE				
General Fund	3,348,948	3,435,105	3,466,117	3,506,583
Special Fund	11,244,193	14,983,034	14,983,034	11,383,118
Federal Revenue Fund	1,485,392	1,859,375	1,897,928	1,890,747
Global Commitment Fund	777,083	822,999	822,999	845,143
Interdepartmental Transfer	72,977	7,117	7,117	7,117
TOTAL	16,928,593	21,107,630	21,177,195	17,632,708

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	11,761,201	12,540,453	12,636,478	12,608,878
Operating Expenses	1,789,704	1,962,260	2,270,059	1,889,869
Grants	110,988,760	109,779,876	109,776,083	111,350,273
Other Financing Uses Budget	27,997	0	0	0
TOTAL	124,567,662	124,282,589	124,682,620	125,849,020
FUND TYPE				
General Fund	7,446,127	7,734,165	8,108,811	7,566,718
Transportation Fund	127,483	127,483	127,483	127,483
Special Fund	1,748,977	1,971,782	1,971,782	1,985,599
Federal Revenue Fund	115,080,655	114,200,027	114,225,412	116,144,125
Interdepartmental Transfer	164,420	249,132	249,132	25,095
TOTAL	124,567,662	124,282,589	124,682,620	125,849,020

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Special Education - Formula Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	125,157,041	133,794,159	133,899,858	142,687,975
TOTAL	125,157,041	133,794,159	133,899,858	142,687,975
FUND TYPE				
Education Fund	124,971,077	133,564,159	133,669,858	142,457,975
Global Commitment Fund	185,964	230,000	230,000	230,000
TOTAL	125,157,041	133,794,159	133,899,858	142,687,975

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
State-placed Students

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	13,093,530	14,750,000	16,072,469	15,767,500
TOTAL	13,093,530	14,750,000	16,072,469	15,767,500
FUND TYPE				
Education Fund	13,093,530	14,750,000	16,072,469	15,767,500
TOTAL	13,093,530	14,750,000	16,072,469	15,767,500

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Adult Education and Literacy

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	4,032,686	4,593,059	5,343,059	5,315,885
TOTAL	4,032,686	4,593,059	5,343,059	5,315,885
FUND TYPE				
General Fund	3,154,724	2,717,398	2,717,398	2,690,224
Education Fund	0	1,000,000	1,750,000	1,750,000
Federal Revenue Fund	877,962	875,661	875,661	875,661
TOTAL	4,032,686	4,593,059	5,343,059	5,315,885

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Adjusted Education Payment

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	1,017,404,724	1,063,700,000	1,058,295,808	1,107,064,375
TOTAL	1,017,404,724	1,063,700,000	1,058,295,808	1,107,064,375
FUND TYPE				
Education Fund	1,017,404,724	1,063,700,000	1,058,295,808	1,107,064,375
TOTAL	1,017,404,724	1,063,700,000	1,058,295,808	1,107,064,375

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	13,983,637	14,453,479	14,453,479	15,002,711
TOTAL	13,983,637	14,453,479	14,453,479	15,002,711
FUND TYPE				
Education Fund	13,983,637	14,453,479	14,453,479	15,002,711
TOTAL	13,983,637	14,453,479	14,453,479	15,002,711

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Small School Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	5,664,573	6,093,552	6,093,552	6,562,385
TOTAL	5,664,573	6,093,552	6,093,552	6,562,385
FUND TYPE				
Education Fund	5,664,573	6,093,552	6,093,552	6,562,385
TOTAL	5,664,573	6,093,552	6,093,552	6,562,385

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	317,825	280,000	224,407	218,540
TOTAL	317,825	280,000	224,407	218,540
FUND TYPE				
Education Fund	317,825	280,000	224,407	218,540
TOTAL	317,825	280,000	224,407	218,540

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Tobacco Litigation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	162,974	145,112	145,112	142,152
Operating Expenses	22,983	18,119	18,119	18,114
Grants	803,010	832,437	832,437	835,402
TOTAL	988,967	995,668	995,668	995,668
FUND TYPE				
Special Fund	988,967	995,668	995,668	995,668
TOTAL	988,967	995,668	995,668	995,668

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Essential Early Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	4,729,529	5,199,124	5,199,124	5,517,841
TOTAL	4,729,529	5,199,124	5,199,124	5,517,841
FUND TYPE				
Education Fund	4,729,529	5,199,124	5,199,124	5,517,841
TOTAL	4,729,529	5,199,124	5,199,124	5,517,841

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Technical Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	10,245,026	11,633,000	11,964,207	12,411,841
TOTAL	10,245,026	11,633,000	11,964,207	12,411,841
FUND TYPE				
Education Fund	10,245,026	11,633,000	11,964,207	12,411,841
TOTAL	10,245,026	11,633,000	11,964,207	12,411,841

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Act 117 Cost Containment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	989,699	1,070,190	1,070,190	1,118,415
Operating Expenses	88,470	121,515	121,515	121,307
Grants	68,293	91,000	91,000	91,000
TOTAL	1,146,462	1,282,705	1,282,705	1,330,722
FUND TYPE				
Special Fund	1,146,462	1,282,705	1,282,705	1,330,722
TOTAL	1,146,462	1,282,705	1,282,705	1,330,722

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

{*NARR*}

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
General Fund Approp to Ed Fund	0	0	0	268,720,000	280,200,000	280,200,000	291,127,800
TOTAL	0	0	0	268,720,000	280,200,000	280,200,000	291,127,800
FUND TYPE							
General Fund				268,720,000	280,200,000	280,200,000	291,127,800
TOTAL				268,720,000	280,200,000	280,200,000	291,127,800

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	0	280,200,000	280,200,000	291,127,800
Other Financing Uses Budget	268,720,000	0	0	0
TOTAL	268,720,000	280,200,000	280,200,000	291,127,800
FUND TYPE				
General Fund	268,720,000	280,200,000	280,200,000	291,127,800
TOTAL	268,720,000	280,200,000	280,200,000	291,127,800

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 10,675 active members, 2,901 inactive members, 741 vested terminated members and approximately 5,192 retirees and beneficiaries.

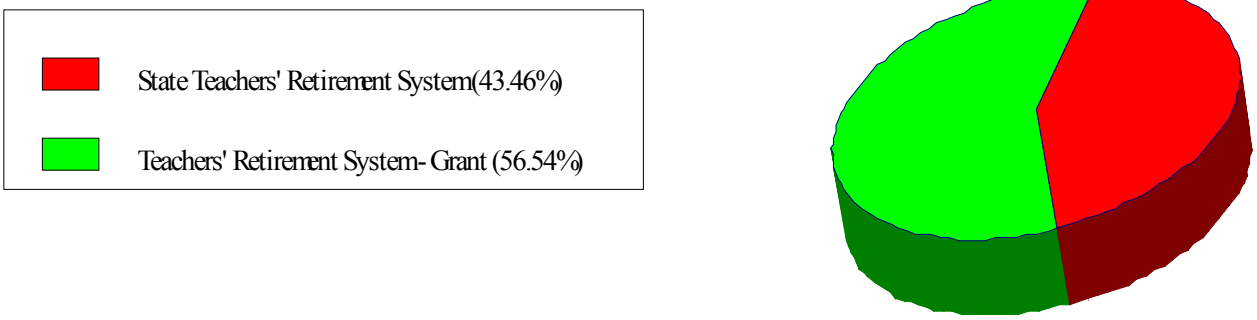
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was about $1,541 million as of June 30, 2007, compared with about $1,427 million as of June 30, 2006. The system paid $74.7 million in retirement benefits during fiscal year 2007.

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 2009 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Teachers' Retirement System - Grant	0	0	0	37,246,729	32,549,097	32,549,097	32,549,097
State Teachers' Retirement System	0	0	0	19,543,218	21,772,624	21,772,624	25,018,801
TOTAL	0	0	0	56,789,947	54,321,721	54,321,721	57,567,898
FUND TYPE							
General Fund				37,246,729	32,549,097	32,549,097	32,549,097
Pension Trust Fund				19,543,218	21,772,624	21,772,624	25,018,801
TOTAL				56,789,947	54,321,721	54,321,721	57,567,898



STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	37,246,729	32,549,097	32,549,097	32,549,097
TOTAL	37,246,729	32,549,097	32,549,097	32,549,097
FUND TYPE				
General Fund	37,246,729	32,549,097	32,549,097	32,549,097
TOTAL	37,246,729	32,549,097	32,549,097	32,549,097

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	18,741,750	20,887,841	20,887,841	24,127,088
Operating Expenses	801,468	884,783	884,783	891,713
TOTAL	19,543,218	21,772,624	21,772,624	25,018,801
FUND TYPE				
Pension Trust Fund	19,543,218	21,772,624	21,772,624	25,018,801
TOTAL	19,543,218	21,772,624	21,772,624	25,018,801

Department Mission Statement

As a result of Act 60 of 1997, municipalities receive financial assistance from the state to support the collection of education tax revenue. All municipalities receive $8.50 per grand list parcel per year to help with the cost of reappraisals and maintenance of their grand lists plus an additional dollar to assist PVR with its equalization study. Lister training is funded through a formula providing $3.65 per parcel for the first 100 parcels, $.20 per parcel for the next 100 parcels and $.01 per parcel for any parcels remaining. These programs are administered by the Property Valuation and Review Division within the Tax Department.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Reappraisal and Listing Payments	0	0	0	3,206,368	3,228,945	3,228,945	3,240,112
TOTAL	0	0	0	3,206,368	3,228,945	3,228,945	3,240,112
FUND TYPE							
Education Fund				3,206,368	3,228,945	3,228,945	3,240,112
TOTAL				3,206,368	3,228,945	3,228,945	3,240,112

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	3,206,368	3,228,945	3,228,945	3,240,112
TOTAL	3,206,368	3,228,945	3,228,945	3,240,112
FUND TYPE				
Education Fund	3,206,368	3,228,945	3,228,945	3,240,112
TOTAL	3,206,368	3,228,945	3,228,945	3,240,112

Description of Appropriations, Divisions, & Programs

32 V.S.A. 6066(a) establishes the Home Owner Rebate Program. It provides property tax relief to home owners earning $47,000 or less; benefits are determined on a sliding scale based upon one's income and their total property tax bill. This relief is supplemental to the education property tax relief provided under 32 V.S.A 6066.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Home Owner Rebate

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Home Owner Rebate	0	0	0	0	6,506,140	11,206,140	12,921,868
TOTAL	0	0	0	0	6,506,140	11,206,140	12,921,868
FUND TYPE							
General Fund				0	6,506,140	11,206,140	12,921,868
TOTAL				0	6,506,140	11,206,140	12,921,868

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Home Owner Rebate

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	0	6,506,140	11,206,140	12,921,868
TOTAL	0	6,506,140	11,206,140	12,921,868
FUND TYPE				
General Fund	0	6,506,140	11,206,140	12,921,868
TOTAL	0	6,506,140	11,206,140	12,921,868

Description of Appropriations, Divisions, & Programs

32 V.S.A. 6066(b) establishes the Renter Rebate Program. It provides relief, on a sliding scale based upon income, to those earning $47,000 or less. It is intended to offset a portion of the rent used by the property owner for property taxes.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Renter Rebate	0	0	0	0	7,624,823	7,624,823	7,955,852
TOTAL	0	0	0	0	7,624,823	7,624,823	7,955,852
FUND TYPE							
General Fund				0	2,277,149	2,277,149	2,386,756
Education Fund				0	5,347,674	5,347,674	5,569,096
TOTAL				0	7,624,823	7,624,823	7,955,852

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Renter Rebate

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	0	7,624,823	7,624,823	7,955,852
TOTAL	0	7,624,823	7,624,823	7,955,852
FUND TYPE				
General Fund	0	2,277,149	2,277,149	2,386,756
Education Fund	0	5,347,674	5,347,674	5,569,096
TOTAL	0	7,624,823	7,624,823	7,955,852

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 andNatural Resources), the Graduate College, the College of Medicine**,** the Honors College, the Extension System, and the Division of Continuing Education that operates statewide and nationally. The University offers a rich environment for research, scholarship, and creative work in many realms of human inquiry, sharing the excitement and fruits of investigation and discovery with students and society.

The University lives out its mission through teaching, research, and service. This tripartite mission supports a full range of inquiry and application within the university and in the broader community. The University of Vermont is unique in the Vermont educational system because of its comprehensive and complex offerings. The University is involved not only in undergraduate education but also to a significant extent in graduate and professional education, research, and public service activities. These high level and complex educational opportunities which are vital for the welfare of this state are more costly than are programs of institutions that do not offer degrees in, for example, engineering, medicine, clinical health programs, advanced science, or agriculture. These areas, as well as the general educational mission of the University of Vermont, are critical for Vermont’s well-being in the future.

OUTCOMES
Currently, the purpose of the state base appropriation is to:

- Support the College of Medicine's education of medical students;
- Fund the teaching, research, and public service activities of Extension, the Agricultural Experiment Station, and the related agricultural services;
- Subsidize tuition rates for Vermonters, but at a level that does not cover costs; and,
- Provide matching funds for the VT Experimental Program to Stimulate Competitive Research (EPSCoR).

Increased funding for the University of Vermont's state appropriation will allow the university to continue to provide these services.

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 40.5% (Fall 2007 4,955 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 71% of Vermont undergraduates will receive some form of financial aid this year. In addition to state and federal support, over $10 million in financial aid from the

University's own funds went to Vermonters in FY 2007. Starting in FY 2008, the University started awarding financial aid from the Next Generation scholarship funds.

- The University provides continuing education to more than 8,500 individuals from Vermont and beyond.

The University of Vermont: A Research Enterprise to the State

- In FY 2007, UVM was granted $107.2 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 is part of the Vermont Innovation Alliance (VIA), a complementary program to create infrastructure to facilitate innovation and support new businesses throughout the state.
- One million ($1M) in state one-time funds received in FY 2007 was invested in agriculture and environmental innovations, advanced engineering and technology, and education and public knowledge.
- 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 110,000 hours of community and internship service annually.
- Medical, nursing, and allied health students provide health care services to help meet community needs. Graduates and residents trained in UVM/Fletcher Allen programs account for over a third (35%) of the physicians practicing in Vermont.

- Education and information are provided through collaborative community projects and more than 1,000 significant educational programs. University's Agricultural Extension programs make over 83,500 Vermont contacts, including 7,000 youth annually through workshops and consultations.

- 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 27,000 alumni -- 31% of all UVM graduates -- reside in Vermont and contribute to their communities.

- The University of Vermont is the fourth largest employer in the state. Over 3,700 employees will receive wages and benefits of almost $315 million this year.

- The direct economic impact of University, faculty, staff, student, and visitor spending in Vermont is estimated at over a billion dollars annually.

The competition for high quality students is intense. In order to remain competitive, the University must make additional strategic investments to:

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

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

MORGAN HORSE FARM

The Morgan Horse Farm was established in 1878 by Joseph Battell of Middlebury, who in 1907 deeded the farm to the U.S Government. In 1951, the Government turned the farm over to the University of Vermont. The University operates the Morgan Horse Farm as a center for the improvement of the Morgan Horse, Vermont's state animal and source of outstanding stock to Morgan breeders throughout

the country. The farm also serves as an educational facility for use by University classes in animal science, 4-H clubs, adult horse groups, and breeding associations. The farm, which is open to the public, provides information to horse breeders and others on horse care, breeding, and training. It is largely supported by contributions, admission fees, and the sale of horses, and was the recipient of a Federal grant through the Department of the Interior's "Save America's Treasures" program. In the 55 years that the University has been custodian of the farm, it has produced over 80 national and world champions. The UVM Morgan Horse Farm is a symbol of excellence and a tribute to the role of the Morgan horse in the history of the state and the nation.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
University of Vermont

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
University of Vermont	0	0	0	42,508,867	42,271,844	42,271,844	43,328,640
UVM - Morgan Horse Farm	0	0	0	5,200	5,500	5,500	5,638
TOTAL	0	0	0	42,514,067	42,277,344	42,277,344	43,334,278
FUND TYPE							
General Fund				36,976,719	38,271,188	38,271,188	39,328,122
Special Fund				1,666,666	0	0	0
Global Commitment Fund				3,870,682	4,006,156	4,006,156	4,006,156
TOTAL				42,514,067	42,277,344	42,277,344	43,334,278

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	42,508,867	42,271,844	42,271,844	43,328,640
TOTAL	42,508,867	42,271,844	42,271,844	43,328,640
FUND TYPE				
General Fund	36,971,519	38,265,688	38,265,688	39,322,484
Special Fund	1,666,666	0	0	0
Global Commitment Fund	3,870,682	4,006,156	4,006,156	4,006,156
TOTAL	42,508,867	42,271,844	42,271,844	43,328,640

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	5,200	5,500	5,500	5,638
TOTAL	5,200	5,500	5,500	5,638
FUND TYPE				
General Fund	5,200	5,500	5,500	5,638
TOTAL	5,200	5,500	5,500	5,638

Department Mission Statement

Vermont's statewide public television network is guided by the intention to educate, inform, entertain and inspire Vermonters to be lifelong learners and be engaged in their community by fostering:

- Understanding of one another and various points of view
- Lifelong learning
- Children's readiness to learn
- Personal enrichment through arts, culture and entertainment
- Appreciation and respect for the environment and working landscape
- Involvement and participation in community and civic affairs

Vermont Public Television is an independent, locally owned broadcaster whose bottom line is community service. As such it has a responsibility to be different from commercial broadcasters in listening to and addressing the needs, interests and values of Vermonters. VPT serves the youngest, the oldest and everyone in between through national PBS broadcasts & local programs and is an essential part of life in Vermont.

Description of Appropriations, Divisions, & Programs

The annual state appropriation provides 10% of VPT's operating revenue and is an essential base of support. Critical to everything VPT does, it ensures that Vermonters of all ages, income levels and backgrounds have access to quality television and services. It demonstrates to individual and business funders the state's confidence in VPT. In addition, the state appropriation is the largest piece of the local support with which VPT leverages federal matching dollars. For every dollar VPT receives from the state, it raises about $9 from non-state sources, including thousands of individual contributors and hundreds of businesses.

Following are details of how VPT puts state appropriations to work to make positive changes in the lives of Vermonters.

Programming and Services for Children and Educators

Vermont's children are at the heart of VPT's mission. Commercial-free PBS programs inspire children to ask questions, solve problems, read, understand others, explore science and appreciate nature. Ready to Learn is public television's contribution toward ensuring that all children are prepared to succeed in school. VPT sponsors Vermont's participation in this national project by providing workshops for parents, childcare providers and educators on a variety of topics, including literacy. Workshops

developed with the Vermont Dept. of Education's Head Start, Child Care and Adult Food Program, Even Start and Adult Basic Education are intended to help families with limited proficiency in English, those with low incomes and those in rural areas. Educators make good use of national programs, local documentaries and the online professional development courses of PBS TeacherLine. In conjunction with Ken Burns' series on World War II, VPT and its community partners held workshops for social studies teachers on incorporating The War into their classroom curriculum.

Programming and Services That Foster Lifelong Learning

VPT helps adults explore history, arts, culture and science. Nova, Antiques Roadshow, Great Performances, American Experience, American Masters and Ken Burns' documentaries are among the most valued PBS shows. Leading local productions that inspire lifelong learning include Fran Stoddard's weekly Profile interviews with writers, artists, performers and leaders, as well as the health program Vermont Vital Signs. VPT's production staff travel the state and light up the studios to produce programming that reveals Vermont to Vermonters -- and to viewers outside the state.

Programming and Services That Foster Community Engagement

VPT gives Vermonters information and encouragement to participate in national and local civic life, with news, analysis and public affairs programming like the NewsHour, Washington Week and Frontline from PBS and the local Vermont This Week, Public Square, Report From Montpelier, Report From Washington, Call the Governor and election forums. Many of the public affairs programs allow viewers to speak directly to the state's leaders. VPT furthers understanding of various points of view with its diversity of voices and opinions.

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

PBS programs like Nature and Nova have helped generations of viewers appreciate the natural world. VPT's popular Outdoor Journal and the recent Birding in Vermont celebrate the state's traditions of outdoor recreation and conservation.

The series ReGeneration explores Vermont businesses that are doing well as they help sustain the planet and offers ideas for sustainable living. For years, VPT has encouraged appreciation for local products in its VPT Cooks specials, produced with help from the Agency of Agriculture. The recent series Feast in the Making built on that relationship, featuring local food producers and chefs. Connecting Vermont explored Vermont's transportation and high-speed Internet infrastructures and their importance to maintaining a competitive business environment.

Serving Vermonters in New Ways

While broadcasting continues to be its core business, VPT is part of the changing media world, distributing content on multiple platforms that viewers access when and where they want. VPT now

offers audio and video podcasts of Vermont This Week and Profile, and regularly features live streaming and web chat elements on local current affairs programs. Recently, VPT has also begun offering video on demand -- including full coverage of meetings of the Commission on Family Recognition and Protection. As part of its website for The War, VPT features extended video interviews with six veterans, other video material, a story-collecting area and the first online searchable roster of the state's World War II veterans. Vermonters benefit from and are involved with VPT in ways that make it more than a TV station.

Going Digital

Thanks in great part to state capital funding, VPT finished building its network of four full-power digital transmitters in 2006. VPT now carries three digital programming streams: the basic schedule, the VPT HD (high definition schedule) and Create, a channel for how-to programming. A fourth channel focusing on public affairs is in the works. VPT has requested capital funds for FY 2009 to convert its master control facility to digital as part of the continuing digital conversion project.

Other VPT Services

VPT supports the community with public service information on air and online. VPT & You spots provide helpful information on such subjects as agriculture, public transportation, mentoring and health. VPT offers public safety information with weather advisories, school closings and emergency information. VPT makes space available at its transmission sites to public service and safety organizations, including Vermont Dept. of Public Safety and ham radio groups. Recently, VPT encouraged and assisted broadband and wireless service providers at its transmitter sites to expand the deployment of these services and help meet the Governor's eState initiative. VPT and other public television stations have dedicated part of their digital bandwidth to a new national effort through the Dept. of Homeland Security to provide emergency information to first responders.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Public Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Public Television	0	0	0	596,785	605,737	605,737	645,737
TOTAL	0	0	0	596,785	605,737	605,737	645,737
FUND TYPE							
General Fund				596,785	605,737	605,737	645,737
TOTAL				596,785	605,737	605,737	645,737

Appropriation Key Budget Issues

The cost to operate Vermont Public Television this year will be nearly $6 million. VPT makes careful use of its annual state appropriation, yet it struggles to sustain the programs and services Vermonters depend on. Many of VPT's operating costs are rising beyond the rate of inflation. On top of such pressures as health insurance that all employers face, VPT's costs for PBS programming rose this year by more than $16,000. Power costs required to operate analog and digital transmitters simultaneously are significant, putting budget pressures on the already expensive business of television.

VPT is celebrating its 40 years of service in a time of exciting changes in media that offer new ways to serve Vermonters.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Public Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	596,785	605,737	605,737	645,737
TOTAL	596,785	605,737	605,737	645,737
FUND TYPE				
General Fund	596,785	605,737	605,737	645,737
TOTAL	596,785	605,737	605,737	645,737

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 and owned 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 2,300 jobs for Vermonters, whose employment contributes greatly to the economy of communities across the State.

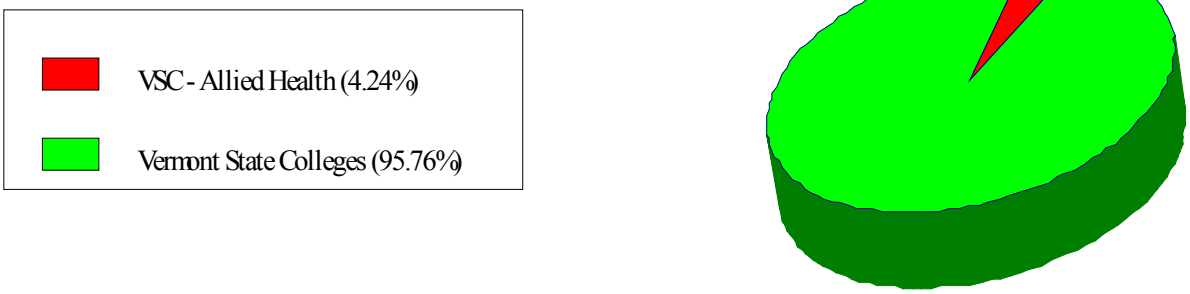
Specific to higher education, colleges within the VSC are this year enrolling record numbers that for the overall System total 12,590 students of which fully 83% are Vermonters--the latter derived from the fact that more than half of all Vermont residents attending college in state do so at one of the 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 38% of those in the VSC are considered "non-traditional" students aged 25 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 2009 BUDGET RECOMMENDATIONS
Vermont State Colleges

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont State Colleges	0	0	0	25,096,860	24,146,750	24,146,750	24,750,419
VSC - Allied Health	0	0	0	1,033,268	1,069,432	1,069,432	1,096,168
TOTAL	0	0	0	26,130,128	25,216,182	25,216,182	25,846,587
FUND TYPE							
General Fund				24,071,763	24,810,775	24,810,775	25,441,180
Special Fund				1,666,667	0	0	0
Global Commitment Fund				391,698	405,407	405,407	405,407
TOTAL				26,130,128	25,216,182	25,216,182	25,846,587



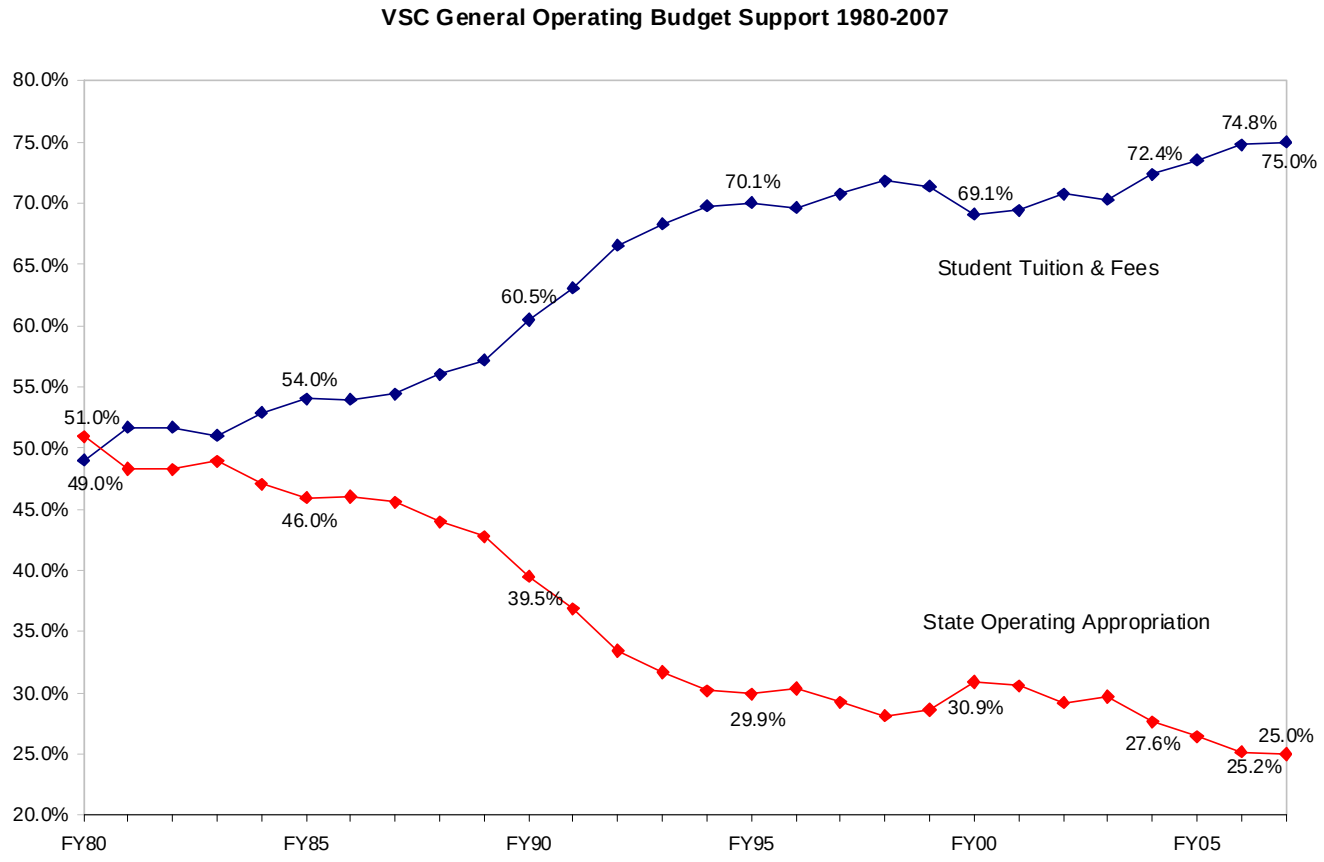
Appropriation Key Budget Issues

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-fourth presently. In fact, the VSC now receives less appropriation per Vermont FTE in 2007 than it did in 1986 - these are pure dollars, not adjusted for inflation.

To help offset reduced State support the VSC has made concerted efforts toward cost containment. This 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 mid 1990's, average among the lowest for public colleges in the northeast. Still Vermont's 49th in the nation in % 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 over $15,000.

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 1980-2007
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
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%
74.8%
25.2%
75.0%
25.0%

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	25,096,860	24,146,750	24,146,750	24,750,419
TOTAL	25,096,860	24,146,750	24,146,750	24,750,419
FUND TYPE				
General Fund	23,430,193	24,146,750	24,146,750	24,750,419
Special Fund	1,666,667	0	0	0
TOTAL	25,096,860	24,146,750	24,146,750	24,750,419

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	1,033,268	1,069,432	1,069,432	1,096,168
TOTAL	1,033,268	1,069,432	1,069,432	1,096,168
FUND TYPE				
General Fund	641,570	664,025	664,025	690,761
Global Commitment Fund	391,698	405,407	405,407	405,407
TOTAL	1,033,268	1,069,432	1,069,432	1,096,168

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 statewide and worldwide videoconferencing infrastructure and operational expertise necessary to deliver education, training and information equally to all areas of the state.

Description of Appropriations, Divisions, & Programs

Appropriations

VIT evolved out of joint efforts involving the Vermont State Colleges (particularly Vermont Technical College), the Governor's Office, and the Vermont Telecommunications Commission. In 1986 the latter endorsed a report entitled "An Educational Telecommunications Transmission Network for Vermont", recommending that:

- 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.

The General Assembly has supported VIT with annual operating appropriations beginning FY1989, as well as with several capital appropriations throughout the years to partially fund addition of new sites and needed replacement/upgrade to system equipment and infrastructure. Intent has continually been that VIT funding be separately appropriated and budgeted from the Vermont State Colleges, but that the VSC and its Board provide financial as well as managerial oversight to take advantage of existing administrative efficiencies. All VIT staff members are employees of the Vermont State Colleges and VIT is categorized as a higher education account. To further assure operational and policy guidance, the Governor established the VIT Coordinating Council-a seven-member group comprised of representatives from education, government, and business that meets on a monthly basis.

Community funding: All 16 VIT sites are hosted without charge by an institution or business in each VIT community. This in-kind contribution is valued annually at approximately $350,000 and is critical to VIT's ongoing operations.

Sales and services make up the final component of VIT funding. For FY2008 VIT expects to bring in an estimated $270,615 in sales and service fees, derived from rates charged to clients to use the system as well as from consulting services.

Program

VIT has entered its second decade of service to Vermonters, making it possible for hundreds of organizations (in the education, nonprofit, government and business categories) to provide education, training, and information to people in all areas of the state. VIT currently operates *16 sites* in Vermont (one within no more than 30 minutes of most Vermonters. Sites include: Bennington, Brattleboro, Castleton, Johnson, Lyndonville, Middlebury, Montpelier, Newport, Randolph Center, Rutland, Springfield, St. Albans, Waterbury, White River Junction & two rooms in Williston), and in addition to statewide services offers nationwide and worldwide videoconferencing from all sites. VIT also has satellite downlinking capabilities; a direct connection to UVM's Distance Learning Network; connections to the Vermont Department of Corrections, the Vermont Criminal Justice Training Council and CCV's internet protocol based network; a working relationship with the K-12 Learning Network of Vermont; and consulting contracts with the Vermont Department of Corrections and the Vermont Criminal Justice Training Council.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Interactive Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Interactive Television	0	0	0	847,944	858,163	858,163	858,163
TOTAL	0	0	0	847,944	858,163	858,163	858,163
FUND TYPE							
General Fund				847,944	858,163	858,163	858,163
TOTAL				847,944	858,163	858,163	858,163

Appropriation Key Budget Issues

Use of VIT as a travel alternative brings Vermonters cost savings, time savings and energy savings. For example, an average in-person meeting costs $1,580 when personnel and mileage costs are considered. Doing the same meeting on VIT would cost only $330. And, VIT is a green technology that can help reduce vehicle emissions. The Vermont Agency of Natural Resources calculated that for every average meeting held via VIT, vehicle emissions are reduced by ¾ ton.

In 2008, VIT will continue to focus on helping state agencies take advantage of this technology; thereby reducing the State travel budget, increasing staff productivity and reducing the carbon footprint.

VIT continues to serve a broad cross-section of Vermont's institutions and organizations, including higher education, non-profits, state agencies, and businesses. Programs range in content from public hearings to workforce training, to undergraduate degree programs, to updates on state and federal legislation and regulations for state employees, to national and international videoconferencing. Last year's figures provide some dimension to evolving use of VIT over the last 20 years:

VIT…
served 32,023 Vermonters
hosted 1,250 videoconferences
logged 15,261 hours on the system
hosted 200+ nationwide videoconferences
attracted 37 new clients

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Interactive Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	847,944	858,163	858,163	858,163
TOTAL	847,944	858,163	858,163	858,163
FUND TYPE				
General Fund	847,944	858,163	858,163	858,163
TOTAL	847,944	858,163	858,163	858,163

Department Mission Statement

VSAC was created by the Legislature in 1965 as a public nonprofit corporation and is overseen by an 11 member board of directors. Its mission is to ensure that all Vermonters have the necessary financial and information resources to pursue their education goals beyond high school. To achieve this mission, VSAC provides: (1) career and college planning services, (2) information on financial aid and postsecondary education and training programs, (3) financial aid in the form of grants, loans, 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 all of its programs and services are available from a "one-stop" agency. VSAC also acts as the financial aid office for seven Vermont postsecondary institutions and provides complete service of student loans from origination through repayment. VSAC supports social initiatives and addresses workforce development needs by collaborating with the Agency of Human Services and the Department of Labor, in addition to working with many other public and private organizations.

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 Incentive Grants for full-time students, 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 assistance to full-time Vermont students. They are available to residents who attend an approved postsecondary education institution and have not already received a bachelor's degree. Vermont residents enrolled at the University of Vermont College of Medicine or an approved school of veterinary medicine are also eligible.

FULL-TIME GRANT PROGRAM:								Change: FY97–FY07	
	FY97	FY99	FY01	FY03	FY04	FY05	FY07	#	%
Number of Applicants	15,704	16,216	15,843	16,799	17,793	17,332	15,933	229	1.5%
Number of Recipients	9,421	9,411	8,919	9,245	10,054	9,736	8,953	-468	-5.0%
Amount Awarded	$9,964,276	$11,440,129	$12,928,055	$15,078,021	$15,945,062	$14,787,727	$16,174,886	$6,210,610	62.3%
Average Grant	$1,058	$1,216	$1,449	$1,631	$1,586	$1,519	$1,807	$749	70.8%

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:								Change: FY97–FY07	
	FY97	FY99	FY01	FY03	FY04	FY05	FY07	#	%
Number of Applicants	4,873	4,718	4,509	4,141	4,846	4,855	4,440	-433	-8.9%
Number of Recipients	2,747	2,600	2,323	2,025	2,408	2,220	2,085	-662	-24.1%
Amount Awarded	$887,358	$998,494	$980,780	$965,221	$1,025,923	$951,614	$1,090,736	$203,378	22.9%
Average Grant	$323	$384	$422	$477	$426	$429	$523	$200	61.9%

Vermont Non-Degree Grants

Non-Degree Grants are available to Vermonters for non-degree courses that will improve an individual's employability or encourage further study, and which will not necessarily lead to a degree, certificate, or diploma. Non-Degree Grants are need-based and are a major source of financial aid for Vermonters seeking to acquire, keep, or expand their employment skills.

Non-Degree Grants are used at many different institutions, including vocational/technical centers, trade-specific training schools, and community college courses. It is not unusual for Vermonters to begin a course of study by using a Non-Degree Grant and then become matriculating students. This grant is unique to Vermont and is particularly useful for non-traditional students.

NON-DEGREE GRANT PROGRAM:								Change: FY97–FY07	
	FY97	FY99	FY01	FY03	FY04	FY05	FY07	#	%
Number of Applicants	2,115	1,872	1,803	1,693	1,792	2,011	1,863	-252	-11.9%
Number of Recipients	1,278	1,041	1,045	921	962	1,100	936	-342	-26.8%
Amount Awarded	$457,081	$419,480	$643,815	$668,727	$720,909	$856,276	$785,941	$328,860	71.9%
Average Grant	$358	$403	$616	$726	$749	$778	$840	$482	134.9%

Student Employment Program

This program provides matching funds for a limited number of community service jobs in nonprofit agencies and municipalities throughout the state.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

	FY97	FY99	FY01	FY03	FY05	FY07	Change: FY97–FY07 #	Change: FY97–FY07 %
Employed Students	177	203	165	176	185	176	-1	-0.6%
Aid to Students								
Employer's Contribution	$187,523	$208,671	$190,977	$240,826	$212,674	$186,175	-$1,348	-0.7%
VSAC's Contribution	$119,018	$155,507	$131,581	$147,024	$137,289	$111,722	-$7,296	-6.1%
Total Aid/Compensation	$306,541	$364,178	$322,558	$387,850	$349,963	$297,897	-$8,644	-2.8%

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vt Student Assistance Corp	0	0	0	20,148,559	19,153,758	19,153,758	19,632,602
TOTAL	0	0	0	20,148,559	19,153,758	19,153,758	19,632,602
FUND TYPE							
General Fund				18,481,892	19,153,758	19,153,758	19,632,602
Special Fund				1,666,667	0	0	0
TOTAL				20,148,559	19,153,758	19,153,758	19,632,602

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	20,148,559	19,153,758	19,153,758	19,632,602
TOTAL	20,148,559	19,153,758	19,153,758	19,632,602
FUND TYPE				
General Fund	18,481,892	19,153,758	19,153,758	19,632,602
Special Fund	1,666,667	0	0	0
TOTAL	20,148,559	19,153,758	19,153,758	19,632,602

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 2009 BUDGET RECOMMENDATIONS
NE Higher Education Compact

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
NE Higher Education Compact	0	0	0	80,000	84,000	84,000	84,000
TOTAL	0	0	0	80,000	84,000	84,000	84,000
FUND TYPE							
General Fund				80,000	84,000	84,000	84,000
TOTAL				80,000	84,000	84,000	84,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
NE Higher Education Compact

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	80,000	84,000	84,000	84,000
TOTAL	80,000	84,000	84,000	84,000
FUND TYPE				
General Fund	80,000	84,000	84,000	84,000
TOTAL	80,000	84,000	84,000	84,000

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.

Reorganization

The agency is in the midst of a reorganization process that includes both structural and nonstructural changes in the way it provides services to and interacts with the public. This FY09 budget is does not incorporate reorganization changes, as the implementation is just beginning and it is premature to reorganize ANR's submission for this budget. ANR anticipates that changes will be incorporated beginning in the FY10 budget. The new structures, when fully implemented, will improve service to the

public and improve the conservation, protection and enhancement of Vermont's natural environment. The structural aspects of reorganization will impact the allocation of human resources within the organization with the goal of an agency that can more effectively fulfill its mission.

Clean and Clear Action Plan

In 2004, the State of Vermont adopted an aggressive plan for reducing pollution and protecting Vermont's waters, state wide, including controlling algae-feeding phosphorus discharges to Lake Champlain. For FY09, 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.

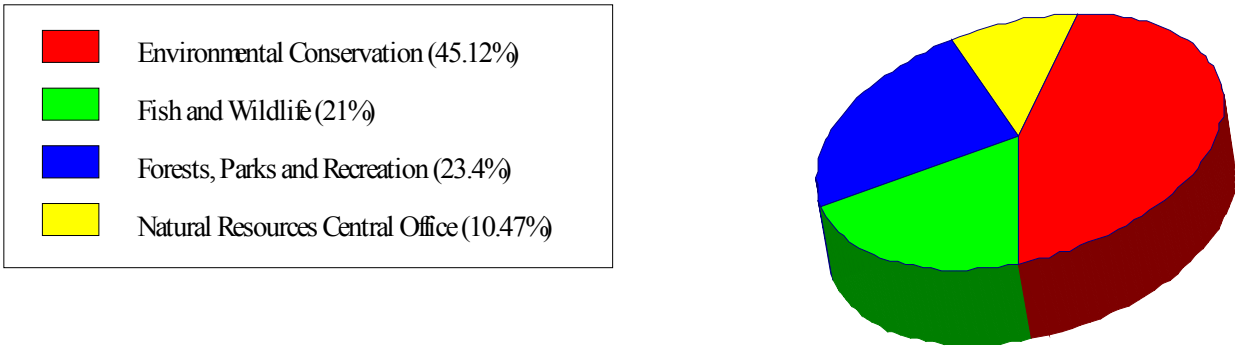
The capital budget also includes funding for ecosystem restoration and wastewater treatment which complement the proposed general fund budget.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Natural Resources Central Office

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Natural Resources Central Office	59	61	61	8,060,413	8,277,325	8,360,772	8,787,306
Fish and Wildlife	131	134	135	15,953,214	15,999,884	15,949,207	17,616,600
Forests, Parks and Recreation	121	120	116	18,948,926	18,310,586	19,152,234	19,634,481
Environmental Conservation	300	311	306	35,452,733	38,167,969	38,757,105	37,857,549
TOTAL	611	626	618	78,415,286	80,755,764	82,219,318	83,895,936
FUND TYPE							
General Fund				24,448,087	24,605,063	25,371,256	25,336,438
Transportation Fund				127,657	0	0	0
Fish & Wildlife Fund				13,556,049	13,850,694	13,803,055	15,346,252
Special Fund				23,621,257	26,322,502	26,322,502	26,290,455
Federal Revenue Fund				13,979,335	13,659,970	14,404,970	14,409,568
Interdepartmental Transfer				2,682,901	2,317,535	2,317,535	2,513,223
TOTAL				78,415,286	80,755,764	82,219,318	83,895,936

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Natural Resources Central Office



Department Mission Statement

The mission of the Agency of Natural Resources Central Office is to provide both leadership for agency programs and the support that those programs need to accomplish their missions.

Description of Appropriations, Divisions, & Programs

The major components of the ANR Administration, Management and Planning appropriation are:

Secretary's Office - The Secretary's Office is responsible for the overall leadership and management of the Agency, oversight of legal services throughout the Agency, and coordination of Agency 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 Joint Commission, which coordinates with Vermont citizens, municipalities and the State of New Hampshire on issues related to the management and protection of the Connecticut River.

A pass-through 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.

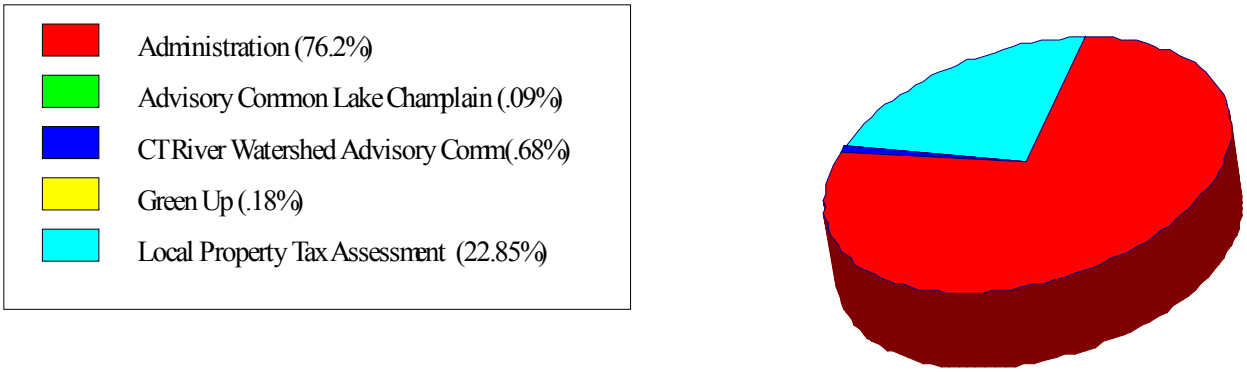
Department Key Budget Issues

The payment in lieu of taxes budget for FY09 has been increased by $434,000 due to reappraisals of Agency-owned properties.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration	59	61	61	6,449,944	6,620,218	6,703,665	6,695,706
CT River Watershed Advisory Comm	0	0	0	38,000	60,000	60,000	60,000
Advisory Comm on Lake Champlain	0	0	0	7,107	7,500	7,500	7,500
Local Property Tax Assessment	0	0	0	1,547,864	1,574,000	1,574,000	2,008,000
Green Up	0	0	0	17,498	15,607	15,607	16,100
TOTAL	59	61	61	8,060,413	8,277,325	8,360,772	8,787,306
FUND TYPE							
General Fund				6,367,270	6,291,613	6,375,060	6,846,716
Special Fund				1,083,752	1,106,461	1,106,461	1,128,752
Federal Revenue Fund				171,141	441,000	441,000	363,372
Interdepartmental Transfer				438,250	438,251	438,251	448,466
TOTAL				8,060,413	8,277,325	8,360,772	8,787,306



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	4,661,524	4,759,758	4,819,719	4,966,284
Operating Expenses	1,752,700	1,828,960	1,852,446	1,729,422
Grants	35,720	31,500	31,500	0
TOTAL	6,449,944	6,620,218	6,703,665	6,695,706
FUND TYPE				
General Fund	5,028,851	4,906,556	4,990,003	5,027,166
Special Fund	1,073,202	1,095,911	1,095,911	1,118,202
Federal Revenue Fund	171,141	441,000	441,000	363,372
Interdepartmental Transfer	176,750	176,751	176,751	186,966
TOTAL	6,449,944	6,620,218	6,703,665	6,695,706

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	38,000	60,000	60,000	60,000
TOTAL	38,000	60,000	60,000	60,000
FUND TYPE				
General Fund	38,000	60,000	60,000	60,000
TOTAL	38,000	60,000	60,000	60,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	3,396	3,600	3,600	3,600
Operating Expenses	3,711	3,900	3,900	3,900
TOTAL	7,107	7,500	7,500	7,500
FUND TYPE				
General Fund	7,107	7,500	7,500	7,500
TOTAL	7,107	7,500	7,500	7,500

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Local Property Tax Assessment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	1,547,864	1,574,000	1,574,000	2,008,000
TOTAL	1,547,864	1,574,000	1,574,000	2,008,000
FUND TYPE				
General Fund	1,286,364	1,312,500	1,312,500	1,746,500
Interdepartmental Transfer	261,500	261,500	261,500	261,500
TOTAL	1,547,864	1,574,000	1,574,000	2,008,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Green Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	6,948	5,057	5,057	5,550
Grants	10,550	10,550	10,550	10,550
TOTAL	17,498	15,607	15,607	16,100
FUND TYPE				
General Fund	6,948	5,057	5,057	5,550
Special Fund	10,550	10,550	10,550	10,550
TOTAL	17,498	15,607	15,607	16,100

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. These core services include: conserving, restoring and enhancing fish and wildlife habitat, wetlands and natural communities; inventorying, monitoring and managing game species to ensure sustainable population levels are maintained; inventorying, monitoring, and managing species that are not hunted and developing recovery initiatives for species that are threatened or endangered; promoting and providing a diversity of hunting and angling opportunities; promoting and facilitating land management planning and stewardship in Vermont; managing wildlife habitat on 82 Wildlife Management Areas, maintaining public access to water bodies on over 180 Access Areas, providing viewing and photography opportunities of fish and wildlife; ensure safe practices for those participating in fish- and wildlife-based recreational activities; maintaining full response to requests from citizens and agencies regarding threats to human life or safety; limiting the number of human injuries and fatalities that result from encounters with wildlife (i.e. moose and deer car collisions); informing and educating the public; and performing basic research.

The **Watershed Improvement** appropriation provides the funding to support watershed education efforts and projects that protect, restore, or enhance Vermont's watershed resources.

Key Divisions within the Department are as follows:

Administration Division - The Administration Division provides policy, legal, planning, personnel, and financial management leadership for the Department. It oversees the production, distribution, and sales of all hunting and fishing licenses and over fifteen types of other permits related to resource protection. It is also responsible for the management of over $5 million in federal grant dollars, ensuring the funds are spent appropriately and that all reporting requirements are met.

Fisheries Division - The Fisheries Division is responsible for the conservation and management of all fish and fish habitats throughout Vermont. Staff members are engaged in a wide variety of activities, including: monitoring populations of sport fish species and their habitats; cooperating in the research, management, and restoration of fish communities in the Lake Champlain and Connecticut River Basins;

rearing and stocking more than 9 million sport fish annually for recreational and restoration purposes; evaluating current and preparing new fishing harvest regulation recommendations for lake trout, brook trout, perch, northern pike, walleye, bass, and other species; participating in the protection of critical aquatic habitat through regulatory processes such as Act 250 and technical assistance; and preparing educational materials.

Law Enforcement Division - The Law Enforcement Division is an integral part of fish and wildlife management. Its primary duty is to enforce Vermont's fish and wildlife laws and regulations. Fish and Wildlife species are held in the Public Trust and this Division enforces laws related to the protection of these resources for the benefit of all Vermonters. The Division provides responses to citizen requests in the for Department involving fish and wildlife resources, conflicts, search and rescue and many other additional law enforcement assistance to citizens and other law enforcement agencies.

Outreach Division - **The Outreach Division is responsible for all major outreach and formal educational programs of the Fish and Wildlife Department. Programs are designed to improve the public's knowledge and appreciation of Vermont's fish and wildlife resources and their habitats as well as related laws, issues and management programs. Division staff supports the Department's mission by providing professional communications and education to the state's inhabitants and visitors alike. These efforts are a means to create awareness and achieve voluntary compliance with state laws, regulations and programs and encourage support for fish, wildlife and habitat conservation and protection programs.**

Wildlife Division - The Wildlife Division is responsible for the conservation and management of all wildlife, plants, and their habitat throughout Vermont. Division staff are engaged in a variety of activities such as: conducting research in support of management actions and decisions; monitoring populations of rare, threatened and endangered plant and animal species; preparing harvest recommendations for wildlife species with open regulated hunting or trapping seasons; participating in the protection of critical wildlife habitat through regulatory processes such as Act 250; land acquisition and management of 131,000 acres on the Department's 82 Wildlife Management Areas, monitoring wildlife diseases and the importation of wildlife into Vermont; and, technical assistance, planning and outreach to wildlife observers, landowners, hunters, school children, and natural resources professionals regarding wildlife in Vermont.

Department Key Budget Issues

Revenues from hunting, fishing and trapping license sales, which are the Department's primary source of state revenue, have been declining since 2002. In FY 07 however instead of declining, license sales increased by 4%. The Department had anticipated a decline in revenues it continued its belt tightening and was able to carry a surplus of license dollars into FY 08. This surplus will be applied in both FY 08 and FY 09. The funds will allow for the hiring of much needed seasonal staff to fulfill program

delivery, the ability to replace old vehicles, and the means to more effectively run core conservation and law enforcement programs. In addition, these funds will be used to cover FY 08 pay act costs so no additional General Fund will be needed.

During FY 07 and FY 08 the Department has been able to fill selected authorized positions that have been held vacant for several years due to declining revenues. Current fund balances, and robust revenues allow the Department to maximize the use of federal funds available to the Department that previously might have been reverted to the Federal government. Filling these authorized positions enables the Department to keep core programs functioning, law enforcement staffing at levels needed to serve the public, and fulfill critical operational programs.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Fish and Wildlife

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Support & Field Services	131	134	135	15,875,727	15,924,884	15,874,207	17,516,600
Watershed Improvement	0	0	0	77,487	75,000	75,000	100,000
TOTAL	131	134	135	15,953,214	15,999,884	15,949,207	17,616,600
FUND TYPE							
General Fund				2,254,488	2,131,687	2,128,649	2,033,348
Fish & Wildlife Fund				13,556,049	13,850,694	13,803,055	15,346,252
Special Fund				21	0	0	0
Interdepartmental Transfer				142,656	17,503	17,503	237,000
TOTAL				15,953,214	15,999,884	15,949,207	17,616,600

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	10,661,620	10,890,281	10,875,452	12,031,245
Operating Expenses	4,923,486	4,316,728	4,280,880	4,685,355
Grants	290,621	717,875	717,875	800,000
TOTAL	15,875,727	15,924,884	15,874,207	17,516,600
FUND TYPE				
General Fund	2,254,488	2,131,687	2,128,649	2,033,348
Fish & Wildlife Fund	13,478,562	13,775,694	13,728,055	15,246,252
Special Fund	21	0	0	0
Interdepartmental Transfer	142,656	17,503	17,503	237,000
TOTAL	15,875,727	15,924,884	15,874,207	17,516,600

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Watershed Improvement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	530	0	0	0
Grants	76,957	75,000	75,000	100,000
TOTAL	77,487	75,000	75,000	100,000
FUND TYPE				
Fish & Wildlife Fund	77,487	75,000	75,000	100,000
TOTAL	77,487	75,000	75,000	100,000

Department Mission Statement

The mission of the Vermont 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 75% 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 1.5 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 343,000 acres of state-owned land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the 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 the three ANR departments (approximately 343,000 acres). The Division has responsibility for maintenance of ANR property records and maps; administration of leases, licenses and special use permits for ANR lands; carrying out ANR land acquisition and transactions; assistance with long-range management planning for ANR lands; survey and mapping of ANR lands, and coordination and development of ANR lands policies.

Vermont Youth Conservation Corps - Administration of pass through monies from state parks, AOT, trail funds, general funds 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 600 miles of roads.

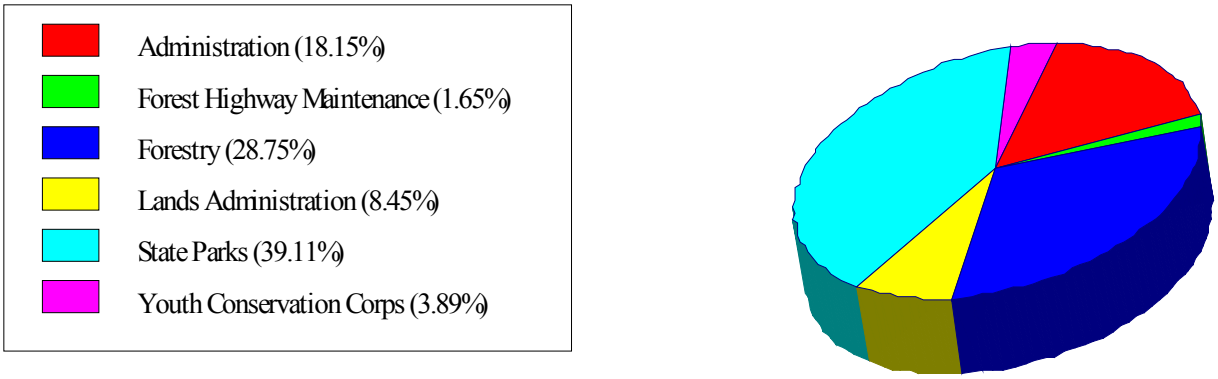
Department Key Budget Issues

The FY09 budget appropriation for the Department of Forests, Parks & Recreation will allow for the continuation of ongoing operations and base programs.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration	12	13	13	3,290,789	3,536,112	3,524,502	3,564,052
Forestry	67	66	63	5,478,826	5,619,399	5,625,029	5,644,108
State Parks	35	35	35	6,979,177	7,362,163	7,338,631	7,679,075
Lands Administration	7	6	5	1,892,867	716,818	1,467,801	1,659,216
Youth Conservation Corps	0	0	0	743,764	752,116	752,116	764,052
Forest Highway Maintenance	0	0	0	563,503	323,978	444,155	323,978
TOTAL	121	120	116	18,948,926	18,310,586	19,152,234	19,634,481
FUND TYPE							
General Fund				6,832,614	6,974,533	7,071,181	7,392,535
Transportation Fund				127,657	0	0	0
Special Fund				8,064,563	8,675,053	8,675,053	8,640,946
Federal Revenue Fund				3,450,584	2,349,000	3,094,000	3,289,000
Interdepartmental Transfer				473,508	312,000	312,000	312,000
TOTAL				18,948,926	18,310,586	19,152,234	19,634,481

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	903,617	1,002,905	1,002,074	1,065,106
Operating Expenses	629,189	703,107	692,328	637,346
Grants	1,757,983	1,830,100	1,830,100	1,861,600
TOTAL	3,290,789	3,536,112	3,524,502	3,564,052
FUND TYPE				
General Fund	1,088,364	1,225,112	1,213,502	1,253,052
Special Fund	1,243,449	1,406,000	1,406,000	1,406,000
Federal Revenue Fund	958,976	905,000	905,000	905,000
TOTAL	3,290,789	3,536,112	3,524,502	3,564,052

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	4,405,377	4,638,283	4,637,506	4,657,620
Operating Expenses	559,793	668,116	658,223	593,488
Grants	513,656	313,000	329,300	393,000
TOTAL	5,478,826	5,619,399	5,625,029	5,644,108
FUND TYPE				
General Fund	3,661,835	3,932,399	3,938,029	4,017,108
Special Fund	359,995	360,000	360,000	360,000
Federal Revenue Fund	1,186,018	1,300,000	1,300,000	1,240,000
Interdepartmental Transfer	270,978	27,000	27,000	27,000
TOTAL	5,478,826	5,619,399	5,625,029	5,644,108

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	4,717,711	5,131,552	5,129,722	5,412,517
Operating Expenses	2,251,418	2,230,611	2,208,909	2,259,558
Grants	10,048	0	0	7,000
TOTAL	6,979,177	7,362,163	7,338,631	7,679,075
FUND TYPE				
General Fund	1,049,594	956,226	932,694	1,319,181
Special Fund	5,929,583	6,405,937	6,405,937	6,359,894
TOTAL	6,979,177	7,362,163	7,338,631	7,679,075

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Lands Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	502,770	486,557	485,832	437,682
Operating Expenses	1,354,991	230,261	972,151	1,221,534
Grants	35,106	0	9,818	0
TOTAL	1,892,867	716,818	1,467,801	1,659,216
FUND TYPE				
General Fund	546,975	486,818	492,801	429,216
Special Fund	121,772	145,000	145,000	145,000
Federal Revenue Fund	1,211,590	50,000	795,000	1,050,000
Interdepartmental Transfer	12,530	35,000	35,000	35,000
TOTAL	1,892,867	716,818	1,467,801	1,659,216

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Youth Conservation Corps

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	250,661	292,523	292,523	304,459
Operating Expenses	3,595	9,593	9,593	9,593
Grants	489,508	450,000	450,000	450,000
TOTAL	743,764	752,116	752,116	764,052
FUND TYPE				
General Fund	50,000	50,000	50,000	50,000
Special Fund	409,764	358,116	358,116	370,052
Federal Revenue Fund	94,000	94,000	94,000	94,000
Interdepartmental Transfer	190,000	250,000	250,000	250,000
TOTAL	743,764	752,116	752,116	764,052

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	22,086	222,978	343,155	222,978
Operating Expenses	539,293	101,000	101,000	101,000
Grants	2,124	0	0	0
TOTAL	563,503	323,978	444,155	323,978
FUND TYPE				
General Fund	435,846	323,978	444,155	323,978
Transportation Fund	127,657	0	0	0
TOTAL	563,503	323,978	444,155	323,978

Department Mission Statement

The mission of the Vermont Department of Environmental Conservation is to preserve, enhance, restore, and conserve Vermont's natural resources, and protect human health, for the benefit of this and future generations.

Description of Appropriations, Divisions, & Programs

By statute and through delegation from the Agency of Natural Resources, the Department of Environmental Conservation 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, policy and planning services for all departmental divisions and programs. The Commissioner's Office includes the Environmental Assistance Office.

The Environmental Assistance Office (EAO) assists the public 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. Current emphasis is on bedrock and surficial mapping, applied studies, digital map products, data distribution, and education. 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. Public service maps derived from the base geology relate to protecting the public health and safety and promoting the general welfare. 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 is an essential component of fact-based decisions making by 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 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: 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 and Hydrology Program, which involves safety inspections of non-power generating dams, review and permitting for dam alteration or construction projects, coordinates FERC hydroelectric licensing reviews, and assures that stream flows below dams, water withdrawals, and hydropower reservoirs meet minimum standards.

Water Quality Division

The Water Quality Division helps protect surface water quality and quantity for Vermont's 800 significant lakes and ponds, 7,000 miles of rivers and streams, and 300,000 acres of wetlands. The division conducts chemical, physical and biological environmental monitoring and provides guidance to citizen monitoring programs to determine current quality and threats to that quality. It publishes assessments of streams, rivers, lakes and wetlands and prepares watershed plans for each basin through public-private collaborations that work to identify waters that are experiencing difficulties and to develop and implement corrective strategies.

The Division is responsible for implementation of the state's Wetland and Stormwater Programs. It issues Conditional Use Permits for allowed activities in state protected wetlands. It issues permits for Erosion Prevention and Sediment Control (land disturbances greater than one acre), Multi-Sector Industrial Stormwater Permits and Operational Stormwater Permits. The Division also issues permits for aquatic nuisance control, lakeshore encroachment, mineral prospecting and stream alteration. The Division's work is carried out to assure compliance with the State's Water Quality Standards. The Division issues grants and provides technical assistance for local nonpoint source pollution management activities in lake and river watersheds. Finally, the division administers aquatic nuisance management, river management and flood hazard mitigation programs, and sponsors Project WET (Water Education for Teachers).

Wastewater Management Division

The Wastewater Management Division staff administers the federally delegated permitting programs for municipal and industrial discharges and underground injection control systems. It also administers the permitting programs for indirect discharges and residuals management. These programs regulate the

pollutants contained in the approximately 150 million gallons of wastewater being discharged to Vermont waters each day. In addition to permitting, these programs conduct inspections, compliance review, enforcement, and technical assistance (with particular attention to small communities). The Division also oversees the wastewater operator certification program.

The Division administers the wastewater system and potable water supply rules from its five regional offices. These rules regulate soil-based wastewater systems with a design capacity of less than 6,500 gallons per day as well as all connections to the municipal water and wastewater systems. The program currently most single family residences, commercial development, public buildings, mobile home parks, and campgrounds and has been issuing approximately 3,000 permits annually. Beginning in the fall of 2007, the program's jurisdiction expanded to cover all single family residences resulting in an increase in the number of permits processed per year. This division also licenses the designers of the systems it permits.

Water Supply Division

The Water Supply Division is responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through sanitary surveys, technical assistance, operator certification, compliance tracking for nearly 100 contaminants, a low interest loan program and permitting of all aspects of source water development, construction and operation. The division also oversees the state's groundwater protection and well driller's regulatory programs.

Connecticut Valley Flood Control Compact Appropriation

The Connecticut Valley Flood Control Compact appropriation facilitates the management of receipts from Connecticut and Massachusetts for tax losses in Vermont towns where the U.S. Corps of Engineers has built flood control projects.

Department Key Budget Issues

The Department of Environmental Conservation (DEC) budget reflects an expectation of a moderate tightening in DEC's revenues in SFY '09. Recent year-on year increases in permit fund revenues are expected to level off, in addition Federal funds which make up a considerable portion of DEC's budget are expected to remain flat in the foreseeable future.

Although we expect some budget impacts from the imminent reorganization in ANR, the budget has been built based on the current structure, priorities and needs because it is simply too early in the process to know what the department's post-reorganization needs will be.

The budget does not call out any increase in funds for specific activities but provides the funding required for DEC to maintain essential base programs and begin addressing changing needs in the areas

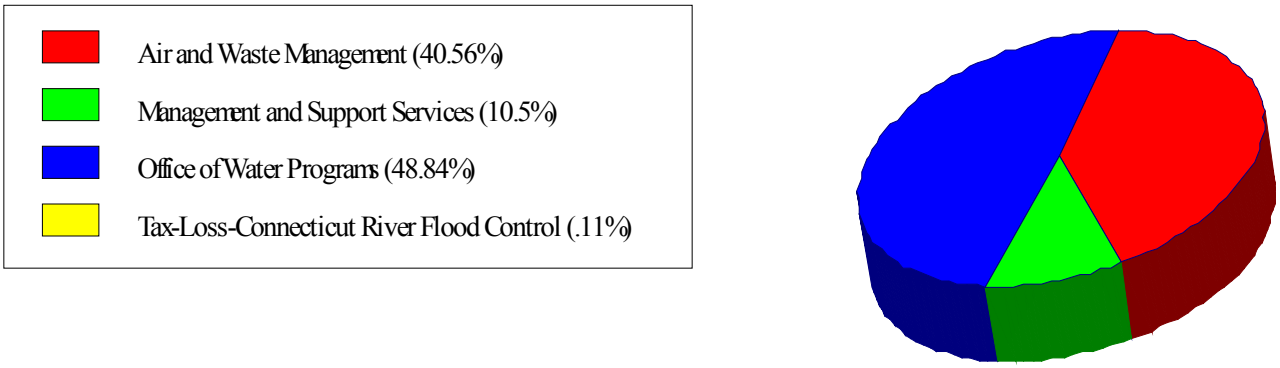
of climate change and water quality through internal priority setting. Funding Clean and Clear Action Plan activities continues to be a priority project in DEC.

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.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Environmental Conservation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Management and Support Services	40	40	40	4,092,871	3,994,428	3,961,912	3,974,157
Air and Waste Management	83	86	84	14,084,660	15,616,652	15,854,146	15,353,380
Office of Water Programs	177	185	182	17,240,502	18,516,889	18,901,047	18,490,012
Tax-Loss-Connecticut River Flood Control	0	0	0	34,700	40,000	40,000	40,000
TOTAL	300	311	306	35,452,733	38,167,969	38,757,105	37,857,549
FUND TYPE							
General Fund				8,993,715	9,207,230	9,796,366	9,063,839
Special Fund				14,472,921	16,540,988	16,540,988	16,520,757
Federal Revenue Fund				10,357,610	10,869,970	10,869,970	10,757,196
Interdepartmental Transfer				1,628,487	1,549,781	1,549,781	1,515,757
TOTAL				35,452,733	38,167,969	38,757,105	37,857,549



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,256,608	3,024,560	2,990,318	3,049,394
Operating Expenses	762,730	890,844	892,570	843,239
Grants	73,533	79,024	79,024	81,524
TOTAL	4,092,871	3,994,428	3,961,912	3,974,157
FUND TYPE				
General Fund	1,701,900	1,181,587	1,149,071	1,008,234
Special Fund	549,742	790,540	790,540	922,426
Federal Revenue Fund	797,626	1,111,505	1,111,505	1,166,725
Interdepartmental Transfer	1,043,603	910,796	910,796	876,772
TOTAL	4,092,871	3,994,428	3,961,912	3,974,157

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	6,329,318	7,788,764	7,980,208	7,760,975
Operating Expenses	6,555,367	6,123,303	6,169,353	6,181,405
Grants	899,975	1,704,585	1,704,585	1,411,000
Other Financing Uses Budget	300,000	0	0	0
TOTAL	14,084,660	15,616,652	15,854,146	15,353,380
FUND TYPE				
General Fund	700,879	1,107,695	1,345,189	949,699
Special Fund	9,979,704	11,180,272	11,180,272	11,121,126
Federal Revenue Fund	3,134,836	3,154,700	3,154,700	3,108,570
Interdepartmental Transfer	269,241	173,985	173,985	173,985
TOTAL	14,084,660	15,616,652	15,854,146	15,353,380

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Office of Water Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	13,088,314	13,398,869	13,771,994	14,086,391
Operating Expenses	1,994,373	2,169,397	2,174,665	2,248,955
Grants	2,157,815	2,948,623	2,954,388	2,154,666
TOTAL	17,240,502	18,516,889	18,901,047	18,490,012
FUND TYPE				
General Fund	6,590,936	6,917,948	7,302,106	7,105,906
Special Fund	3,908,775	4,530,176	4,530,176	4,437,205
Federal Revenue Fund	6,425,148	6,603,765	6,603,765	6,481,901
Interdepartmental Transfer	315,643	465,000	465,000	465,000
TOTAL	17,240,502	18,516,889	18,901,047	18,490,012

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	34,700	40,000	40,000	40,000
TOTAL	34,700	40,000	40,000	40,000
FUND TYPE				
Special Fund	34,700	40,000	40,000	40,000
TOTAL	34,700	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 responsibilities for procedural and substantive rulemaking in the area of land use 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.

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.

The key budget issue facing the new Natural Resources Board in FY 2008 is the continuing 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 and in FY 2007. 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 was funded 38% with general funds and 62% with special funds. For FY 2008, the NRB will receive level general funding while the special fund appropriation will increase by approximately 5%.

Description of Appropriations, Divisions, & Programs

Act 115 Transition/Act 183 Growth Center Legislation

1) Introduction

As a result of Act 115, the E Board and the WR Board were eliminated effective January 31, 2005 although they have continued to finish their respective caseloads, which was completed in 2006. There have been two remands remands from the Vermont Supreme Court. Act 115 consolidated all existing environmental permitting appeal routes so that acts or decisions of the District Environmental Commissions and the Agency of Natural Resources (ANR) are now subject to appeal to the newly expanded Environmental Court (E Court), as are decisions by local development review entities and jurisdictional opinions issued by District Environmental Coordinators.

2) New and Existing Responsibilities

Act 115 replaced the E Board and the WR Board with the Natural Resources Board (NRB), consisting of a full-time Chair and two citizen panels: a Land Use Panel (LUP) and a Water Resources Panel (WRP). These Panels consist of four citizen volunteers each, with the full time NRB Chair serving as a member and Chair of each Panel of each of the two panels.

The LUP has assumed procedural and substantive rulemaking functions previously exercised by the E Board and continues to manage the process by which Act 250 permits are issued. The LUP also initiates enforcement on related Act 250 matters, may interveneparticipate as a statutory party in Act 250 appeals to the E Court,, and may petition the E Court for permit revocation. The LUP is also authorised to hear District Commission fee issue appeals, and will also hear, at the discretion of a municipality, applications for Arequests for findings of facts and conclusions of law under specific Act 250 criteria for designated Growth Centers.

3) Chair of the NRB

The full time Chair of the NRB, appointed by the Governor and confirmed by the Senate, serves as Chair of both Panels and focuses on: external relations, procedural and substantive rulemaking thus establishing significant land use and water resource policy in Vermont, enforcement of Act 250 land use permits, general oversight of E Court appeals and general oversight of the offices and employees of the NRB and the offices and employees of the District Commissions.,

4) Act 250: Vermont's Land Use Control Law

The LUP has administrative oversight ofover nine dDistrict eEnvironmental cCommissions consisting of up to 63 volunteer District environmental commissioners (Environmental Commissioners (each District consists of three Members and up to four Alternates) appointed by the Governor). There are nine District Coordinators, three Assistant District Coordinators and seven administrative support staff. The professional staff of eighteen professionals support the nine district environmental Commissions in five Regional Offices: Springfield, Rutland, Essex, St. Johnsbury and Barre. The District Environmental Commissions process, an average of 500 Land Use Permit (Act 250) applications per year representing an average of $425,000,000 in annual development activity. There are approximately 100 people in the NRB organization as a whole including Coordinators, District Commissioners, NRB Members and Alternates, legal and administrative staff.

5) Combined NRB Legal Staff

Before Act 115, a general counsel served the E Board and an Executive Officer served the WR Board. The WR Board's Executive Officer position has been eliminated. The General Counsel position is now serving the Natural Resources Board NRB and has general oversight over the legal staff. One attorney position continues to work full time on Act 250 enforcement matters in all areas of the State. In addition, two other staff attorney positions have been retained to assist the NRB and its respective Panels in the formulation of land use and water resource policy, goals, standards and the promulgation of administrative and substantive rules.

6) Administrative and Legal Support to the District Commissions

Since all appeals now go to the E Court, there has been an increased emphasis on providing necessary legal and administrative support to the District Environmental Commissions and staff in the five Regional Offices. Previous to this change, it was difficult to have complete and open discussions with the District Commissions and staff because of the E Board's role as adjudicator of District Commission decisions and the need to maintain the so called Chinese wall. Direct legal assistance is now being provided to the District Commissions without the concern that conflicts might arise in an appeal of a Commission decision to the E Board. The legal staff has assumed a much greater role in providing legal assistance to the District Coordinators and District Environmental Commissions.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Natural Resources Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Natural Resources Board	31	31	31	3,160,284	2,832,039	3,094,553	2,875,261
TOTAL	31	31	31	3,160,284	2,832,039	3,094,553	2,875,261
FUND TYPE							
General Fund				991,959	1,057,827	1,320,341	1,030,755
Special Fund				2,168,325	1,774,212	1,774,212	1,844,506
TOTAL				3,160,284	2,832,039	3,094,553	2,875,261

Appropriation Key Budget Issues

- Special fund revenues (Act 250 fees) in **FY 05** were **$1,773,499** with expenditures of **$1,536,160,** leaving a special fund surplus of **$286,678**. Revenues in **FY 06** were **$2,375,482** (an all time record - 34% above the prior year) with expenditures at **$1,646,049** which left a cumulative surplus of **$1,016,111**. Last year the Legislature took **$500,000** of this surplus leaving a balance of **$516,111 in the NRB special fund**. However, revenues were down in FY 2007 and it was necessary to expend nearly half of the surplus to meet expenditures. Our current **special fund surplus** is approximately **$250,000**. We also have a **general fund carry forward** of **$265,549**. Much of this is earmarked for the Board's scanning/electronic public access project over the next two to three years (see below).

- It is difficult to predict revenues from year to year since they are dependent on Act 250 related construction activity. Our special fund target for this year (**FY 2008)** is approximately **$1,775,000.**

NRB General Fund Carry Forward and Special Fund Surplus: Key Budget Issues

We have submitted a formal request to the Administration to use the Natural Resources Board general fund carry forward of **$265,000 in FY 08** for a number of items. These items are summarized as follows:

I. We have "one time" expenditures in mind in **FY 2008, FY 2009** and possibly **FY 2010** for commencement and completion of an intensive public records scanning project that will involve the central office and five Regional Offices. The purpose will be to eliminate public records overcrowding in our office and in five regional offices located around the state and to improve electronic access to these records by the general public. One of the objectives of the plan which is our top priority for the Strategic Enterprise Initiative (S.E.I.) is to "provide [electronic] access to current and historical information by Act 250 staff, the general public, and Act 250 practitioners".

*We have identified our **Document Imaging and Internet Map Project** as our top priority opportunity for funding in FY09. This project will create an on-line database of Act 250 permits and supporting documents which are used extensively by Act 250 applicants, parties, and practitioners such as attorneys, real estate and title professionals, and banking officials. The project is closely tied to recent efforts of the Agency of Natural Resources (ANR) to develop a similar on-line permit database. ANR has identified its **Electronic Content Management System** as one of the priority opportunities in its SEI Step 2 submission. Integration with Act 250 documents and data is a key part of ANR's project. We believe the combined efforts of the two agencies will bring Vermont closer to its goal of becoming an e-government leader by providing citizens with electronic access to important documents and services through a revitalized web portal and agency web sites. Strategic Enterprise Initiative Memorandum to Michael Smith, April 16, 2006.*

We have expended some funds for the purchase of the necessary equipment in the Central Office and we are exploring the sharing of equipment with ANR in the Regional Offices. The one thing that has changed from prior years is that we are now able to access some federal funds through the Connect Vermont project. We are working very closely with the Agency of Transportation which is responsible for the implementation of Connect Vermont. We have also received strong support from Senator Leahy's Office to complete our portion of the project.

The NRB will receive **$166,000** of funding from Connect Vermont which will be used for Phase I of the project - with total expenditures not to exceed a total of **$208,000** in FY 2008. The NRB will be responsible for the remaining portion of Phase I **($42,000)** in **FY 2008** and all expenditures for Phases II and III - **not to exceed a total of $429,000**. **Total project cost for the NRB will be approximately $475,000, to be completed over two to three years**.

Probable cost: $475,000 over a two to three year period

Performance Program Information

Annual Report: Program Performance Information

This report is based upon a statistical analysis of Natural Resources Board (Board)NRB and District Environmental Commission activity during Calendar Year 2006 (CY 2006). Where appropriate, a historical perspective has been provided to complement the current information. Information for Fiscal Year 2006 (FY 2006) has been used for the fee revenue analysis.

1) Number of Act 250 Applications (CY 2006)

In CY 2006, 490 Act 250 permit applications were submitted tofiled with the nine District Environmental Commissions, compared to 516 the previous year, a decrease of 5%.

Seven permit applications were denied by the District Commissions in CY 2006, a rate of 1.4%. This compares to eight denials in CY 2005, a denial rate of 1.5%.

2) NRB Special Fund - Permit Application Fees

Act 250 permit application fees are based on the estimated cost of construction for each project, except state and municipal projects which are exempt from fees. 10 V.S.A. Section 6083a.

3) District Commission Performance (CY 2006)

In CY 2006 83% of all Act 250 applications were processed as either minor applications or administrative amendments, compared to an average of 81% the previous year. For minors, no hearing is held unless a statutory or permitted party files a timely request for a hearing.a hearing within Administrative amendments are processed without a hearing; the amendment is distributed to all statutory parties and adjoining property owners with opportunity for reconsideration within 15 days. The minor and administrative amendment rate for CY 2006 was consistent with the average of 81% for the past several years.

The median processing time at the District Commission level for all decisions in CY 2006 was 27 days from the date the application was deemed complete. In CY 2006, 66% of all permit decisions were issued within 60 days and 83% were issued within 120 days. These percentages are comparable to those from the previous year.

4) Enforcement Activity

The NRB has a successful enforcement program. In 2007, the NRB reallocated significantly more of its legal resources to Act 250 enforcement. The result is a comprehensive, fair and even handed approach to Act 250 violations. This enhances the integrity of the Act 250 program and furthers the State's interest in its public health and environment.

The LUP of the NRB has certain administrative enforcement jurisdiction by virtue of 10 VSA Section 6027 (G); 10 VSA Section 8004; 10 VSA Section 8007; 10 VSA Section 8221 and Memorandum of Understanding and Delegation of Authority from ANR to LUP renewed on 9/1/06 for two years.

Thirty-five (35) administrative enforcement files were opened in CY 2006. Twenty-two (22) of these cases were resolved by the parties executing Assurances of Discontinuances. (AODs)

Eleven (11) cases opened in CY 2006 remain open and are in varying stages of administrative activity. Enforcement was declined in two matters after the files were opened.

In addition to the above, four files opened in CY 2005 were resolved by AODs.

Penalties assessed (AODs and AOs) in CY 2006 total $26,861. Penalties collected in CY 2006 (assessed in CY 2005 and CY 2006) were $30,986. In addition to penalties, 10 V.S.A. Section 8007(b) allows the LUP to include in any AOD, money for supplemental environmental projects (SEPs). SEPs assessed in CY 2006 total $56,000. SEPs collected in CY 2006 were $32,000.

The above numbers do not account for the large number of potential compliance/violation matters which see immediate correction due to the attention of our Coordinators and enforcement attorney.

In addition we have hired a permit compliance officer to investigate many of our cases. With our own full time compliance officer we will for the first time have a systematic process for checking the status of Act 250 permits while the projects are being built. This will allow the NRB to not only be more pro-active in the enforcement arena but also help prevent many violations before they become major problems.

5) Public Information and Education

We continue to improve our access to E Board decisions and other information for both staff and the general public, using our web site and legal research tools such as the Board's E-Note Index. In CY 2006 NRB and Commission staff continued to educate the general public, the business community, and other interest groups about the role of Act 250 in Vermont's regulatory system by giving presentations to numerous groups throughout the state. We have made extensive use of our 18-page color brochure about the Act 250 process as well as slide and Power Point presentations developed for specific audiences.

In CY 2006 the NRB initiated a project which will result in a searchable, on-line database of all Act 250 District Commission decisions dating back to 1970, including scanned images of these decisions and all other important associated file documents. This database will significantly improve access to Act 250 documents for the general public and Act 250 practitioners, facilitating real estate transactions and the resolution of title issues. The NRB has contracted with a vendor, Competitive Computing, to conduct a systems analysis and to develop a comprehensive scope of work for this project. The NRB anticipates that this project will be completed in CY 2009.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Natural Resources Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,252,397	2,400,747	2,469,478	2,465,153
Operating Expenses	393,387	431,292	625,075	410,108
Grants	14,500	0	0	0
Other Financing Uses Budget	500,000	0	0	0
TOTAL	3,160,284	2,832,039	3,094,553	2,875,261
FUND TYPE				
General Fund	991,959	1,057,827	1,320,341	1,030,755
Special Fund	2,168,325	1,774,212	1,774,212	1,844,506
TOTAL	3,160,284	2,832,039	3,094,553	2,875,261

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 of Commerce and Community Development 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**,** owners of older and historic buildings, and the visiting public through **seven** principal functions: 1) administration of state and federal grant programs; 2) provision of technical assistance, including coordination of education and training for local land use decision-makers; 3) implementation of state and federal housing, planning, community development, and historic preservation policy, programs, and statutes; 4) management, maintenance, operation, and interpretation of the State-owned historic sites with an ongoing objective of increasing historic, educational, and economic value to Vermont citizens and tourists; 5) provision of funds that support local and regional planning efforts through the Municipal Planning Grants Program and Regional Planning Commissions; 6) provision of matching funds to historic buildings owned by nonprofits or local governments; to historic barns; and to Certified Local Government municipalities for planning and education;7) administer the downtown, village Center and growth center program to focus commercial activities in existing locations or well thought out new centers.

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, magazine print and media communications with VermontVacation.com, the state's most comprehensive tourism database.

The department also supports and/or funds statewide initiatives including 5-1-1 travel information, 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 2009 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
ACCD - Administration	16	23	22	2,243,032	3,967,409	3,973,791	3,786,912
Housing and Community Affairs	38	33	35	16,305,743	17,478,814	17,601,011	16,718,397
Economic Development	22	21	21	6,100,452	5,933,689	7,035,960	5,949,753
Tourism and Marketing	27	24	22	5,793,288	4,964,020	4,867,052	4,875,333
TOTAL	103	101	100	30,442,515	32,343,932	33,477,814	31,330,395
FUND TYPE							
General Fund				14,331,293	14,183,602	15,368,560	13,951,260
Special Fund				5,692,687	5,769,817	5,906,187	5,869,102
Federal Revenue Fund				8,746,533	10,564,658	10,499,397	10,517,348
Enterprise Fund				731,960	789,893	752,839	767,974
Interdepartmental Transfer				940,042	1,035,962	950,831	224,711
TOTAL				30,442,515	32,343,932	33,477,814	31,330,395

Department Mission Statement

The mission of Administration is the oversight and coordination of agency efforts to implement programs, develop policy and meet statutory objectives in all areas of responsibility.

Description of Appropriations, Divisions, & Programs

The Administration Department is responsible for serving the members of the agency in the areas of communications, 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 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Administration Division	16	23	22	2,243,032	3,967,409	3,973,791	3,786,912
TOTAL	16	23	22	2,243,032	3,967,409	3,973,791	3,786,912
FUND TYPE							
General Fund				2,243,032	2,899,982	2,906,364	2,886,912
Federal Revenue Fund				0	800,000	800,000	800,000
Interdepartmental Transfer				0	267,427	267,427	100,000
TOTAL				2,243,032	3,967,409	3,973,791	3,786,912

Appropriation Key Budget Issues

The Administration Department's budget challenges include maintaining level services with cuts in resources, retaining valuable personnel, and planning for the future.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Administration Division

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,409,839	2,113,879	2,152,717	2,026,671
Operating Expenses	533,193	782,330	724,874	664,041
Grants	300,000	1,071,200	1,096,200	1,096,200
TOTAL	2,243,032	3,967,409	3,973,791	3,786,912
FUND TYPE				
General Fund	2,243,032	2,899,982	2,906,364	2,886,912
Federal Revenue Fund	0	800,000	800,000	800,000
Interdepartmental Transfer	0	267,427	267,427	100,000
TOTAL	2,243,032	3,967,409	3,973,791	3,786,912

Department Mission Statement

To promote the production of housing that is affordable to all Vermonters, to preserve Vermont's built and archaeological heritage, and to promote vibrant communities.

Description of Appropriations, Divisions, & Programs

The Department of Housing and Community Affairs offers a wide range of programs to support sustainable development of Vermont communities: preservation of Vermont's historic downtowns and village centers; local and regional land use planning; the Vermont Community Development Program; state housing policy, including the Mobile Home Park Program; the identification and protection of historic resources, including incentive programs; and the State-owned historic sites where history comes alive.

Applications from municipalities to the Vermont Community Development Program (VCDP) greatly outstrip the available grant resources each year. VCDP has been funded at a level of $7.5M annually through the Federal Community Development Block Grant Program. Grants are made directly to municipalities for vital community development projects, such as affordable housing, economic development, and public facilities such as daycare centers.

The lack of housing stock in many regions of the state has led to escalating home prices and rents. A Vermont family must earn approximately $15.00 an hour to afford a typical two-bedroom apartment. The statewide Housing and Homeless Needs Assessment, completed in June of 2005 as part of the Consolidated Plan, showed a serious shortage of both rental and ownership units in the region over the next ten years. The Housing Division is working diligently to steer all available resources to address the state's housing crisis. Additionally, the division administers the state's Mobile Home Park Program. In July 2004, the Department completed the process of an overall update of its Housing Division Rules that deal with mobile home parks. Additionally we recently received final approval by LCAR for an update to the Mobile Home Rules dealing specifically with electrical issues and road upgrades in parks. The Governor appointed a special committee (the M&M Committee) in July 2004 to look at many of the problems that affect mobile home parks, their owners, and the tenants. Out of this committee work, a bill was passed two sessions ago that makes it easier for mobile home park tenants to form cooperatives to buy their parks. Additional legislation was proposed last session to further the M&M Committee's recommendations specifically around park sale and closure notice and financing/security option for mobile homes.

The Vermont Downtown Program (VDP) supports community efforts to strengthen downtowns and village centers through training and technical assistance. There are incentives for both the public and private sector within the designated area, including tax credits for historic building rehabilitations and code improvements, transportation-related public improvements, and priority consideration for other State programs. Long-vacant upper floors in many downtowns are now being rehabilitated for housing and offices, storefronts and facades are being improved, and buildings are becoming more accessible and safe through code improvements. Tax credit rehabilitations are beginning to develop in the village centers which can have a big impact where there is otherwise little commercial activity. There are 23 Designated Downtowns, and Village Center designations have grown to **77** in 2007.

In 2006, legislation creating the Growth Centers Program was enacted, charging the Department to staff an appointed Growth Center Planning Coordination Group and an expanded Downtown Board. The Board is charged with designating Growth Centers according to criteria that differs from the downtown and village center criteria. The Department has contracted with consultants to develop the required planning manual and implementation checklist. A series of well-attended meetings and a public hearing on the drafts have been held. The board approved the first Growth Center designation, Williston, in 2007 and has recently provided interim Growth Center benefits to the Town of Colchester.

As well as administering the Downtown and Growth Centers programs, the newly formed Division for Community Planning and Revitalization (CP&R) also provides technical assistance to local and regional officials on smart growth planning tools, primarily via coordination of the Vermont Land Use Education & Training Collaborative. This collaborative, primarily staffed by DHCA, manages the Vermont Planning Information Center (VPIC) website at VPIC.info, has administered contracts for a series of publications and final editing. In 2006, the range of training services was expanded to include Municipal Education Grants - small grants a town can apply for to pay for direct training to volunteer decision-makers at its local meetings to improve local capacity.

The Planning Division also administers the Municipal Planning Grant Program and state funding for the 11 Regional Planning Commissions (RPCs). The FY08 Municipal Planning Grants went to more than 90 Vermont towns. This is a competitive and popular program. In addition, the Division was charged with distributing $100,000 in grants to municipalities to research “ancient roads”, a part of legislation aimed at clearing real estate title problems that have emerged. That amount was sufficient to provide grants to 22 of the 68 applications received. Currently the CP&R Division is working to finalize a publication for local government officials to help them start to address their wastewater infrastructure needs. A spring conference on this topic is also being planned.

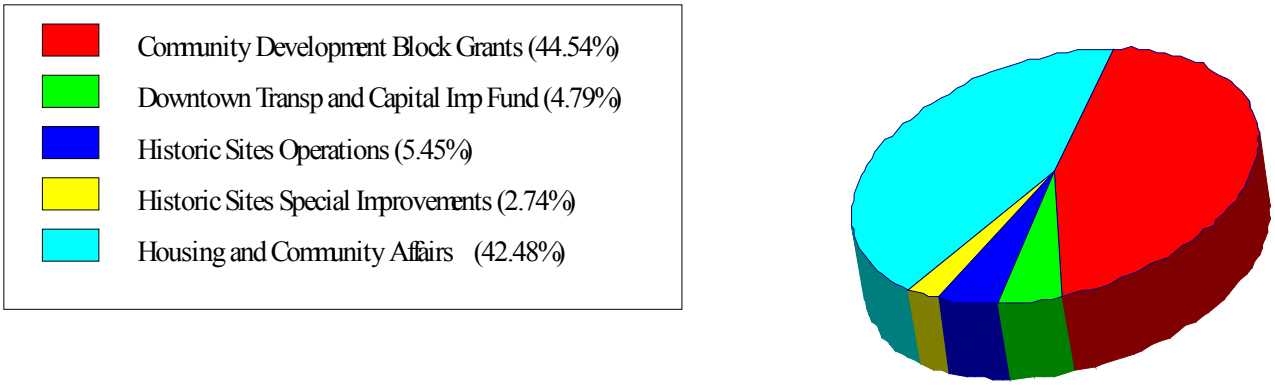
The Division for Historic Preservation supports the continued use of historic buildings, and research and protection of archaeological sites. The Division assists communities in adopting preservation-based development practices, giving new life to old buildings while protecting community character and pride. The Division administers small grant programs (Historic Preservation and Barn grants), and tax credits, which are in great demand. It also reviews and comments on developments for their impact on historic

and archaeological resources, and provides education and training about historic resources and their protection. The State Historic Sites tell a story of Vermont's past in the places where it happened. There are 10 sites open to the public, including the village of Plymouth Notch, 2 Revolutionary battlefields, and the tallest structure in the state - the Bennington Battle Monument. Revenues from ticket and gift shop sales provide a portion of the sites' budget. The Division also owns several bridges, underwater shipwrecks, an iron blast furnace, and a variety of historic houses and taverns, all representing Vermont's rich history.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Housing and Community Affairs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Housing and Community Affairs	32	27	29	6,838,187	7,084,309	7,229,412	7,102,534
Historic Sites Operations	5	5	5	872,099	941,610	918,704	911,554
Historic Sites Special Improvements	0	0	0	967,013	1,206,365	1,206,365	457,779
Community Development Block Grants	0	0	0	6,728,720	7,446,530	7,446,530	7,446,530
Downtown Transp and Capital Imp Fund	1	1	1	899,724	800,000	800,000	800,000
TOTAL	38	33	35	16,305,743	17,478,814	17,601,011	16,718,397
FUND TYPE							
General Fund				2,091,415	1,932,624	2,138,546	1,935,586
Special Fund				5,151,223	5,211,467	5,277,970	5,240,752
Federal Revenue Fund				8,548,063	9,566,188	9,501,091	9,417,348
Interdepartmental Transfer				515,042	768,535	683,404	124,711
TOTAL				16,305,743	17,478,814	17,601,011	16,718,397



Appropriation Key Budget Issues

The Department of Housing and Community Affairs is very dependent on federal funds. With the federal budget constraints over the last few years, there has been a decline in these funds. Federal money now covers 50% of the Historic Preservation budget, down from 60%.

Growth Centers is a new program with complex issues that will require professional planning expertise that is resident in the Department, but extremely stretched**.** As mentioned earlier, the Planning division and Downtown Program have been merged into the new Division for Community Planning and Revitalization (CP&R) division to better utilize the synergy between planning and downtown/village revitalization and to bring a planning component to the growth center work.

The Department is working with other agencies to provide services that can help generate revenue for the Department. One example is its efforts to help the Human Rights Commission (HRC) with reducing housing discrimination. The Department has the staff and the expertise to help develop a public information campaign, perform outreach to landlords and tenants, and update materials to try to solve this problem. The HRC is reimbursing the Department with federal HUD monies for its efforts.

While visitors remain pleased with their experience at the State historic sites, attendance has been declining yearly for the past decade. The weather of the past few seasons has compounded the problem of dwindling visits. The basic costs of maintenance, insurance, utilities, and staffing do not decrease. With fewer visitations, there is less income, which puts pressure on the General Fund portion of the budget. The Division continues to take steps to improve visibility and visitation. In calendar 2007 it has seen an increase in visitors and has cut expenses toward a better bottom line. Ticket sharing amongst the other museums and a state park in the east central part of the state has had some success. Tourism and Marketing promotes the sites with brochures and on the Vacation Vermont website and most notably, with the Governor's public service announcements throughout the 2007 season. In the long range, the Division is working to improve the visitor "experience" with new technology and family activities.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	2,394,761	2,307,833	2,424,632	2,302,051
Operating Expenses	310,842	361,339	356,096	381,619
Grants	4,102,976	4,415,137	4,448,684	4,418,864
Other Financing Uses Budget	29,608	0	0	0
TOTAL	6,838,187	7,084,309	7,229,412	7,102,534
FUND TYPE				
General Fund	1,571,950	1,390,297	1,597,986	1,393,684
Special Fund	3,840,887	3,991,815	4,049,826	4,021,100
Federal Revenue Fund	1,388,302	1,646,697	1,581,600	1,687,750
Interdepartmental Transfer	37,048	55,500	0	0
TOTAL	6,838,187	7,084,309	7,229,412	7,102,534

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	573,007	636,402	609,666	610,229
Operating Expenses	295,386	305,208	306,038	298,325
Grants	3,500	0	3,000	3,000
Other Financing Uses Budget	206	0	0	0
TOTAL	872,099	941,610	918,704	911,554
FUND TYPE				
General Fund	519,465	542,327	540,560	541,902
Special Fund	352,634	369,652	378,144	369,652
Interdepartmental Transfer	0	29,631	0	0
TOTAL	872,099	941,610	918,704	911,554

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Historic Sites Special Improvements

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	153,733	427,660	427,660	304,537
Operating Expenses	784,414	778,705	778,705	153,242
Other Financing Uses Budget	28,866	0	0	0
TOTAL	967,013	1,206,365	1,206,365	457,779
FUND TYPE				
Special Fund	57,978	50,000	50,000	50,000
Federal Revenue Fund	431,041	472,961	472,961	283,068
Interdepartmental Transfer	477,994	683,404	683,404	124,711
TOTAL	967,013	1,206,365	1,206,365	457,779

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	6,618,544	7,446,530	7,446,530	7,446,530
Other Financing Uses Budget	110,176	0	0	0
TOTAL	6,728,720	7,446,530	7,446,530	7,446,530
FUND TYPE				
Federal Revenue Fund	6,728,720	7,446,530	7,446,530	7,446,530
TOTAL	6,728,720	7,446,530	7,446,530	7,446,530

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Downtown Transp and Capital Imp Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	29,419	40,000	40,000	70,035
Operating Expenses	333	0	0	0
Grants	855,642	760,000	760,000	729,965
Other Financing Uses Budget	14,330	0	0	0
TOTAL	899,724	800,000	800,000	800,000
FUND TYPE				
Special Fund	899,724	800,000	800,000	800,000
TOTAL	899,724	800,000	800,000	800,000

Department Mission Statement

DED's mission is to lead a statewide coordinated effort to foster the growth of higher quality jobs that will develop a more vital and diverse economy through supporting existing businesses coupled with attracting new businesses to the state.

Description of Appropriations, Divisions, & Programs

Retention and Expansion: DED's retention and expansion team assists new and expanding companies that operate in Vermont with facility site relocation and/or expansion support, financing and marketing information, entrepreneurship, state permits and regulation information, and workforce training initiatives, by means of direct client interaction and through partnering with the Regional Development Corporations (RDC).

The goal of the Retention and Expansion team is to retain existing jobs and assist Vermont companies in adding new quality jobs for Vermonters; to facilitate and coordinate delivery of programs and services from funded partners and state government; to provide companies with "one-stop shopping" for information regarding doing business in Vermont; to provide companies with a direct avenue for feedback regarding state policies and regulations; to assist companies in weathering difficult economic conditions and pursuing new targets of opportunity; and to support entrepreneurial efforts to grow new businesses and create new jobs.

The DED Recruitment and Expansion staff's primary responsibility is relationship management. In 2007, DED staff held 1,116 meeting with 523 different Vermont companies in all 14 counties of the state.

Procurement Technical Assistance Center (PTAC): PTAC assists, educates, and establishes contract bid opportunities for Vermont businesses and manufacturing firms with federal, state, and local government entities. PTAC maintains a Vermont Business networking electronic bulletin board to promote bid opportunity information and to provide an informational resources avenue. PTAC also maintains the State of Vermont Online Government Bid Board Website.

In calendar year 2006, PTAC served 255 full service clients, with 358 government contract awards made to Vermont companies, totaling over $32,000,000. In addition, according to methodology used by the federal government, PTAC helped Vermont companies create 1,642 jobs. PTAC received a "Best

Project of the Year" award from the Association of Procurement Technical Centers for its National Guard Partnership Project in 2006, and Vermont is the only state supporting its businesses at the National Guard Association of the United States annual convention, including Vermont companies such as Revision Eyewear, ION Science, Liquid Measurement Systems, and Sound Innovations to name a few.

Vermont Training Program (VTP): VTP promotes industrial expansion and encourages the creation and retention of jobs in manufacturing by providing training contracts to new and existing businesses, thereby increasing the skills of the Vermont workforce, wages, and Vermonters' standard of living.

In FY 2007, the VTP completed 53 training contracts with Vermont companies. Types of training provided included on-the-job training, classroom training, ISO-9000 training, and lean manufacturing. The VTP provided training support to 3,100 Vermont workers, resulting in an average wage of $15.35, under this program. In addition to FY 07 completed contracts, VTP carried over 56 contracts into FY 08, providing training for an additional 2,936 workers. Every dollar invested in the VTP yields $2.52 in revenues to Vermont's economy.

International Trade: The Vermont Global Trade Partnership (VGTP) provides international trade assistance, educational support, and informational services to Vermont businesses to help them expand their markets abroad. The VGTP provides technical support to businesses with emphasis on international market research, trade technical assistance, international skills training, and new market development through coordinated participation in international trade shows and trade missions. The partnership includes representatives from the twelve RDCs, Vermont Chamber of Commerce, Lake Champlain Regional Chamber of Commerce, Champlain College, Marlboro College, the U.S. Department of Commerce, and Vermont's Congressional delegation. The Vermont World Trade Office board of directors acts as strategic advisors to the VGTP.

During 2007 VtGTP:

Provided technical assistance to 317 businesses across Vermont; Organized 6 trade missions to support new opportunities for Vermont businesses, including MEDICA 2007, the medical technologies industry show in Dusseldorf, Germany which was held in November. Participation at MEDICA 2006 generated over $1 million in export sales, with 12 new Vermont jobs projected. Similar, if not more significant successes are expected from this year's show; Organized or contributed to more than 9 educational events across the state, serving over 350 participants from across Vermont. Subject matter included Export Licensing, NAFTA Qualification and Crossing the Border Workshops, Export Controls and others; Hosted the World Trade Reference On-line, a resource with 42 databases that are vital to doing business internationally; Maintained an internship program at Champlain College, training the future business leaders of Vermont.

Entrepreneurship: DED develops and supports a focused approach that optimizes the utilization of Vermont's resources in its efforts to grow and retain highly successful start-up businesses - both

technology-based as well as general business - through coherent and inter-related strategies for incubation and access to risk capital.

DED sponsors the Vermont Investors Forum. This is held annually to facilitate meetings between entrepreneurs and potential investors. There are also educational sessions covering both the entrepreneurial and investor sides of the equation. The 2007 Forum was held in Stowe in November with nine presentations to the investor audience, and ten presenters in the "Innovators' Corner".

DED also hosts North Country Angels, an angel investors network that meets regularly to consider financing a large variety of entrepreneurs.

DED also is a sponsor of Peak Pitch, a matchmaking event in which entrepreneurs are paired with investors and rather than an elevator speech, they give a chairlift speech. The second of these events took place at Bolton Valley earlier this year.

Recruitment: The Recruitment Program's initiative is to attract business to relocate and/or expand to Vermont by means of using specialized marketing strategies to reach specific industries/businesses in a geographic region generally bounded by a line from Virginia to Ohio, (which skirts the Canadian border), east to Maine and then south down the east coast. Opportunities outside the target geographic market area are provided support and assistance as they arise, however they are not general the focus of the targeted 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.

Historically, the department has spent about 10% of its resources annually on attracting business to Vermont. Contrary to many other states' programs, Vermont's target prospect is in smaller operations, from 20 to 200 employees.

During the fourth quarter of 2006, the Recruitment division completed work on establishing a GIS-based listing of commercial properties in Vermont. It permits Regional Development Corporations, commercial realtors, and developers to post their properties on the DED website. This will allow site selection staff and consultants - both within and outside Vermont to shop online for properties to meet their expansion and relocation needs. Vermont has now joined the 21st century global market. At present we have over 75 sites all across the state ranging up to 172,000 square feet. Through marketing in-state we expect to double the inventory in the year ahead.

The DED, in cooperation with our regional partners, was successful in helping to attract several new companies to Vermont over the past year, including: Jeld-Wen Windows and Doors, headquartered in Oregon, which chose VT over several competing states for the location of a new door manufacturing facility; Battenkill Technologies, a small R & D firm specializing in high level scientific, engineering, and project management support to government sponsored research and development programs; Dale of

Norway, a manufacturer of high-end wool yarn and wool outdoor gear; Vermont Timber Frames, which designs and builds high end timber frame homes; Sentinent Technologies, a firm focusing on the research and development of health monitoring and prognostic software for critical machinery.

Financial Services (Captive Insurance): Financial Services Program promotes Vermont's leading position as a U.S. captive domicile, and seeks out new and diversified opportunities within the financial services field. The Financial Services target markets are risk managers and CFOs, and the insurance brokers and consultants who work with them…primarily large Fortune 1000 companies. In 2007, the total number of captives domiciled in Vermont surpassed 800, with annual premium taxes collected totaling nearly $23,000,000.

Administration: The Administration division oversees the human, technical, and financial resources of the Department; administers the grant programs with RDCs and other economic development partners; provides outreach via the media, partnerships, seminars, and direct client contact.

VT Economic Progress Council (VEPC): VEPC is an independent body governed by a nine-member board appointed by the governor. VEPC has two staff and is attached to the Department of Economic Development for administrative support. From 1998 - 2006, VEPC administered the application and approval process for the Economic Advancement Tax Incentive (EATI) program, which offered tax incentives for companies seeking to locate or expand in Vermont. The Council continues to jointly administer, with the Department of Taxes, the reporting, performance review, and recapture functions for the remaining EATI authorizations made through December 2006. Starting in January 2007, VEPC began administering the application and approval process for the Vermont Employment Growth Incentive program, which replaced EATI. The Council also administers the application and approval process for Tax Increment Financing Districts.

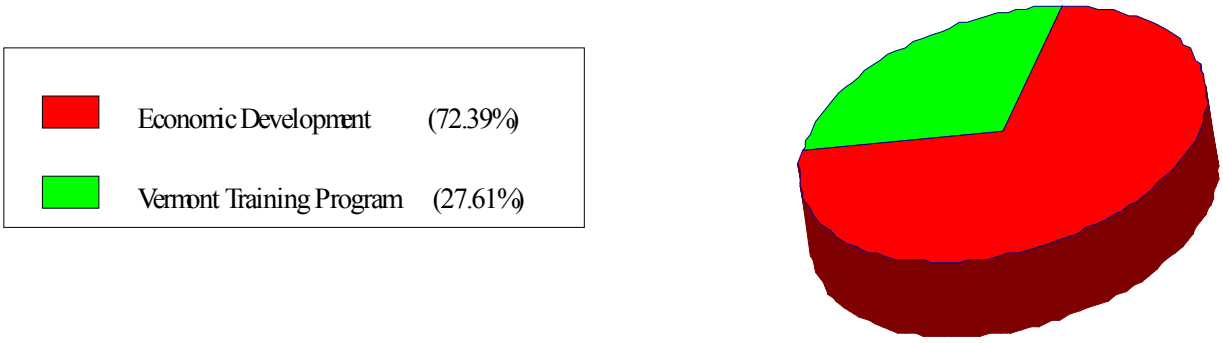
Through December 2006, EATI incentives with a net value of $100 million were authorized for 142 projects that would occur between 1998 and 2016. Through the 2005 tax year, a total of $27 million in income tax credits, sales and use exemptions, and property tax reductions and exemptions have been exercised. In return, Vermont has retained over 10,000 jobs, added 2,309 new jobs with an average compensation of $46,977 and added over $627 million in new capital, research and development, workforce training, and high technology investments.

During the first year of operation, under the Vermont Employment Growth Incentive program, VEPC authorized incentives valued at $8.4 million to 11 companies if new qualifying payroll and capital investments are made between 2007 and 2012. If the incentives are earned, Vermont will gain 1,226 new qualifying jobs, $55 million in new qualifying payroll and $111 million in capital investments. In addition, the state will realize over $8.1 million in net new revenues.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Economic Development

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Economic Development	21	20	20	4,624,674	4,290,495	4,355,305	4,306,904
Vermont Training Program	1	1	1	1,475,778	1,643,194	2,680,655	1,642,849
TOTAL	22	21	21	6,100,452	5,933,689	7,035,960	5,949,753
FUND TYPE							
General Fund				5,335,518	5,182,869	6,215,437	5,027,403
Special Fund				541,464	552,350	622,217	622,350
Federal Revenue Fund				198,470	198,470	198,306	300,000
Interdepartmental Transfer				25,000	0	0	0
TOTAL				6,100,452	5,933,689	7,035,960	5,949,753



Appropriation Key Budget Issues

The Department's challenges in the FY 09 appropriation include maintaining the same level of service with cuts in resources, as well as continuing important initiatives.

There is $100,000 earmarked in the budget for Pursue VT. One of the major challenges faced by Vermont and its businesses is the state's demographic profile. Vermont businesses are seeing significant attrition as their workforce approaches retirement age, with a shortage of candidates seeking employment in Vermont.

PursueVT is the state's initiative designed to connect young professionals with the information, resources, and opportunities that will help them with their decision to live and work in Vermont. This includes all aspects of living and working in Vermont, such as housing options and availability, internships, apprenticeships, higher education, job training, and of course available jobs. This is accomplished through marketing initiatives, development of a web portal, partnering with higher education alumni organizations, and sponsorship of career outreach events targeting specific industry clusters. This program is directly focused at supporting Vermont's existing businesses.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,957,274	1,934,901	1,905,543	1,924,000
Operating Expenses	821,209	639,216	712,818	843,925
Grants	1,846,191	1,716,378	1,736,944	1,538,979
TOTAL	4,624,674	4,290,495	4,355,305	4,306,904
FUND TYPE				
General Fund	3,900,864	3,574,675	3,569,782	3,419,554
Special Fund	500,340	517,350	587,217	587,350
Federal Revenue Fund	198,470	198,470	198,306	300,000
Interdepartmental Transfer	25,000	0	0	0
TOTAL	4,624,674	4,290,495	4,355,305	4,306,904

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Training Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	104,883	136,477	133,078	125,474
Operating Expenses	22,927	19,928	23,185	33,754
Grants	1,347,968	1,486,789	2,524,392	1,483,621
TOTAL	1,475,778	1,643,194	2,680,655	1,642,849
FUND TYPE				
General Fund	1,434,654	1,608,194	2,645,655	1,607,849
Special Fund	41,124	35,000	35,000	35,000
TOTAL	1,475,778	1,643,194	2,680,655	1,642,849

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 tourism, recreation and conference destination. To accomplish the objective VDTM markets Vermont to likely travelers from across the country, from around the world and from within Vermont itself, as well as encouraging the purchase of Vermont products and services. VDTM continues to promote Vermont in the key drive/fly markets of New York City, Boston, Montreal, and Philadelphia, as well as important secondary markets.

Vermonters continue to discover that the best tourism and recreation opportunities are right in their backyard. The success of the Department's initial in-state tourism program titled the resident awareness campaign demonstrated that this is a market with considerable growth potential. Current efforts are focused on highlighting the Vermont tourism experience for a broad cross-section of Vermonters.

Research: A 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, estimated that during 2003, $1.46 billion in direct spending by visitors making 12.8 million person trips to Vermont generated $181.7 million in revenue to the State of Vermont. The just completed 2005 benchmark study shows a positive annual growth rate of 2.3 percent in person trips to Vermont over 2003 and direct spending increasing to $1,57 billion. Component studies have focused on lodging establishments, Vermonters as visitors, second-home owners, and travel and tourism employees and proprietors.

Advertising: The Fiscal 2008 media strategy includes a proven combination of television, , magazine, newspaper, radio, out of home (outdoor advertising) and online advertising. Advertisements are placed in publications, locations, and broadcast networks that attract potential visitors interested in outdoor recreation, cultural heritage, unique lodging, fine dining and the Vermont experience. The call to action on all advertising campaigns and printed materials directs consumers to VermontVacation.com and 1-800-VERMONT.

To stretch media dollars, the Department reviews last-minute opportunities with potential to deliver a strong message to key markets. This poises us to take advantage of better-priced remnants in print. Our

partnership with Cabot Creamery and the Vermont Ski Area Association and pooling of marketing dollars allows the Department to purchase more television spots than our budget alone would allow. The FTMI and Chamber matching programs have also been integral in increasing Vermont media and promotion exposure.

Sales: Regular communication and sales missions with travel agents and tour operators ensure that Vermont retains a strong presence in travel trade product offerings throughout the world. Motorcoaches continue to be an integral part of the Vermont tourism mix. Hundreds of motorcoach 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 has in-country representation in France, Japan and Canada, as well as in the U.K. and Germany through Discover New England These contractors focus on public relations opportunities, familiarization trips, and selling Vermont as a premier vacation destination. Other efforts to attract international travelers include trade shows, sales missions, and the Internet. The Department has pages on VermontVacation.com translated into German, French, U.K. English and Japanese which complement lure pieces in the same languages.

In FY08 the Department lost a key position due to the need for exempt salary savings. Due to this loss the department has reevaluated its ability to maintain its rigorous annual tradeshow circuit. The department has focused its attention on core sales and trade missions throughout New England and metropolitan New York and reluctantly has reduced its annual tradeshow attendance.

Web/Technology: With nearly 300 pages of content, VermontVacation.com continues to be a significant resource for prospective visitors and the Vermont tourism industry. The site has seen a considerable increase in traffic over the past two years; from 691,000 unique visitors viewing 7 millions pages in 2005 to over a million visitors viewing more than 20 million pages of information in 2007. The increase is due, in part, to a “pay-per-click” (PPC) advertising campaign that the department started in FY 06, as well as making the Web site the call to action in all its marketing efforts. The Department is planning strategies encouraging more return visits to both the site and the state through a site redesign and improved direct marketing efforts in 2008.

The Vermont 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) online advertising campaign promotes the ease and convenience of planning a stay in Vermont and will continue into FY 2009. 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. eScapes, a 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

The Department continues to focus on expanding outreach efforts. The Department continues to populate VermontPressroom.com and Vermont.Gov with story ideas and market its resources to journalists. The Department is attending more press events and meetings with journalists in major media markets.

Cultural Heritage: In 2005, Vermont launched its first-ever celebration of culture and heritage. In 2006 the program was expanded to include Independence Day activities. The goal is to showcase Vermont's rich cultural heritage through a broad range of events and experiences. During the summer of 2006, VDTM initiated a first-ever in-state promotion of Vermont Cultural Heritage Days with public service announcements and paid advertising to encourage Vermonters to explore their own state and participate in local events. The program received a tremendous amount of interest and will continue into FY08.

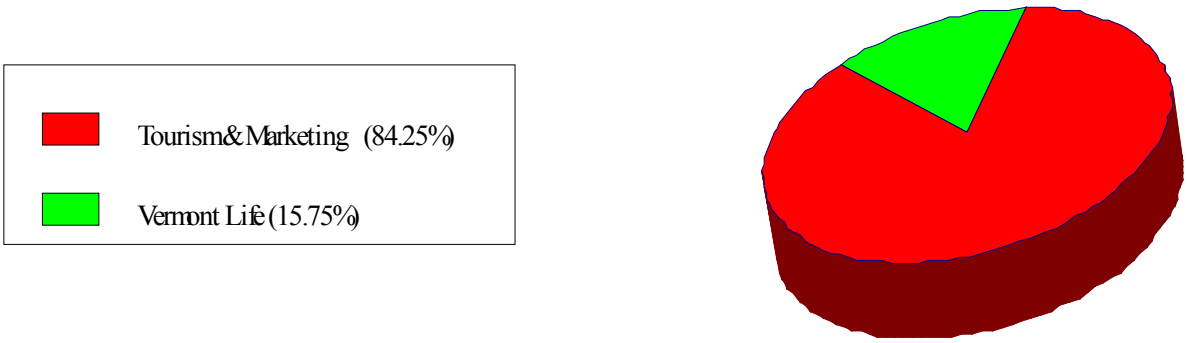
Vermont Life: Vermont life Magazine is a division of the Vermont Department of Tourism & Marketing. Under statute the Commissioner of the Department has general oversight over the magazines operation. In FY06 and 07 there were legislative changes to Vermont Life's operations with the addition of a publisher position to oversee business and operations and the change of Vermont Life's editor position from classified to exempt. Given these changes Vermont Life has reached great accomplishments in both the publication quality and business activities including a stronger presence on the internet, additional collaborative promotion through Vermont's official travel web site VermontVacation.com and reaching and agreement with Vermont's Quadricentennial Commission for the sale of Quad logo merchandise. Vermont Life is focusing on increasing the sale of both in and out of state subscriptions and increasing the sales of products distributed through Vermont Life's catalogue.

Vermont Life is published quarterly in February, May, August and November as the State of Vermont's official magazine. The magazine explores the state's people, places and heritage. Vermont Life Magazine celebrated 60 years of publication in 2006. Vermont Life has one over 95 national and international magazine awards since 1990.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Tourism and Marketing

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Tourism & Marketing	15	13	12	5,061,328	4,174,127	4,114,213	4,107,359
Vermont Life	12	11	10	731,960	789,893	752,839	767,974
TOTAL	27	24	22	5,793,288	4,964,020	4,867,052	4,875,333
FUND TYPE							
General Fund				4,661,328	4,168,127	4,108,213	4,101,359
Special Fund				0	6,000	6,000	6,000
Enterprise Fund				731,960	789,893	752,839	767,974
Interdepartmental Transfer				400,000	0	0	0
TOTAL				5,793,288	4,964,020	4,867,052	4,875,333



Appropriation Key Budget Issues

Statewide Tourism Marketing Campaign: These dollars will be available to forge new partnerships in Tourism's core market; the metro areas of NY, Boston and Montreal. There is an excellent return on the dollars Vermontcurrently spends in these markets. The Department buy's media at a fraction of the going rate and receives far more than the dollars spent as compared to Vermont's competitive neighbors.

Governor's Fund for Tourism Marketing Initiative (FTMI): The first year of the Fund For Tourism Marketing Initiatives was a tremendous success. The program provided a fantastic opportunity for VDTM to partner with non profits and private sector businesses to develop marketing initiatives. VDTM is constantly approached to support events and promotions that it previously had no program or authority to pursue. This program allowed VDTM to collaboratively work with organization to promote events and Vermont as a travel destination. In FY07 VDTM received over 60 applications for this grant with a matched value of $1.4 million dollars. VDTM successfully awarded 13 grants to private organizations around the state, all of which have strong measurable return on investment opportunities. In FY08 VDTM received over 70 applications with a matched value of over $1.6 million dollars. VDTM awarded 19 grants from $130,000 budgeted by the department for a total of $260,000 in marketing investment.

Governor's Quadracentennial Committee: In 2009, Vermont will mark the 400th anniversary of Samuel de Champlain's exploration of the lake that bears his name. VDTM Commissioner Bruce Hyde is chairing the Lake Champlain Quadricentennial Commission formed by Governor Douglas in 2003. In FY2008 VDTM was appropriated $100,000 dollars in funding to support planning for Vermont's role in Quadracentennial Celebration. VDTM secured a contract with PDI Creative for design and planning services attributed to the Quadracentenial. VDTM has organized and participated in a number of special events held during the past year to increase public awareness of the Celebration, including the public release of the Quadracentennial logo.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Tourism & Marketing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,661,121	1,635,474	1,619,381	1,670,581
Operating Expenses	2,989,143	2,171,653	2,127,832	2,069,778
Grants	411,064	367,000	367,000	367,000
TOTAL	5,061,328	4,174,127	4,114,213	4,107,359
FUND TYPE				
General Fund	4,661,328	4,168,127	4,108,213	4,101,359
Special Fund	0	6,000	6,000	6,000
Interdepartmental Transfer	400,000	0	0	0
TOTAL	5,061,328	4,174,127	4,114,213	4,107,359

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Life

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	690,682	693,124	653,979	667,074
Operating Expenses	41,278	96,769	98,860	100,900
TOTAL	731,960	789,893	752,839	767,974
FUND TYPE				
Enterprise Fund	731,960	789,893	752,839	767,974
TOTAL	731,960	789,893	752,839	767,974

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Department Mission Statement

The mission of the Vermont Arts Council is to advance and preserve the arts at the center of Vermont communities partnerships, grants and information services. Specific goals include increasing participation in the arts, and supporting art-based programs and services that provide clear and demonstrable returns on the public investment made in them.

The Vermont Council on the Arts, Inc. d/b/a the Vermont Arts Council was organized as a 501(c)(3) not-for-profit corporation in 1964 to promote and support quality art activities and opportunities for all Vermonters and visitors to the state. In 1965, Congress passed PL 89-209 creating the National Council on the Arts and Humanities with funding for the states in both of these disciplines. The Vermont legislature authorized the Arts Council (Act 170 of 1965), as the agency to represent Vermont in state and federal arts programs, for the purpose of "increasing the opportunities for Vermont's citizens and visitors to view, enjoy and participate" in the arts.

Description of Appropriations, Divisions, & Programs

The Council's funding sources are a combination of State appropriations and collaborative projects, a Federal "Partnership" grant from the National Endowment for the Arts, and a small amount of private (corporate, individual, and foundation) funding.

The Arts Council provides technical and information 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 funding strategies that enable local artists and arts organizations to develop a critical role in decisions that positively impact the quality of local community life.

The Council supports and provides leadership in state and local partnerships that value the role of the arts in local economic development, invest in physical improvements to our cultural infrastructure, and promote the products and services of Vermont's "creative sector." Examples of Council collaborative activities are:

- Collaborating with the Agency of Transportation, the Department of Tourism and Marketing, and the Agency of Commerce and Community Development to create and maintain an online interactive statewide Arts and Cultural Events calendar that offers our site visitors a comprehensive picture of cultural activities around the state, while making it easier for artists and presenters to promote their events;

- 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 (most recently, the reopening and dedication of 133 State Street office building);
- 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;
- Overseeing a model transportation enhancement project based on creative improvements as part of the reconstruction of the Route 2 corridor through the village of Danville in partnership with the Vermont Agency of Transportation;
- Developing initiatives such as Head Start arts programs for underserved children and families and sustainable arts education programming in schools and communities throughout the state with local arts and municipal partners;
- Engaging communities statewide in community arts projects (Palettes of Vermont, Art Fits Vermont);
- Administering the Local Arts Partnership Initiative which provides funding to cultural institutions seeking to broaden the impact of the arts at the community level through activities that engage the arts in social service, education, or economic development activities. This initiative has unfortunately been suspended while we search for partners interested in investing in the economic vitality of Vermont communities.

The major goals the Council is pursuing to achieve its mission are:

1) **To increase opportunities for everyone in Vermont to experience and/or participate in the arts**
   - Increasing opportunities for the public to see and experience high quality art in all its forms and to achieve greater understanding of the arts; help artists increase direct access by the public to their work
   - Improving conditions for showcasing excellent art
   - Improving communications and information-sharing networks that inform the public about art-related activities and encourage its participation
2) **To demonstrate and promote the positive ("public value") benefits of investing tax dollars to support the arts**
   - Supporting local arts organizations' efforts to broaden their programs and services within their local communities which, in turn, make the communities more attractive to investors, homeowners, tourists, etc.
   - Helping schools plan and implement curricula in which the arts are integrated, fully staffed, and supported which greatly increase the ability of the school to prepare students for the 21st century "knowledge/creative economy"

- Increasing the number of communities who embrace the Creative Economy as a core strategy for community economic development; supporting artists and arts organizations in communities that are engaged in Creative Economy activities

3) To expand and sustain our capacity to serve our constituencies

- Improving communications with and among constituents, and with key decision-makers
- Expanding the online "library" of best practices, calendars, directories and other professional development tools that serve the needs of the Arts community
- Maintaining and expanding collaborations that support our technological capacity
- Expanding sources of support for Council projects and collaborative activities

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Council on the Arts	0	0	0	577,118	545,618	545,618	559,258
TOTAL	0	0	0	577,118	545,618	545,618	559,258
FUND TYPE							
General Fund				529,618	545,618	545,618	559,258
Special Fund				47,500	0	0	0
TOTAL				577,118	545,618	545,618	559,258

Appropriation Key Budget Issues

Demands and pressures on the arts sector to play a key role in the economic and cultural vitality of the State are over-stressing its inadequately-funded operating infrastructure. Organizational capacity of not-for-profit arts organizations is at the breaking point, and many lack the necessary resources to participate effectively in creative economy efforts that are a vital part of improving the overall economic condition the State.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	567,118	545,618	545,618	559,258
Other Financing Uses Budget	10,000	0	0	0
TOTAL	577,118	545,618	545,618	559,258
FUND TYPE				
General Fund	529,618	545,618	545,618	559,258
Special Fund	47,500	0	0	0
TOTAL	577,118	545,618	545,618	559,258

Department Mission Statement

The Vermont Symphony Orchestra Association, Inc., a state-supported non-profit institution founded in 1936, exists for the purpose of fostering and encouraging the appreciation of music in all its various forms, with emphasis on orchestral, choral and chamber music. It seeks to raise the common standard of music education and enjoyment, and to provide, at moderate cost, quality performances for a broad and diverse public throughout the State of Vermont.

Description of Appropriations, Divisions, & Programs

The Vermont Symphony Orchestra (VSO) traditionally receives a single appropriation from the General Fund that is applied to support musical and educational programs around the state, with primary emphasis on the *SymphonyKids* education program and performances in underserved, rural areas.

Activities

The VSO is Vermont's nationally-recognized professional musical resource, providing residents of and visitors to the state with high-quality services and programs, especially in the area of music education. Its unique mission as a state orchestra is made possible through the collaborative efforts of the many communities it serves each year and the grass roots efforts of hundreds of volunteers across Vermont. During the season just completed (September 1, 2006 - August 31, 2007), the VSO performed 48 major presentations in 24 Vermont towns plus Lebanon, NH. These offerings included two major statewide tours-the foliage season Made in Vermont Music Festival (nine concerts), and the ten-concert Summer Festival-along with the Masterworks series (seven concerts); three Holiday Pops concerts; four Holiday presentations with Brass Quintet and Robert De Cormier's vocal ensemble Counterpoint; a 10-concert *SymphonyKids* Orchestral Youth Concerts statewide tour, plus two *SymphonyKids* Orchestral Youth Concerts in Burlington; the free David M. Wilson Memorial Farmers' Night Concert in Montpelier; and the Waltz Night gala.

The recently-concluded 2006/2007 season boasted strong numbers of schools and communities served through the VSO's *SymphonyKids* statewide educational programs: 186 events were presented, involving 24,728 Vermont schoolchildren from 219 schools in 161 towns (including four in New Hampshire and two in New York. The attendance represents nearly half of all Vermont K-6 schoolchildren. No other orchestra in the country can lay claim to such a pervasive education program. The *SymphonyKids* program encompasses several offerings: the Musical Petting Zoo, Musicians-in-the-Schools (smaller ensembles), Orchestral Youth Concerts, and (our most recent addition) the Green Room Program for high school students. Special programs that feature visiting guest artists, composers, and other musical personalities supplement these mainstays.

The VSO presented a total of 290 concerts and programs during its 2006/2007 season, reaching more than 58,000 people statewide. 245 of the events were offered free of charge to audience members.

The VSO looks to further fulfill of its statewide mission by expanding its major offerings at two recently-revived facilities: the Latchis Theatre in Brattleboro and Rutland's Paramount Theatre. Since the 2002/2003 season, two Masterworks concerts presented at the Flynn Center in Burlington have also been performed at these concert venues. For the 2007/2008 season, the VSO has planned a three-concert Sunday Matinee Series, to be presented at the Paramount Theatre. The series will include the traditional Holiday Pops concert as well as two Masterworks programs. The VSO hopes to build on these successful outreach initiatives and increase the number of full-orchestra performances in other communities around the state in future seasons.

Market

The Vermont Symphony Orchestra was organized nearly 73 years ago to serve all of the communities of Vermont. As the name implies, it is a state orchestra that provides services and programs throughout Vermont. Out of hundreds of professional U.S. orchestras, only several hold this statewide distinction, but among those few, the VSO is unmatched in the size and proportion of rural communities it annually serves, making it a unique American institution.

The significance of Vermont's rural setting is essential to understanding the VSO's market, challenges, and successes. According to 2005 census data, the average U.S. orchestra in the VSO's budget class serves a metropolitan area population of 456,383 people. The VSO market of 623,000 constitutes 37% more than the average; however, 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. There is no statistical data available on the number of communities served each year by other orchestras of similar budget size to the VSO, presumably because they each serve one principal community. By contrast, the VSO serves many communities.

Since 1939, the Vermont legislature has recognized the VSO's unique mission by annually granting a direct appropriation, making it the oldest state-supported orchestra in the country. The most important component of the market that compels the Orchestra's existence is the 60,000± individuals who use VSO programs, more than forty percent of whom are children. The in-school presentations and children's concerts add to each school district's ability to enrich the education of its students. A National Center for Education Statistics study supports the assertion that music and arts education have a significant positive impact on students' cognitive and reasoning skills. This study shows that students who take part in music programs routinely have higher achievement test scores than their classmates, and have higher grades in their classes. Children who experience music regularly from an early age have been shown to have an enhanced mathematical ability over their classmates. This and other studies only add to what we already know: children who learn to appreciate music and art early in life retain that appreciation and equate it with an appreciation for other important cultural components and, in turn,

help to improve society. It is the VSO's goal to reach an ever-increasing audience each year, in as many communities as possible.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Symphony Orchestra	0	0	0	118,780	122,343	122,343	125,402
TOTAL	0	0	0	118,780	122,343	122,343	125,402
FUND TYPE							
General Fund				118,780	122,343	122,343	125,402
TOTAL				118,780	122,343	122,343	125,402

Appropriation Key Budget Issues

Among the major indicators measuring the results and impact of VSO programs each fiscal year, the most important are:

1) Program usage statistics. These are arguably the most important indicators of success for a performing arts organization. Usage statistics include ticket revenues and attendance figures.

	Actual FY05	Actual FY06	Actual FY07	Estimated FY08	Estimated FY09
Ticket Sales	$380,795	$367,666	$410,756	$397,375	$423,300
Attendance	57,793	57,635	58,068	59,000	60,000

Ticket sales and attendance figures vary based on the number of presentations. The Orchestral Youth Concert tour, which takes place biannually, can account for fluctuations of $15,000 in tickets sales and 5,000 in attendance.

VSO concerts typically enjoy excellent attendance with a high percentage of capacity. Many concerts are performed in relatively small spaces in rural communities. This allows the Orchestra to increase its coverage of the state as mandated by its mission. Given programmatic changes and the economic downturn, the relative stability of sales and attendance suggests organizational strength among the VSO's patronage. Projections for the next two years show modest increases, based on limited programmatic expansion.

2) The number and variety of programs/services offered and the number of different Vermont communities participating in those programs. The chart below shows historical and projected numbers of major events planned for each fiscal year, followed by the number of Vermont communities served:

	Actual FY05	Actual FY06	Actual FY07	Estimated FY08	Estimated FY09
Number of Programs	47	36	48	37	48
Number of Communities	21	22	25	22	25

Orchestral Youth Concert tours take place every other season; thus the numbers of programs and communities are fewer during even years.

3) Statistical evidence of broadening community and business support across the state. Included below are the results and projections from annual individual and business fundraising efforts.

Actual Actual Actual Estimated
Estimated

	FY05	FY06	FY07	FY08	FY09
Individual Gifts	$287,776	$289,824	$303,322	$314,235	$324,000
Business Support	$179,949	$189,050	$226,507	$253,080	$265,750

Even with difficult 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 averages $192,000 annually.

Support from the national and state arts agencies have decreased in recent years and 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 downturns in the economy.

To bolster the VSO's financial underpinning, the Governing Board of Directors has embarked on a $3,500,000 campaign, to increase the permanently restricted fund (endowment) to a level that is closer to the national standard for orchestras (at least three times the annual operating budget). Adding these new funds to the VSO's existing modest endowment will eventually result in a new annual funding stream of approximately $140,000, based on a conservative 4% draw. This will help the VSO maintain its offerings, even during uncertain economic times. To date, over $1,250,000 has been pledged, primarily from the 18-member board itself. The campaign will be announced to the public sometime in late 2008 or early 2009.

4) Evidence of artistic and administrative excellence and financial results and evidence of economic impact. The Vermont Symphony Orchestra has developed a consistent, superior level of artistic ability that is unparalleled locally, and is competitive at the regional and national level. This is indicated both through critical reviews of performances and from periodic review by outside agencies, some of which fund the VSO in a highly competitive environment. Annual indicators include the Vermont Arts Council, the National Endowment for the Arts, and several private foundations. During the past three years, the VSO enjoyed seven national broadcasts of performances on National Public Radio, including the premiere broadcast of a new work commissioned and performed in all 50 states by more than 70 orchestras. This, too, attests to the quality level the Orchestra has attained.

Senior administrative staff continuity during the past five 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 59%, from <$585,964> to <$240,144> (preliminary FY07 year-end result). Its external debt was eliminated during FY03 when the Orchestra paid back its line of credit completely for the first time since July 2000. The FY08 budget was crafted under the same principles as have been employed since FY02: conservative (in most cases,

zero-based) revenue projections, tight expense controls, and elimination of unnecessarily risky activities. The VSO's Governing Board of Directors and its six Regional Boards of Trustees have committed to raising additional funds to help reduce the accumulated deficit and improve the cash position. Success in these efforts will be required for several more years to completely eliminate the accumulated deficit, and provide the Orchestra with ample reserves to weather economic ebbs.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	118,780	122,343	122,343	125,402
TOTAL	118,780	122,343	122,343	125,402
FUND TYPE				
General Fund	118,780	122,343	122,343	125,402
TOTAL	118,780	122,343	122,343	125,402

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Historical Society

Department Mission Statement

At their September 2006 quarterly meeting, the Board of Trustees reviewed and approved the following new mission statement: *The Vermont Historical Society engages both Vermonters and "Vermonters at heart" in the exploration of our state's rich heritage. Our purpose is to reach a broad audience through our outstanding collections, statewide outreach and dynamic programming. We believe that an understanding of the past changes lives and builds better communities.* The Board also adopted a new vision statement for the Society: *The Vermont Historical Society will set the standard for statewide work in Vermont history. We will reach more people through expanded outreach, leadership in Vermont history education, accessible collections, and participation in public policy discussion. Our audiences will be engaged citizens who are informed about the past and motivated to create a better future.* These new statements are part of a strategic plan that will chart a course for the Society to expand and enhance our service to Vermont and Vermonters.

Chartered by the legislature in 1838 and thus the oldest cultural heritage organization in the state, VHS collects, preserves and interprets objects and documents related to Vermont's past (22 V.S.A., sections 281-285). The Vermont Historical Society is the only institution in Vermont that collects artifacts and documents that reflect the entire history of the state, every geographical area, and every chronological period, including the present.

Description of Appropriations, Divisions, & Programs

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 three broad strategic goals as top priorities:

- To explore Vermont's past in ways that are dynamic, engaging and inclusive. *Therefore, VHS will be the statewide leader in Vermont history in the areas of K-12 education, public programming, publishing, and in local historical society field services.*

- With the belief that museum and library collections are a keystone to our shared identity and as keeper of many of Vermont's historical treasures it is the Society's duty to be good stewards so that future generations can be enriched by these memories. *Therefore, VHS will strengthen and protect the collections under our care and enhance their accessibility.*

- VHS believes that the Vermont History Center is an important hub for collecting, preserving and sharing Vermont's history throughout the state. *Therefore, VHS will complete the renovation of the Vermont History Center, expanding space for collections, exhibitions, and programming.*

The 2008-2013 strategic plan will identify specific action steps for each of these goals, with timetables, budgets and staff assignments to ensure their completion.

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 2.5 million "hits" per year on our website). Via the VHS presence at state and local events and sponsoring booths at the Vermont Antiquarian Booksellers Association, Vermont Antique Dealers Association, Vermont Library Association, and other annual shows and conventions, 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 FY07-08 the Society reached out to Vermonters through a variety of special events and presentations, including:

- A series of Family Fun Workshops for children at the "Freedom and Unity" exhibit in the Pavilion Building (November-March).

- More than 50 staff lectures on various aspects of Vermont history, in towns throughout the state.

- Vermont History Day (April), featuring the work of some 300 Vermont students.

- The eighth annual Vermont History Expo (June 2007), in Tunbridge, which drew an audience of 5,000 visitors. An award-winning model for state history festivals nationally, Expo 2007 featured displays by more than 100 local historical societies and museums in Vermont.

- Continuation of the Community History Partnership, which in FY07-08 teamed up historical organizations and schools in 14 Vermont towns for work on local heritage projects. Like Vermont History Expo, CHP is building a success story that will serve as a national model for other state historical societies to adapt and emulate.

As in the past, the Society continued to produce its quarterly newsletter, retitled from *InContext* to *History Connections*, and its biannual scholarly journal, *Vermont History*, and to upgrade its website for use by the general public as well as school students and teachers. VHS website hits have gone from 45,000 two years ago to 3.0 million this year which indicates how popular the Society's electronic information on Vermont's heritage has become.

FY2007 ended with a balanced VHS budget. New money received from private-sector sources for the Society FY2007 operating budget totaled some $700,000. Over the past five years (FY2003 through FY2007), the total development effort has more than doubled the Society's private-sector income from unrestricted and restricted sources. In FY06 the Society completed its first-ever $1 million gift from a private-sector donor.

During FY2007 the Society maintained operations at the Vermont History Center. The Center, which opened officially to the public on July 20, 2002, now provides space for the Society's research library, environmentally stable storage space for all of its collections, and new administrative offices.

In the Society's space on the first floor of the Pavilion Building in Montpelier, the 5,000-square-foot *Freedom and Unity* exhibit in the Pavilion continued to attract very positive public reactions and good visitation numbers. This exhibit, the only one of its kind in Vermont, presents a chronological overview of Vermont's human history, featuring artifacts, audio/visual components, recreated period rooms and installations, a 15-minute movie on Vermont's tradition of civil discourse on controversial issues, and many other features to help Vermonters and out-of-state visitors alike learn about and appreciate our state's history. The Society's Pavilion space also includes a new hands-on classroom and an expanded museum store.

In FY07 sales remained strong for Freedom and Unity: A History of Vermont, the Society's 730-page overview of the state's past. Written by Michael Sherman, Gene Sessions and Jeff Potash, this book will remain the definitive history of Vermont for decades to come.

The Society's growth and advancement in recent years have attracted a good deal of attention and approval. In 2003 VHS received The Preservation Trust of Vermont Award for the restoration and renovation of the Spaulding school complex as the Vermont History Center. The American Association for State and Local History has bestowed two national Awards of Merit on VHS, in 2002 for Vermont History Expo and in 2005 for the *Freedom and Unity* exhibit and its accompanying one-volume history of Vermont. In 2007, the Institute of Museum and Library Services selected VHS as one of 10

American organizations (out of 140,000) to receive a National Medal for Museum and Library Services, the nation's highest honor for community service in our field.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Historical Society

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Historical Society	0	0	0	733,393	828,342	828,342	932,515
TOTAL	0	0	0	733,393	828,342	828,342	932,515
FUND TYPE							
General Fund				733,393	828,342	828,342	932,515
TOTAL				733,393	828,342	828,342	932,515

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Grants	733,393	828,342	828,342	932,515
TOTAL	733,393	828,342	828,342	932,515
FUND TYPE				
General Fund	733,393	828,342	828,342	932,515
TOTAL	733,393	828,342	828,342	932,515

Department Mission Statement

The Vermont Housing and Conservation Board (VHCB) is a public body established in 1987 by amendment to 10 V.S.A. to add Chapter 15, with the purpose of improving the quality of life for Vermonters by implementing the dual goals of creating "affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, important natural areas, recreational lands, and historic properties."

The Board's programs serve lower income Vermonters (families earning below median income, with an emphasis on very-low income households) and all Vermonters interested in or users of agricultural, natural, and recreational lands, historic properties and affordable housing. The Board makes grants and loans to municipalities, to non-profit organizations, including land trusts and conservation groups, to housing cooperatives, and to qualifying state agencies.

A major VHCB goal is to assist communities in implementing local plans and activities which further the Board's statutory mission. The Board's awards support community-based projects that preserve affordable housing units, create or rehabilitate additional affordable housing, correct infrastructure deficiencies in mobile home parks, conserve and protect agricultural lands, natural and recreational land and historic properties. The Board's work results in re-investment in downtowns and surrounding neighborhoods while preserving the rural working landscape.

VHCB's program contributes to Vermont's economy in many ways: 1) it leverages more than $4 for every dollar appropriated; 2) affordable housing is critical to economic growth and attracting future employees, and housing construction is one of the most effective 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 $17.7 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.

The protection of natural areas and public recreation lands is supported through the funding of projects providing valuable public access to the state's water resources, and other important outdoor recreational lands, often in cooperation with the Agency of Natural Resources and local communities to provide opportunities for hunting, fishing, hiking, bird watching, and cross country skiing among other activities. VHCB projects also focus on perpetually protecting areas essential to maintaining the ecological diversity or natural heritage of the state, including the perpetual protection of habitat containing one or more endangered species. Many of VHCB's conservation awards support the efforts of local communities to provide ongoing public access to locally important resources. Historic projects include buildings on, or eligible for, the national register of historic places that can be used or converted to affordable housing. VHCB also provides funds for historic buildings of outstanding statewide significance which will have intensive public use.

The Board's audited financials are presented in the state financial statements as a non-major component unit.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vt Housing and Conservation Board	0	0	0	36,222,676	25,087,472	25,087,472	22,750,369
TOTAL	0	0	0	36,222,676	25,087,472	25,087,472	22,750,369
FUND TYPE							
Special Fund				25,806,424	15,383,258	15,383,258	10,768,258
Federal Revenue Fund				10,416,252	9,704,214	9,704,214	11,982,111
TOTAL				36,222,676	25,087,472	25,087,472	22,750,369

Appropriation Key Budget Issues

Property Transfer Tax - The VHCB annual State appropriation comes mainly from Property Transfer Tax receipts. The budget recommendation is $9,783,258 for VHCB's portion of the Property Transfer Tax in FY09.

The demand for VHCB funds continues to be greater than the resources available.

Leverage and Match
VHCB and its grantees raise more than $4 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 grant for Vermont has been approximately $3 million for each of the last three years and is anticipated to continue at $3 million for FY09..

Finally, VHCB has been awarded a variety of federal grants such as the Lead Paint Hazard Reduction award, Economic Development Initiative, an AmeriCorps and a Rural Business Enterprise grant.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	27,218,220	25,087,472	25,087,472	22,750,369
Other Financing Uses Budget	9,004,456	0	0	0
TOTAL	36,222,676	25,087,472	25,087,472	22,750,369
FUND TYPE				
Special Fund	25,806,424	15,383,258	15,383,258	10,768,258
Federal Revenue Fund	10,416,252	9,704,214	9,704,214	11,982,111
TOTAL	36,222,676	25,087,472	25,087,472	22,750,369

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Humanities Council

Department Mission Statement

The Vermont Humanities Council (VHC) is dedicated to creating a state in which every individual reads, participates in public affairs, and continues to learn throughout life.

The VHC believes that engagement with the world of ideas, in interaction with others, contributes uniquely to richer lives, stronger communities, a more humane society, and a better world. Because the humanities and the world of ideas belong to everyone, the VHC has developed a broad range of programs that serve Vermonters of all ages and backgrounds. The humanities include history, literature, art history, and comparative religion. They are the tools of self-reflection; they help us better understand ourselves and others, and the past and present.

Description of Appropriations, Divisions, & Programs

The State of Vermont's allocation to VHC is essential to pursuing our mission by complementing federal funds and enabling us to leverage dramatically the state's allocation with private donations. These funds pay for the critical programs that contribute toward a literate and engaged citizenry.

In 2007 VHC sponsored over 1,700 programs; they occurred in about 130 Vermont towns, including communities in every county. Program successes in 2007 were many, including the following.

1. VHC reached out to literacy audiences in a variety of ways:
   - through 36 *Connections* programs (86 different sessions) in prisons and Adult Education and Literacy centers,
   - through 9 theme-based week-long humanities summer camps for at-risk middle-school students,
   - through more than 345 early literacy training workshops for 500 different child care providers and 370 different parents, and
   - with collaborative programs and trainings with state agencies.

   They were done 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. 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.

   Maggie Eaton, teacher and *Humanities Camp* director at U-32, speaks to the power of VHC humanities camps for at-risk middle-schoolers: "*Humanities Camp* is a powerful intervention for such children. The richness of discourse, activities, and exposure to universal ideas and themes touch these children deeply. For many, this is their first and only experience of being a member of a

respectful environment that values them as a person. In the past year, we have seen children prosper and flourish from this experience. Because of these camps, in the senior class this year, again we see a number of *Humanities Camp* alumni becoming the first person in their family to attend college."

2. VHC's state-wide one-book community program, *Vermont Reads*, continues to be enormously successful. For the third year in a row, the program engaged about 10,000 students and adults (confident and fragile readers alike) from about 65 towns in reading and discussing a young-adult novel and participating in events related to the book. In 2007 schools, libraries, after-school programs, and scores of other groups participated -- as well as adult literacy students at AEL centers and prisons - read *Counting on Grace*, by Elizabeth Winthrop. About 300 public programs occurred statewide, and more than 500 people heard the author speak at special day-long programs at the Bennington Museum and the Winooski Middle School. In addition, an estimated 30,000 people heard the VPR broadcast of the book and interview with the author. *Counting on Grace* was inspired by a haunting 1910 photo taken by child labor photographer Lewis Hine of a 12-year-old girl who worked in a mill in Pownal. The story evokes life in New England mills in 1910 and emphasizes the importance of reading and education.

3. The Council's grants program and literacy-based mini-grants provided over $82,215 to schools, museums, historical and community literacy organizations, adult basic education centers, and other service organizations. These grants supported no fewer than 465 events and helped build community capacity for education, literacy, and citizen participation.

4. Townspeople in 80 Vermont towns gathered to hear over 200 free public lectures or living history performances in libraries, schools, museums, and other community centers. These include programs of the VHC *Speakers Bureau,* a VHC-sponsored Farmers' Night presentation by "Abraham Lincoln," and talks that are part of VHC's six "*First Wednesdays*" series - held monthly, October through May, in the public libraries of Montpelier, St. Johnsbury, Middlebury, Brattleboro, Burlington, Newport, and Manchester. They promoted life-long learning, reading, and vital libraries, fostered community building, and contributed to Vermont's "creative economy," cultural tourism, and our state's attractive quality of life.

5. Townspeople in 46 Vermont towns gathered in libraries and other community centers to discuss, with the guidance of a humanities scholar-discussion leader, fiction and nonfiction book series. VHC sponsored 206 such gatherings. These programs, like *First Wednesdays* and *Speakers Bureau* events, strengthen Vermont's communities not only by their character and design, but also by happening in the facilities of key town organizations such as libraries, museums, community centers, and schools.

6. "*Literature & Medicine: Humanities at the Heart of Healthcare*" is a national award-winning reading and discussion program for health care professionals that, as one participant writes, "renews the heart and soul of health care." *Lit & Med* discussions have helped health care professionals improve their communication and interpersonal skills while increasing their cultural awareness,

empathy for patients, and job satisfaction. VHC ran the program in 10 of Vermont's 15 hospitals, including the VA Hospital.

7. VHC has begun a multi-year project to identify sites throughout Vermont related to the home front of the Civil War, interpret their history for the public, help local people and heritage tourists locate those sites, and enable educators to make use of these sites and stories in the teaching of history. We will create a database and website, with locations and interpretive descriptions of each site, contextual information, and maps to facilitate visiting key sites. We - and NEH, which has initial provided planning support - hope that the project will serve as a model for similar efforts in other states as the country approach the 150th anniversary of the Civil War. No other state in which major fighting did not occur has undertaken such a comprehensive inventory of its Civil War sites.

8. More than 150 people gathered for the VHC's *annual autumn conference* - this year entitled "The Northern Civil War Home Front." It considered what life in Vermont was like while the war was raging in the south, how the war affected towns and individuals in Vermont - and in the North generally.

9. In 2007, VHC prepared for publication its second book, *A Guide to Fiction Set in Vermont for Children and Young Readers*. It is a companion volume to *A Guide to Fiction Set in Vermont*, published in late 2005. The book's descriptions of hundreds of novels set in Vermont from 1835 to the present invite readers to discover what stories were set in their favorite Vermont towns and to learn how the idea of Vermont has changed over the decades. These two books are celebrations of Vermont and Vermont towns that promote reading and life-long learning.

10. The VHC participated in and helped promote the third-annual *Poetry Out Loud* program, a statewide program that encourages high school students to memorize and recite poetry from memory. It has been one of three sponsors of the *statewide middle school spelling bee*, the winner of which represents Vermont in the national championship. It has been active in *the State's Council on Civics Education*, headed by the Social Studies Coordinator for the State Department of Education, the *Quadricentennial Commission*, *Vermont's Lincoln Bicentennial Committee*, and the planning for the upcoming *sesquicentennial of the Civil War*.

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, lifelong learning, and community engagement, and to enriching the lives of all Vermonters through the humanities.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Humanities Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Vermont Humanities Council	0	0	0	180,599	185,599	185,599	195,599
TOTAL	0	0	0	180,599	185,599	185,599	195,599
FUND TYPE							
General Fund				180,599	185,599	185,599	195,599
TOTAL				180,599	185,599	185,599	195,599

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.

Appropriation Key Budget Issues

In 2006, VHC showed a $35,673 deficit on its $1,225,525 budget.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Vermont Humanities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	180,599	185,599	185,599	195,599
TOTAL	180,599	185,599	185,599	195,599
FUND TYPE				
General Fund	180,599	185,599	185,599	195,599
TOTAL	180,599	185,599	185,599	195,599

Agency Mission Statement

The Vermont Agency of Transportation's vision is a safe, efficient and fully integrated transportation system that promotes Vermont's quality of life and economic wellbeing.

VTrans' mission is to provide for the movement of people and commerce in a safe, reliable, cost-effective, environmentally responsible manner.

The Agency of Transportation is committed to developing and maintaining a seamless, integrated transportation network that includes all modes of travel, for freight as well as passengers.

Achieving that objective requires a blend of connections between and among modes that is safe, reliable and produces a seamless transition with minimal disruptions or delays. Establishing such integration across the state requires an annual investment based on the optimal allocation of resources. From expert planning and precision engineering to careful construction and maintenance, the Agency's primary focus is to maintain and improve Vermont's transportation infrastructure in a way that is both safe and environmentally sound.

Investment in transportation infrastructure brings lasting and substantial economic benefits through the ability to grow the state's economy, create and retain jobs, and maintain a high quality of life. VTrans continues to be committed to providing a balanced and integrated intermodal transportation system that meets the diverse needs of the state's citizens while preserving the significant investment Vermont has made in its existing transportation infrastructure.

To meet these various objectives, VTrans has established a set of four goals that act as guiding principals in everything the Agency does. These goals are:

SAFETY: Make safety a critical component in the development, implementation and maintenance of the transportation system.

EXCELLENCE: Cultivate and continually pursue excellence in financial stewardship, performance accountability, and customer service.

PLANNING: Optimize the future movement of people and goods with corridor and natural resource management, balanced modal alternatives, and sustainable financing.

PRESERVATION: Protect the state's investment in its transportation system.

In preparing the FY09 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 not only promotes these goals but

meets the objectives found in the Long Range Transportation Plan and codified at 19 V.S.A. Section 10(i)(c). These are:

1. Managing, maintaining and improving the state's existing transportation infrastructure to provide capacity, safety, and flexibility in the most cost-effective and efficient manner.
2. Developing an integrated transportation system that provides Vermonters with transportation choices.
3. Strengthening the economy, protecting the quality of the natural environment, and improving Vermonters' quality of life.

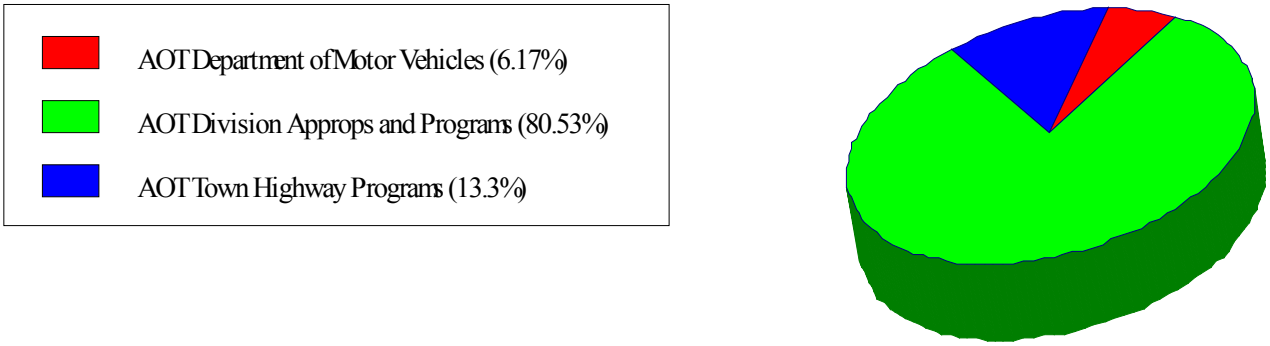
In FY09, the highest priorities for emphasis include pavement, bridges and culverts, maintenance, and modernization of the computer systems for the Department of Motor Vehicles.

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 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
AOT Division Approps and Programs	1,051	1,051	1,060	296,678,476	334,522,404	322,118,881	338,239,426
AOT Department of Motor Vehicles	246	250	250	23,272,643	25,115,713	26,462,341	25,925,911
AOT Town Highway Programs	0	0	0	65,369,646	61,149,961	61,149,961	55,855,986
TOTAL	1,297	1,301	1,310	385,320,765	420,788,078	409,731,183	420,021,323
FUND TYPE							
Transportation Fund				183,591,169	193,190,672	191,968,777	189,059,517
Special Fund				4,187,274	2,951,403	2,951,403	2,561,606
Federal Revenue Fund				182,058,119	204,264,381	194,429,381	208,818,176
Internal Service Fund				13,665,168	14,611,622	14,611,622	15,170,774
Interdepartmental Transfer				1,819,035	5,770,000	5,770,000	4,411,250
TOTAL				385,320,765	420,788,078	409,731,183	420,021,323



Department Mission Statement

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) continues to implement asset management and create performance measures that will evaluate the impact of asset management. Asset management is a systematic process of operating, maintaining and upgrading the Agency's physical assets in a cost-effective way. The process combines engineering and mathematical analyses with sound business practices and economic theory. Like the traditional planning process, asset management includes data collection, strategy evaluation, program development, and feedback. It is a strategic approach that takes both a global and long-term view of infrastructure performance and cost. Asset management is a tool which allows VTrans to consider options in a comprehensive, well informed, and proactive manner. Its value will be measured in its outcomes and benefits. Asset management is really a form of best business practices which the private sector has been using successfully for years.

There are three main goals to asset management:

- To build, preserve, and operate facilities and assets in a cost-efficient manner.
- To provide customers the best value for the public tax dollar.
- To enhance the credibility and accountability of the Agency of Transportation.

VTrans provides a number of services through four divisions: Operations, Program Development, Policy and Planning, and Finance and Administration, plus the Department of Motor Vehicles. These five organizational areas play an integral role in supporting VTrans' mission.

OPERATIONS DIVISION

Vermont has a substantial public investment in its existing transportation infrastructure, of which effective and efficient management is crucial. The primary mission 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 involving all travel modes, 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, which comprises over 550 employees, operates and maintains Vermont's highways, railways, airports, and public transit systems. The division's mission is to keep State owned

facilities open, safe, and aesthetically pleasing to the transportation network user, to manage the transportation system in a cost-effective and environmentally-sensitive manner, and to enable efficient service (both passenger and freight) through our rail, air and public transit systems.

We must maintain a safe and reliable transportation system that facilitates the movement of people and goods to maximize Vermont's economic growth and development. The division's nine Maintenance Districts provide both immediate and long-term preventative maintenance of the State's highways. The Aviation Program provides a safe environment for the system users, preserves the State's aviation infrastructure, promotes aviation-related activities and education programs, and provides 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, as well as 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 both 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 so they can access employment, medical appointments and other needs. The program provides opportunities for congestion mitigation that preserves air quality, supports economic development and tourism, and provides connectivity to commuter and intercity transit services as well as passenger air systems.

The Operations Division also oversees the State's Occupational Health and Safety Program, Hazardous Waste and Materials Program, Maintenance Programs, Intelligent Transportation Systems and Roadside Vegetation Management. In addition to routine maintenance activities, the division provides technical assistance to communities for Town Highway Bridge Programs, Town Highway Class 2 Resurfacing and Rehabilitation programs, Federal-Aid on Town Highways, and emergency programs related to natural disasters.

PROGRAM DEVELOPMENT

The Program Development Division is responsible for the design, permitting, Right of Way, and construction of all capital projects undertaken by VTrans.

The Paving Program is responsible for maintaining the surfaces of approximately 3,200 miles of two-lane paved road. The program divides roads into three networks: Interstates, State Highways, and Class 1 Town Highways. Program functions include monitoring and analyzing network-wide pavement conditions, developing cost-effective preventative maintenance and rehabilitation strategies, preparing plans and specifications, and providing technical assistance during construction.

Bridges and culverts are an integral part of Vermont's highway infrastructure, and VTrans' Structures Program makes it a high priority to keep them in a safe and usable condition. The program is responsible for inspecting 2,656 long-span bridges (greater than 20 foot spans) on both the State and local highway systems. The program is also responsible for 1,300 short structures (between six and 20

foot spans) on the State system. Inspections are typically performed on a two-year cycle for long structures and on a five-year cycle for short structures, but inspections are performed more frequently when deemed necessary. The Structures Program is responsible for programming and design of bridge rehabilitation and reconstruction projects from project inception through the project development process, and then on to construction for any state or local bridge that qualifies for funding. The Structures Section also provides both project management and engineering for structures selected by the Operations Division for replacement or rehabilitation, and is responsible for the inventory and inspection of state-owned railroad structures.

The Roadway Program addresses locations that have been identified as either structurally deficient or hazardous to the traveling public. Roadway projects generally fall into one of three categories: reconstruction, rehabilitation or restoration. New highways or capacity additions to existing highways are also considered within this program.

The Traffic Operations Unit of the Roadway Program implements highway operational and safety improvements. Projects include traffic signals, 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 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 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, environmental permitting, and Right-of-Way acquisition of real property needed for transportation projects.

The Materials and Research Section provides materials testing, subsurface investigation and geotechnical analysis, concrete and hot mix plant inspection, independent assurance testing, materials certification requirements, research and development of new products, laboratory testing of materials, chemical analysis of materials, and quality control oversight for transportation projects.

The Construction Section is responsible for the construction phase of the vast majority of contracts that are let by VTrans. Utilizing a staff of Resident Engineers, the Agency's Construction Program is administered through four Regional offices located in Burlington, St. Johnsbury, White River Junction and Rutland. Resident and Regional Construction Engineers work closely with the Project and Program Managers to insure that the projects are built as designed and in accordance with all resource permits

and regulations. Field work includes: project layout, inspection and quality acceptance of all work incorporated into the project, quantity computation, contractor payments, monitoring of contractor compliance with resource regulations, and insuring the project is completed in conformance with the contract. The Construction Finals group in Montpelier performs a review to ensure all quantities are verified before final payments are made to the contractor.

POLICY AND PLANNING

The Policy and Planning Division works with all of VTrans as well as other state and federal agencies, transportation research centers, Regional Planning Commissions and the Chittenden County Metropolitan Planning Organization to provide comprehensive, coordinated transportation plans for future improvements to the transportation system. The division is responsible for VTrans' strategic planning, asset and performance management, policy analysis and formulation, and integration of transportation plans. Policy 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 five-year intervals, and serves on various inter-agency task forces and committees related to smart growth initiatives, intelligent transportation systems, and environmental policy.

The Systems Planning Section manages the day-to-day operations of the Transportation Planning Initiative, which engages Vermont's citizens, towns, regional planning commissions, and the Chittenden County Metropolitan Planning Organization in dialogue about issues of transportation planning and needs identification. The section also provides systems analysis and planning, statewide transportation modeling, and both modal and inter-modal operational planning.

Data services are provided by three sections. The Traffic Research section reviews all Act 250 applications for impacts on the transportation system and consistency with Agency plans or policies as well as compiles the Agency response or recommendations to the district environmental commissions. The section is responsible for both traffic monitoring and data analysis.

The Highway Research Section monitors highway system conditions, collects highway video logs, reports highway sufficiency rating data, and manages the Crash (highway accident) data base. The Mapping Section provides town mapping, maintenance of the GIS database and the routelog system.

The Office of Civil Rights and Labor Compliance is responsible for ensuring compliance with all federal and state Equal Employment Opportunity and Affirmative Action regulations and labor requirements within not only the Agency but on all US Department of Transportation funded projects. VTrans' goal of creating workforce diversity and a workplace free from harassment, intimidation and discrimination is pursued through the development and administration of numerous programs and initiatives.

FINANCE AND ADMINISTRATION

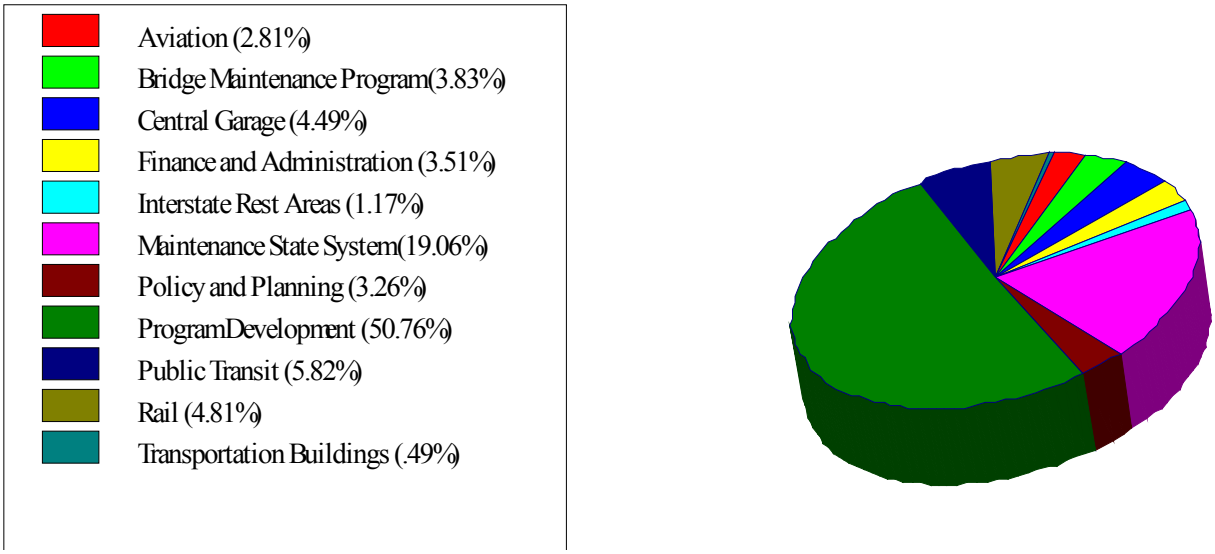
The mission of the Division of Finance and Administration is to provide support for and to communicate methods to achieve VTrans goal of a safe, effective, and balanced transportation system for the State of Vermont. The division's goal is to maximize financial and human resources, and improve the Agency's business practices to meet the needs of its internal and external customers. The division consists of the following sections: Audit, Contract Administration, Information Technology, Budget and Financial Operations and 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 VTrans' budget and processes all financial and related transactions. Human Resources provides the Agency with all personnel-related activities including training, recruitment, benefits administration, and labor relations.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Finance and Administration	129	129	132	10,838,562	11,354,193	11,275,043	11,875,420
Aviation	7	7	8	9,854,864	7,217,200	7,012,841	9,513,626
Transportation Buildings	0	0	0	766,303	1,449,000	1,449,000	1,649,000
Program Development	317	317	318	161,399,944	174,880,278	168,203,381	171,685,112
Interstate Rest Areas	0	0	0	243,992	3,650,000	650,000	3,950,000
Maintenance State System	495	496	500	59,410,900	63,648,148	63,339,627	64,485,074
Policy and Planning	48	48	48	8,853,294	11,028,962	11,002,299	11,022,950
Rail	8	8	8	10,476,472	22,665,487	20,560,760	16,269,901
Bridge Maintenance Program	0	0	0	5,550,418	4,865,945	4,865,945	12,948,348
Public Transit	6	6	6	15,618,559	19,151,569	19,148,363	19,669,221
Central Garage	41	40	40	13,665,168	14,611,622	14,611,622	15,170,774
TOTAL	1,051	1,051	1,060	296,678,476	334,522,404	322,118,881	338,239,426
FUND TYPE							
Transportation Fund				120,564,190	130,468,720	127,900,197	127,601,724
Special Fund				2,196,380	1,788,677	1,788,677	1,476,992
Federal Revenue Fund				158,476,714	181,883,385	172,048,385	189,578,686
Internal Service Fund				13,665,168	14,611,622	14,611,622	15,170,774
Interdepartmental Transfer				1,776,024	5,770,000	5,770,000	4,411,250
TOTAL				296,678,476	334,522,404	322,118,881	338,239,426

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	8,417,104	8,878,609	8,866,964	9,314,503
Operating Expenses	2,421,458	2,475,584	2,408,079	2,560,917
TOTAL	10,838,562	11,354,193	11,275,043	11,875,420
FUND TYPE				
Transportation Fund	10,400,836	10,903,302	10,824,152	11,375,420
Federal Revenue Fund	437,726	450,891	450,891	500,000
TOTAL	10,838,562	11,354,193	11,275,043	11,875,420

Appropriation Key Budget Issues

Vermont's aviation assets (essential infrastructure including runways) remain in relatively stable, good condition. The focus needs to be on a continuing, modest level of investment to maintain the current infrastructure and upgrading assets when it makes sense for economic development, safety, and security purposes.

The proposed FY09 budget includes a modest investment, as well as continued support for Vermont's major commercial service airport - Burlington International Airport - which is municipally owned. With FAA Reauthorization still undecided, funding participation is currently planned at 90 percent (10 percent match) in FY09 from the current 95 percent (5 percent match). With major runway reconstruction projects on the horizon, there will challenges in future years to identify funding for the Aviation Program to continue to maintain the condition level of assets. Aviation land-side infrastructure is also starting to show its age and the Aviation Program is seeing an increase in emergency repair work to heating systems, roofs and other mechanical systems associated with its terminal buildings and hangars. The recently completed statewide Airport System Plan has identified shortcomings in the overall system of airports which will need to be addressed and incorporated into future planning and budgets. Aviation will continue to pursue airport business plan development for all state-owned airports to provide baseline financials, revenue enhancement strategies, and economic development opportunities.

For aviation, convenient air service is an integral component of moving people and goods, and has been determined to be among those criteria reviewed by businesses evaluating Vermont. 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.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,774,904	1,761,751	1,761,055	1,928,595
Operating Expenses	7,794,797	5,295,449	5,091,786	7,425,031
Grants	285,163	160,000	160,000	160,000
TOTAL	9,854,864	7,217,200	7,012,841	9,513,626
FUND TYPE				
Transportation Fund	1,978,025	2,123,200	1,918,841	2,295,626
Federal Revenue Fund	7,876,839	5,094,000	5,094,000	7,218,000
TOTAL	9,854,864	7,217,200	7,012,841	9,513,626

Appropriation Key Budget Issues

Transportation Buildings work includes:

- A systematic replacement cycle for facility components such as roofs, heating plants, and fuel storage tanks.
- New salt and sand sheds (to address environmental and operational efficiency issues).
- Major renovations when required (heating, new bays for additional trucks, connections to municipal sewer systems, energy efficiency upgrades (such as lighting, insulation, and windows).
- New garages to replace those which due to their poor condition are beyond rehabilitation or repair.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	174,870	76,579	76,579	72,000
Operating Expenses	591,433	1,372,421	1,372,421	1,577,000
TOTAL	766,303	1,449,000	1,449,000	1,649,000
FUND TYPE				
Transportation Fund	766,303	1,449,000	1,449,000	1,649,000
TOTAL	766,303	1,449,000	1,449,000	1,649,000

Appropriation Key Budget Issues

The core appropriations within Program Development are Bridge, Paving, Roadway & Traffic Safety, and Local Transportation Facilities. Over the past few years, the industry has witnessed significant cost increases, coupled with a slow down in transportation revenues. This has resulted in core programs having more projects on the books than can be funded for construction in the near future at the same time that there are upward pressures as the network continues to deteriorate.

The primary focus for Program Managers in developing the FY09 budget is to apply asset management principles in consort with continued use of VTrans' Project Prioritization Systems that was initiated in FY07. Through this effort, the Agency has a clear and transparent method for choosing which projects move forward in the project-development process.

General highlights for each of the core appropriations are as follows:

Bridge Program**: The major influences in the bridge appropriation continue to be federal earmarks and an increased investment in the Interstate system. An area of increased emphasis is on large metal culverts that are rapidly reaching their useful life across the network.**

Paving: Paving remains one of the primary areas of focus for Program Development as it is recognized as a key activity to ensuring a safe and mobile transportation system. This year's budget for paving has remained relatively equal to last year for resurfacing and crack sealing along our Interstate, State, and Class 1 Town Highways.

Roadway & Traffic Safety: The Roadway & Traffic Safety Program aligns this year's budget with the priorities laid out in the Road to Affordability initiative as well as the Strategic Highway Safety Plan. The program is directing resources toward system preservation strategies such as ledge and slope repairs as well as small culvert and drainage system repairs. The focus remains the same on highway safety, which results in pretty much level funding from the previous fiscal year.

Local Transportation Facilities: The Agency remains committed in offering municipalities the opportunity to manage projects at the local level and continues to leverage federal and state funds so that communities can deliver transportation infrastructure improvement on the local level. The FY09 Bicycle and Pedestrian Facilities and Enhancement Programs have reduced slightly since last year's budget, however they are poised to deliver important construction funds to the communities.

Park & Rides: The Park & Ride program is recognized as a critical area of investment considering the number of Vermonters that make significant daily commutes to work and the trend towards gasoline

price increases and global climate change. As a result, FY09 funding for this program remains stable, and important projects in Royalton, St. Johnsbury and Waterbury are slated for construction funding.

The Agency goals of Safety, Planning, Preservation, and Excellence are the guiding principles in the FY09 Program Development budget.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	34,178,172	35,867,267	35,856,256	35,192,941
Operating Expenses	109,868,645	112,896,085	106,230,199	113,122,121
Grants	17,353,127	26,116,926	26,116,926	23,370,050
TOTAL	161,399,944	174,880,278	168,203,381	171,685,112
FUND TYPE				
Transportation Fund	35,649,657	34,355,234	33,213,337	30,036,691
Special Fund	2,120,607	1,788,677	1,788,677	1,476,992
Federal Revenue Fund	122,148,860	133,566,367	128,031,367	136,260,179
Interdepartmental Transfer	1,480,820	5,170,000	5,170,000	3,911,250
TOTAL	161,399,944	174,880,278	168,203,381	171,685,112

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Interstate Rest Areas

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	210,940	100,000	100,000	100,000
Operating Expenses	33,052	3,550,000	550,000	3,850,000
TOTAL	243,992	3,650,000	650,000	3,950,000
FUND TYPE				
Transportation Fund	36,072	391,760	91,760	417,300
Federal Revenue Fund	207,920	3,258,240	558,240	3,532,700
TOTAL	243,992	3,650,000	650,000	3,950,000

Appropriation Key Budget Issues

Adequate financial resources for maintenance needs continue to be the major constraint in dealing with Vermont's aging infrastructure. Vermont is experiencing an increasing rate of failures in system components such as culverts, bridges and roadside slopes. We are at the end of the useful life of many structures, and without targeted investment in these transportation assets our needs not only will increase but become more costly to address.

The last two fiscal years have seen modest funding increases in the areas of culvert repair, culvert replacement and slope stabilization. That increase in infrastructure investment needs to continue and to expand into other areas of need. Additional emphasis on preventive maintenance for bridges will extend the useful life of our structures and lessen the need for more costly repairs and replacements.

The continuing increase in fuel cost drives the budget needs in winter maintenance activities. Fuel cost increases not only impact the operational costs of our fleet, but affect the cost of other major items such as salt, parts and steel products. Yearly budget increases are partially negated by these increasing costs resulting in no net gain in productivity. At the same time, Vermont is experiencing an increased demand on the transportation system with not only a rising amount of vehicle miles traveled, but a change in travel patterns as Vermont is experiencing an increase in the use of its transportation system outside of the core daytime hours for both commuting and through traffic.

VTrans will continue its emphasis on developing and using asset management. Inventory and condition rating of small culverts is underway and will allow for targeted investment. Exploration of methodology and equipment to decrease salt usage is underway. Better coordination with other parts of the Agency will result in shared efforts to improve systems and react to problems.

Additional efforts to influence travel demand are necessary. ITS systems such as 511 and Road Weather Information Systems (RWIS) need to be both improved and enhanced to allow travelers the ability to make decisions of when and where to travel. A journey without an incident is a journey that does not divert our staff and require state resources such as emergency services. ITS services provide staff with timely and appropriate information about weather events to use in snow and ice control. VTrans also will continue to pursue the installation of fiber optic cable to provide better connectivity with State highway garages and the various ITS system components that will serve not only VTrans but the traveling public as well.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	30,843,621	32,433,303	32,384,340	32,012,562
Operating Expenses	27,129,791	31,008,345	30,748,787	32,156,492
Grants	1,437,488	206,500	206,500	316,020
TOTAL	59,410,900	63,648,148	63,339,627	64,485,074
FUND TYPE				
Transportation Fund	55,092,458	59,824,213	59,515,692	60,733,558
Federal Revenue Fund	4,316,102	3,723,935	3,723,935	3,651,516
Interdepartmental Transfer	2,340	100,000	100,000	100,000
TOTAL	59,410,900	63,648,148	63,339,627	64,485,074

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,997,673	4,751,662	4,750,117	4,383,915
Operating Expenses	816,218	1,023,485	998,367	1,234,291
Grants	4,039,403	5,253,815	5,253,815	5,404,744
TOTAL	8,853,294	11,028,962	11,002,299	11,022,950
FUND TYPE				
Transportation Fund	2,037,998	2,380,861	2,354,198	1,983,875
Federal Revenue Fund	6,522,432	8,148,101	8,148,101	8,639,075
Interdepartmental Transfer	292,864	500,000	500,000	400,000
TOTAL	8,853,294	11,028,962	11,002,299	11,022,950

Appropriation Key Budget Issues

Vermont is unique in that about half of the active rail lines are state-owned, whereas most rail lines in the US are privately owned. VTrans primary focus is on the preservation and improvement of Vermont's rail infrastructure, both public and private, and encouraging increased use of rail for moving freight efficiently.

Vermont's rail infrastructure, especially bridges, must eventually meet the national standard of handling 286,000 pound rail cars in order for Vermont to compete and be accessible on a nationwide scale. Achieving this standard will be essential to support future economic growth and provide the means for decreased truck traffic on Vermont highways.

In addition to bringing the rail infrastructure to the 286,000 standard, Vermont must continue to work to improve rail clearances to accommodate high and wide loads such as double stack containers and tri level autoracks. Preserving and improving our rail infrastructure will also provide opportunities for passenger and/or intercity rail transport that is economically feasible and optimizes services. One of our major clearance projects, the Bellows Falls Tunnel, was completed in 2007. Enlarging the tunnel eliminated restriction for modern autoracks and modified double stack container trains, and opened up opportunities for further development of freight traffic on the railroads in Vermont.

Major work needs to be done on a significant number of state owned bridges to bring them to the 286,000 standard. VTrans is inspecting those bridges and prioritizing. We have a number of bridges in the pipeline for rehabilitation/replacement, and in the coming years we will work to bring the Bellows Falls-Florence-Rutland-Hoosick Junction corridor to the 286,000 standard.

SAFTEA-LU also provided an earmark to VTrans for improvements on the Western Corridor rail system. VTrans has been working with its partners along the western corridor to establish a financial plan to improve the corridor for passenger service and to move more freight by rail. Environmental Impact Studies are nearly complete for the Middlebury Rail Spur project and the Rutland railyard relocation. In addition to the SAFTEA-LU earmark, VTrans is utilizing a FRA grant to upgrade portions of the Vermont Railway between Bennington and Burlington to provide an improved infrastructure for increased freight usage and possible passenger usage.

VTrans continues to make infrastructure improvements to the Connecticut River line between White River Junction and Newport. These improvements have allowed freight trains to move more efficiently and safely, and have allowed for the introduction of passenger excursion trains along various portions of the line. Traffic on this line continues to grow.

VTrans acknowledges the need for a long-term financial commitment to support and improve both passenger and freight service. The affordability of passenger service will be a major topic of discussion in the coming years.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	1,865,954	5,102,227	5,101,686	7,574,901
Operating Expenses	4,746,561	14,243,260	12,139,074	8,695,000
Grants	3,863,957	3,320,000	3,320,000	0
TOTAL	10,476,472	22,665,487	20,560,760	16,269,901
FUND TYPE				
Transportation Fund	7,459,398	10,053,487	9,548,760	8,973,901
Federal Revenue Fund	3,017,074	12,612,000	11,012,000	7,296,000
TOTAL	10,476,472	22,665,487	20,560,760	16,269,901

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Bridge Maintenance Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	524,710	0	0	0
Operating Expenses	5,025,708	4,865,945	4,865,945	12,948,348
TOTAL	5,550,418	4,865,945	4,865,945	12,948,348
FUND TYPE				
Transportation Fund	1,520,401	1,734,495	1,734,495	3,508,456
Special Fund	75,773	0	0	0
Federal Revenue Fund	3,954,244	3,131,450	3,131,450	9,439,892
TOTAL	5,550,418	4,865,945	4,865,945	12,948,348

Appropriation Key Budget Issues

The FY09 Public Transit budget continues efforts to create a seamless, integrated public transit system to meet general public and human service transportation needs as mandated by the Federal Transit Administration through the United We Ride initiative. Through this effort, the VTrans' Public Transit Section provides transportation agencies (for-profit and not-for-profit) the opportunity to apply for funding through several programs, such as:

Congestion Mitigation and Air Quality Program enables transportation agencies (for-profit and not-for-profit) to apply for funding in non-attainment and maintenance areas which reduce transportation-related emissions. Public transportation is one of the identified transportation control measures identified as eligible projects through the Clean Air Act. However, not all public transportation improvements are eligible under the CMAQ program. The general guideline for determining eligibility is whether an increase in public transportation ridership can reasonably be expected to result from the project. This expectation must be supported by a quantified estimate of the emissions effects due to the project. The federal share for eligible projects is 80 percent. The local match (non federal or state funds) requirement is 20 percent during the 3-year demonstration period and must be sustained after the demonstration period.

In FY09, VTrans will consider the extent to which Section 45 Study goals and objectives (particularly achieving regional connectivity) can be furthered by factoring and weighting regional goals more heavily when considering how best to award CMAQ funding to eligible applications for new or expanded public transportation services.

Non-Urbanized Transportation & Marketing Funds assist non-urbanized areas (population less than 50,000) with transportation which is open to the general public. The federal share for eligible project administration and preventive maintenance is 80 percent. The federal share for eligible operating assistance is 50 percent. The local match requirement is 20 percent and 50 percent respectively, which is derived from Vermont state public transportation funds. The marketing program funds awarded to each subrecipient is for development of marketing and outreach materials within their respective region. Outreach material includes the creation and maintenance of a website, producing a schedule of routes and services, and the creation of brochures or other materials to promote municipal funding support

Urban Assistance is for urbanized regions (at least 50,000 in population). Currently, Chittenden County is the only urbanized area in Vermont. The federal funding share is 80 percent. The local match is 20 percent, which is derived from Vermont state public transportation funds.

Vermont Rural Preventive Maintenance Program funds are for eligible preventive maintenance items for vehicle maintenance functions and non-vehicle maintenance functions (i.e. administration; repair of buildings, grounds and equipment, etc). The federal share is 80 percent. The local match (non federal or state funds) is 20 percent.

Rural Technical Assistance Program funds are restricted to Federal Transit Administration approved training and technical assistance expenses in non-urbanized areas through a scholarship of $3,000 to each subrecipient through VTrans' Public Transit Section. In addition, the Public Transit Section administers a statewide training program developed in consultation with the Public Transit Advisory Committee. The federal share is 100 percent.

Elders and Persons with Disabilities Program funds are restricted to providing human service door-to-door transportation service. Specifically, funds support transportation for elders (age 60+) and persons with disabilities as defined by the Americans with Disabilities Act (ADA). Service is provided for non-Medicaid transportation, transit to senior meal sites, adult day programs, essential shopping trips to the grocery store or pharmacy, and employment trips. In state FY08, at least 97 percent of the funding must be allocated to life sustaining services. Three percent of the allocation can be used for excursion trips, however 50 percent of the overall individual excursion trip must incorporate one of the life sustaining services listed above.

VTrans allocates E&D funds regionally via a formula which assesses three demographic indicators of need. These factors are; elder population (30 percent), disabled population (30 percent), and population density (40 percent).

Regional allocations are then further distributed by the local regional elderly and disabled advisory committee (REDAC). There are currently 10 REDAC committees statewide. REDAC representatives include the involved public transit providers, area agencies on aging, adult day services, community mental health centers/designated agencies, community action councils, all Agency of Human Services Field Services Directors in each planning region, consumer representatives, chambers of commerce, statewide advocacy groups, local human service agencies, and other concerned parties. REDACs meet at least quarterly to review eligibility approval, current service levels, service quality concerns, budget balances, funding issues, and matters that will improve services to consumers. Reviews of current service levels include verifying that services are the most cost effective and appropriate to meeting consumer needs, and use only authorized and appropriate modes of transportation.

The federal share is 80 percent. The local match requirement is 20 percent, which is derived from local human service organizations participating in the REDACs or through volunteer, in-kind donations.

Job Access Reverse Commute Program funding assists individuals to help them successfully transition from welfare to work by reaching needed employment support services such as childcare and job-training activities. With the passage of SAFETEA-LU, JARC funding is allocated by population-based formula versus Congressional earmark. Prior to SAFETEA-LU, Vermont received $800,000 in earmark funds. In FY08, Vermont received $196, 980 in federal JARC funds. The federal share is 50 percent. The local match requirement is 50 percent, which is derived from state funds. TANF funds would be the only other option to match the federal funds received from the Federal Transit Administration. In addition, SAFETEA-LU mandates each state to prepare local Human Service Transportation Plans to continue funding allocations.

New Freedom Program was established in SAFETEA-LU to further enhance the federal mandate of United We Ride by funding projects that enhance transportation to persons with disabilities and go beyond American with Disabilities Act mandates. Identified projects from FTA include mobility management, door-to-door transportation outside of the ¾ mile Complementary ADA Paratransit mandate of a fixed route, installation of lifts beyond 600 pounds, etc. The federal share for operating services is 50 percent with 50 percent local match. The federal share for capital projects is 80 percent with 20 percent local match. SAFETEA-LU mandated this program to be included in the local Human Service Transportation Plan in order to be able to drawdown the federal funding. In addition, a portion of this funding is eligible for urbanized areas only.

Vermont RideShare Program's mission is to inform and encourage Vermonters to examine their travel options by providing services designed to assist our youth and adults in making educated transportation choices, including the use of carpools and vanpools. The Vermont RideShare Program's commitment to the economic well-being and quality of life for all Vermonters is demonstrated by the program's positive impacts the reduction of energy consumption, the reduction of traffic volume and improved air quality. Other services provided through the RideShare program include ride match and emergency ride home services as well as program development and marketing assistance to employers throughout the state of Vermont.

Beginning in FY09, VTrans' Public Transit Section will administer this program in-house. VTrans is meeting with Maine and New Hampshire to pursue a Tri-State RideShare Program. In the interim, VTrans will be issuing a Request for Proposal for a vanpool management firm to increase our efforts in this area. VTrans is working towards an enhanced database system to assist the general public with ridematch possibilities and an enhanced marketing plan for the coming fiscal year.

Capital Assistance funding is provided within two programs: elders and persons with disabilities, and general public. Elders and persons with disabilities capital program is for 15 passenger (or fewer) lift-equipped vehicles and must be Altoona-tested for eligibility. General public capital is for lift-equipped vehicles which are also Altoona-tested; maintenance and administrative equipment; shelters; schedule holders and bike/ski racks. The federal share for all capital assistance projects is 80 percent. The local match requirement is 10 percent, while the remaining 10 percent is derived from state funds.

VTrans in FY08 will replace 13 elderly and persons with disabilities vehicles and 49 replacement vehicles associated with the general public capital program. This reduces our vehicle backlog from 126 to 64. VTrans proposes the same level of funding in FY09 to further reduce our vehicle backlog.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	523,823	948,669	948,603	646,295
Operating Expenses	187,159	77,517	74,377	58,784
Grants	14,907,577	18,125,383	18,125,383	18,964,142
TOTAL	15,618,559	19,151,569	19,148,363	19,669,221
FUND TYPE				
Transportation Fund	5,623,042	7,253,168	7,249,962	6,627,897
Federal Revenue Fund	9,995,517	11,898,401	11,898,401	13,041,324
TOTAL	15,618,559	19,151,569	19,148,363	19,669,221

Appropriation Key Budget Issues

As with most state transportation fleets, VTrans uses an internal service fund, in which vehicles are purchased by a central fleet administrator and then rented to the various Agency departments that have need for the equipment. In Vermont's case, vehicles are purchased, maintained, and administered by the VTrans Central Garage. Maintenance districts, the DMV, and other VTrans divisions make rental payments to the fund based on the measured usage of those vehicles. Rental income from those vehicles covers depreciation of the original purchase price as well as the cost of fuel, repairs, and overhead.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Central Garage

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	3,293,088	3,245,502	3,245,502	3,305,508
Operating Expenses	10,372,080	11,366,120	11,366,120	11,865,266
TOTAL	13,665,168	14,611,622	14,611,622	15,170,774
FUND TYPE				
Internal Service Fund	13,665,168	14,611,622	14,611,622	15,170,774
TOTAL	13,665,168	14,611,622	14,611,622	15,170,774

Department Mission Statement

The Department of Motor Vehicles' mission is to administer motor vehicle transactions and related laws, promote highway safety, and collect transportation revenues, while doing so in a timely and cost-effective manner that provides a high level of customer service and satisfaction.

Description of Appropriations, Divisions, & Programs

The Department of Motor Vehicles (DMV) is responsible for issuing driver licenses, permits, motor vehicle registrations (including snowmobile and motorboat registrations), driver license suspensions and reinstatements, enforcement of motor-vehicle related laws, and collecting motor fuel revenue for the State of Vermont. The department also manages several safety programs. The Vermont DMV serves a resident population of over 623,000 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: three minutes maximum.
- Driver license exam schedule: within two weeks.
- Internal processing time: within 11 workdays.
- Recruitment period for vacancies: within eight weeks.
- Approval and setup of new inspection stations: within 30 calendar days from date of receipt.
- Investigations under a standardized priority system: 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 comprised of a contingency of sworn law enforcement officers and non-sworn civilian staff. The Division has four sections - the Commercial Vehicle Enforcement Section, the Investigations Section, the Administrative Support Section and the New Motor Vehicle Arbitration Board.

Commercial Vehicle Enforcement Section:
Sworn law enforcement officers staff this section, whose primary mission is enforcement of laws and regulations pertaining to commercial-vehicle safety. Their duties include assuring that commercial

drivers have proper credentials, that vehicles meet state and federal equipment standards, and that vehicles fall within acceptable standards concerning length and weight restrictions.

The Commercial Vehicle Enforcement Program consists of the federally sponsored Motor Carrier Safety Assistance Program (MCSAP) as well as the Size and Weight program.

Investigations Section:
This section is comprised of a Criminal Investigative Unit, an Administrative Investigative Unit, and the Education & Safety Unit.

The primary focus of the Criminal and Administrative Investigative Unit is to regulate, monitor and investigate illegal or questionable activities relating to licensing, registration and title fraud; dealer and inspection regulations; and provide general law enforcement support services. The Education & Safety Unit is responsible for regulating, licensing and monitoring commercial driver training schools; third party testing programs; training and licensing school bus driver training instructors; Pupil Transportation Safety laws and issues; and the Vermont Motorcycle Awareness Program.

Administrative Support Section:
The Administrative Support Section provides support to all units within the Enforcement & Safety Division. The section is responsible for support functions relating to dealer licensing, inspection station licensing, mechanic certifications, junkyard licensing, abandoned vehicles, Vermont Rider Education Program information, and the Federal Motor carrier Safety Administration, which consists of Driver/Vehicle Inspection Reports for motor carriers.

New Motor Vehicle Arbitration Board:
The Department administers the lemon law program for this Board, which hears Lemon Law claims for motor vehicles. A consumer may file a Demand for Arbitration after demonstrating a reasonable number of repair attempts, with at least one occurring within the manufacturer's express warranty. The Board determines whether the consumer is entitled to a pro-rated refund, comparable replacement vehicle, or the manufacturer demonstrates that the vehicle's repair history does not substantially impair the vehicle's use, market value or safety.

The Operations Division is DMV's largest division, encompassing 68 percent of total resources. It is responsible for all customer-service functions (Montpelier counter, branch offices, mobile van operations and telephone information services); mail processing; license suspension and reinstatement; crash reporting; the International Registration Plan; oversize permitting; commercial vehicle operations (including the collection and distribution of fuel taxes, maintenance of accurate and reliable records, tracking delinquent accounts, and suspension initiation on accounts that are in arrears); and all backroom operations (including 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, revenue collection, human resources, training, project management and implementation, stockroom and mailroom operations, and general support functions.

DMV Performance:
Providing quality customer service is a central component to the Department's mission. DMV has engaged in an annual strategic-planning initiative within the three Divisions. DMV's primary objective is to look at issues that can:

a) Improve internal operational efficiency.
b) Improve or enhance the level of service we provide to our customers.

We continued to focus our efforts in FY 07 towards meeting our customers' two primary interests: how long they have to wait for their service and providing more DMV services closer to where they live.

The Department's performance in FY06 once again exceeded its standards in all three of its primary customer-contact areas (counter operations, mail processing and telephone information) with respect to customer wait times. Specific accomplishments in each were as follows:

Telephone Information: During FY07 an average of 1,045 calls were answered per day. This is a 6 percent decrease from FY06. The average wait time to speak with a Customer Service Specialist remained at approximately 1.08 minutes. We attribute the decrease in the number of calls answered to an overall business slow-down, coupled with an increase in complex situations and legislated law changes, such as the fee changes, that also impacted calls.

A new telephone system was installed in March 2007, which is shared jointly with both the Tax Department and the Department of Labor. The system, which is housed and maintained by the Department of Information and Innovation (DII), is on two separate servers so if one were to fail the secondary server takes over. DII also has complete battery backup for short power interruptions, and a diesel generator for longer power outages. The new product is 100 percent software based, meaning easier, less expensive changes and updates for all the departments. It can easily unify branch offices, departments, and contact centers for enhanced productivity and customer service.

Some features of the new system include caller ID, click and drag transfer of calls, call holding, computer-based faxing, and voicemail. We are now able to track all telephone, voice mail, e-mail, fax, and web communications from a single interface on a desktop. The Information Unit supervisor has the ability to join an existing phone conversation, or to listen in on the call for training purposes.

In the future, we will have the ability to add web chat sessions for the customer to communicate via a web connection rather than calling. Another great future add-on is the ability to do "screen-pops" where the Customer enters his/her personal identification number (PID) so when our employee picks up the call; the customer information is automatically displayed.

Counter Operations: Our customer service counters are DMV's most visible operation. In FY05 at Montpelier, our busiest office, 93.8 percent of all Montpelier customers were served within 45 minutes; with 79.5 percent of these customers served within 30 minutes or less. The positive trend continued in FY06, as 97.6 percent of Montpelier customers were provided service within 45 minutes, with 83.9 percent being waited on within 30 minutes or less. In FY 07, the Montpelier office did experience a slight increase in wait times. However, 96.9 percent of the customers at that office were still served within 45 minutes and 81 percent within 30 minutes. Overall, 98.6 percent of customers at all DMV offices were served within 45 minutes and 93.1 percent within 30 minutes.

The results for all of DMV's offices for FY07 are shown in the chart below:

Wait Time Intervals
Annual

	0-15	**16-30**	**31-45**	**46-60**	**60+**	
BENNINGTON	85.46%	11.85%	2.17%	0.43%	0.09%	100%
BURLINGTON	74.04%	15.66%	6.96%	2.44%	0.90%	100%
MONTPELIER	51.35%	29.63%	15.90%	2.83%	0.29%	100%
NEWPORT	78.46%	16.33%	4.15%	0.96%	0.10%	100%
RUTLAND	84.93%	13.05%	1.81%	0.21%	0.0%	100%
SPRINGFIELD	88.05%	9.65%	2.08%	0.22%	0.00%	100%
	77.05%	16.03%	5.51%	1.18%	0.23%	100.00%

Mail Processing: For the fourth consecutive year, the Department's mail processing unit that handles registration and license transactions carried no backlogs over 99 percent of workdays. This means that nearly each day the unit worked on mail received that very day. This was accomplished without overtime being worked.

Key accomplishments were:

1) This year we have expanded the automated driver license testing system to all offices, including the Mobile Units. The automated testing system increased the number of exams we can schedule in a day, and improved the wait times in the examination areas. Where we used to be able to schedule six exams per hour, we can now schedule eight exams, which is a 33.3 percent increase.
2) VTDRIVES - The project has passed the halfway point. The requirements definition phase is completed, and design and development are underway. User Acceptance Testing is scheduled to begin in late April 2008, with training to follow. A pilot is planned for September 2008, with implementation tentatively planned for late November 2008.
3) Expanded the availability of services in our field offices by adding snowmobile registrations to the list of transactions that can be accepted at all offices.

4) In FY07, them Vermont Rider Education Program provided motorcycle safety training to 1,299 students at seven training sites throughout the state. This is an increase of 6 percent over FY06.
5) The Department's Commercial Motor Vehicle Enforcement Unit weighed 21,513 trucks In FY07, which is a 4.9 percent increase over FY06. Of the trucks weighed, 456 were found to have excessive weight. The total excess weight these trucks carried was 5,104,676 pounds. Although more trucks were weighed in FY07, there was a 4.6 percent reduction in the amount of weight exceeding legal load limits. This is an indicator that our enforcement and educational outreach efforts are resulting in greater compliance to weight regulations.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Department of Motor Vehicles	246	250	250	23,272,643	25,115,713	26,462,341	25,925,911
TOTAL	246	250	250	23,272,643	25,115,713	26,462,341	25,925,911
FUND TYPE							
Transportation Fund				21,884,364	23,341,574	24,688,202	23,854,657
Federal Revenue Fund				1,345,268	1,774,139	1,774,139	2,071,254
Interdepartmental Transfer				43,011	0	0	0
TOTAL				23,272,643	25,115,713	26,462,341	25,925,911

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 both customer service and satisfaction as well as to perform these tasks in a timely and cost-effective manner.

1) The FY09 budget includes $2 million to complete 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 1970s, 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 both 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 both customers and the law enforcement community.

Phase II of the project was completed in October 2007. Phase III - which includes detail design of Driver Improvement, Commercial Vehicle Operations, Enforcement, and Common modules, as well as User Acceptance Testing - is scheduled for completion by August 2008. At this point, the project is ahead of schedule. User Acceptance Testing is scheduled to occur between April and the end of August 2008. Employee training is scheduled to begin in late June and continue through mid-September 2008. Complete system implementation is expected to follow in mid-to-late November 2008.

2) The Department during the next year will also be working toward implementation of an Enhanced Driver's License and Identification Card (EDL/ID). The EDL/ID meets federal requirements and is an approved alternative document to a US passport for re-entry into the US at land or sea borders between the US, Canada, Mexico, Bermuda and the Caribbean. It will be more expensive than a standard license, and requires proof of citizenship and residency similar to that needed for a passport. The EDL/ID will contain a number of security enhancements, and will not be same-day issued.

The total cost of the EDL/ID system is still being determined, though we estimate costs of about $1 million during FY09, which is included in the budget.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Personal Services	14,676,311	17,147,046	18,624,499	17,549,186
Operating Expenses	6,951,302	7,629,667	7,498,842	8,037,725
Grants	251,715	339,000	339,000	339,000
Other Financing Uses Budget	1,393,315	0	0	0
TOTAL	23,272,643	25,115,713	26,462,341	25,925,911
FUND TYPE				
Transportation Fund	21,884,364	23,341,574	24,688,202	23,854,657
Federal Revenue Fund	1,345,268	1,774,139	1,774,139	2,071,254
Interdepartmental Transfer	43,011	0	0	0
TOTAL	23,272,643	25,115,713	26,462,341	25,925,911

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 and roadway maintenance. Program success can be demonstrated in terms of availability and use by the towns that 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 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 aid to maintain and construct bridges having a span of six feet or more on Class 1, Class 2, and Class 3 town highways. Projects are offered to towns based on bridge condition and funding availability. 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 land parcels 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, Class 2 and Class 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, Class 2 or Class 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.

The 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, Class 2, and Class 3 highway mileage in each of the 264 municipalities. Funds may be used for town highway construction, improvement, or maintenance, 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 grants to municipalities for assistance in mitigating/reducing water pollution associated with existing roads and road-maintenance activities. This appropriation includes funding for programs such as the Better Backroads Program, the Clean and Clear Program, and the two stormwater mitigation federal earmarks.

The Public Assistance Program provides supplemental aid to state and town efforts in recovery from federally declared disasters.

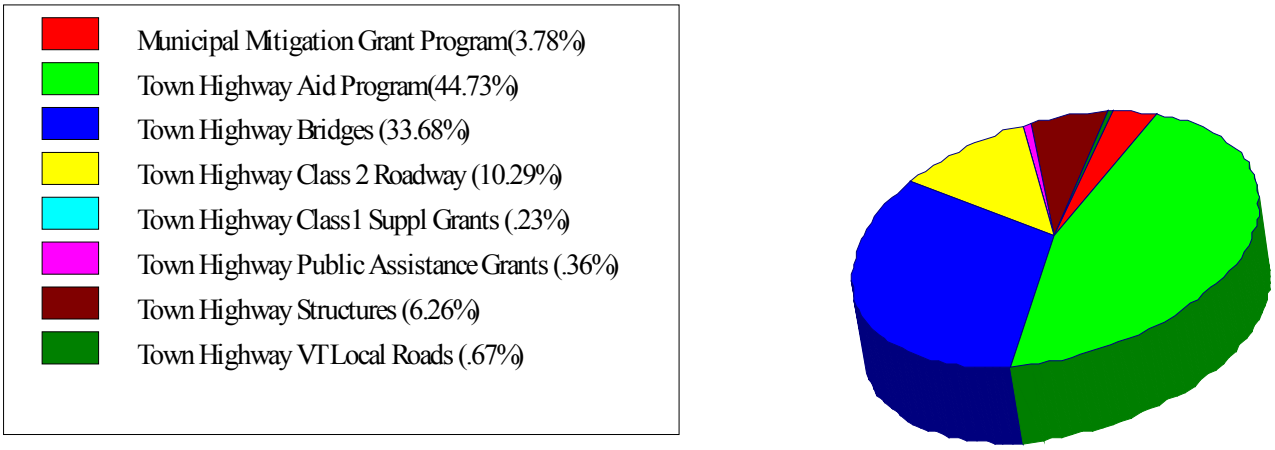
General assistance is provided by Districts to towns as time/conditions permit for road and bridge concerns, associated grants, and disaster recovery efforts.

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Town Highway Structures	0	0	0	3,547,361	3,494,500	3,494,500	3,494,500
Town Highway Emergency Fund	0	0	0	1,942,458	750,000	750,000	0
Town Highway VT Local Roads	0	0	0	371,252	375,000	375,000	375,000
Town Highway Class 2 Roadway	0	0	0	5,617,486	5,748,750	5,748,750	5,748,750
Town Highway Bridges	0	0	0	28,008,032	23,357,219	23,357,219	18,813,244
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	0	0	0	246,411	200,000	200,000	200,000
Grants	0	0	0	525,152	2,112,998	2,112,998	2,112,998
Municipal Mitigation Grant Program							
TOTAL	0	0	0	65,369,646	61,149,961	61,149,961	55,855,986
FUND TYPE				41,142,615	39,380,378	39,380,378	37,603,136
Transportation Fund				1,990,894	1,162,726	1,162,726	1,084,614
Special Fund				22,236,137	20,606,857	20,606,857	17,168,236
Federal Revenue Fund							
TOTAL				65,369,646	61,149,961	61,149,961	55,855,986

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
AOT Town Highway Programs



STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Town Highway Structures

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	3,547,361	3,494,500	3,494,500	3,494,500
TOTAL	3,547,361	3,494,500	3,494,500	3,494,500
FUND TYPE				
Transportation Fund	3,547,361	3,494,500	3,494,500	3,494,500
TOTAL	3,547,361	3,494,500	3,494,500	3,494,500

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	1,062	0	0	0
Grants	1,941,396	750,000	750,000	0
TOTAL	1,942,458	750,000	750,000	0
FUND TYPE				
Transportation Fund	1,942,458	750,000	750,000	0
TOTAL	1,942,458	750,000	750,000	0

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	371,252	375,000	375,000	375,000
TOTAL	371,252	375,000	375,000	375,000
FUND TYPE				
Transportation Fund	201,252	235,000	235,000	235,000
Federal Revenue Fund	170,000	140,000	140,000	140,000
TOTAL	371,252	375,000	375,000	375,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	5,617,486	5,748,750	5,748,750	5,748,750
TOTAL	5,617,486	5,748,750	5,748,750	5,748,750
FUND TYPE				
Transportation Fund	5,617,486	5,748,750	5,748,750	5,748,750
TOTAL	5,617,486	5,748,750	5,748,750	5,748,750

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Town Highway Bridges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	4,101,378	3,650,000	3,650,000	3,650,000
Operating Expenses	23,869,360	19,325,019	19,325,019	14,781,044
Grants	37,294	382,200	382,200	382,200
TOTAL	28,008,032	23,357,219	23,357,219	18,813,244
FUND TYPE				
Transportation Fund	4,525,857	3,792,636	3,792,636	2,765,394
Special Fund	1,949,408	1,162,726	1,162,726	1,084,614
Federal Revenue Fund	21,532,767	18,401,857	18,401,857	14,963,236
TOTAL	28,008,032	23,357,219	23,357,219	18,813,244

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Town Highway Aid Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
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 2009 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
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 2009 BUDGET RECOMMENDATIONS
Town Highway Public Assistance Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	28,815	0	0	0
Grants	217,596	200,000	200,000	200,000
TOTAL	246,411	200,000	200,000	200,000
FUND TYPE				
Special Fund	41,486	0	0	0
Federal Revenue Fund	204,925	200,000	200,000	200,000
TOTAL	246,411	200,000	200,000	200,000

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Municipal Mitigation Grant Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Grants	525,152	2,112,998	2,112,998	2,112,998
TOTAL	525,152	2,112,998	2,112,998	2,112,998
FUND TYPE				
Transportation Fund	196,707	247,998	247,998	247,998
Federal Revenue Fund	328,445	1,865,000	1,865,000	1,865,000
TOTAL	525,152	2,112,998	2,112,998	2,112,998

Department Mission Statement

The Transportation Board performs regulatory and quasi-judicial functions relating to transportation. These responsibilities include response to appeals, petitions and specific activities pursuant to Highways (19 V.S.A.); Aeronautics and Surface Transportation (5 V.S.A.); Scenery Preservation Council construction criteria (10 V.S.A. § 425); Scenic Roads (25 V.S.A., §§ 2501-2502); and Eminent Domain (29 V.S.A., §§ 792-4; 30 V.S.A. §§ 113, 114, 117.)

Description of Appropriations, Divisions, & Programs

The Transportation Board performs regulatory and quasi-judicial functions related to transportation. Responsibilities include hearing:

1. Appeals from agency decisions regarding measurement, description or reclassification of town highways. [VSA 19 § 305].
2. Small (less than $2,000) claims appeals of agency decisions [VSA 19 § 20].
3. Appeals, when requested in writing, of highway decisions by the secretary of transportation when assuming powers and duties of a selectboard in unorganized towns and gores [19 VSA § 16].
4. Appeals, when requested in writing, regarding legal disputes over agency contracts and certain highway access permits.
5. Provide appellate review, when requested in writing, regarding the fairness of rents and fees charged for the occupancy or use of state-owned properties administered by the agency.
6. Disputes involving the decision of a 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 Class 3 town highway during the winter.
7. 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.
8. Conduct compensation hearings and make damage awards where the Agency of Transportation and affected landowners are unable to agree on the amount of compensation.
9. Designate state scenic roads and corridors (19 V.S.A. Section 2501(a)).
10. Approve new highway or public ways opening into or connecting with established limited-access highways.
11. Issues regarding rail-highway grade crossings, farm crossings and other railroad-related responsibilities outlined in Title 5.

Requests for airports and restricted landing areas pursuant to Title 5, Section 207 (a-h).

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Transportation Board	1	1	1	91,820	87,796	87,106	89,991
TOTAL	1	1	1	91,820	87,796	87,106	89,991
FUND TYPE							
Transportation Fund				91,820	87,796	87,106	89,991
TOTAL				91,820	87,796	87,106	89,991

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Transportation Board

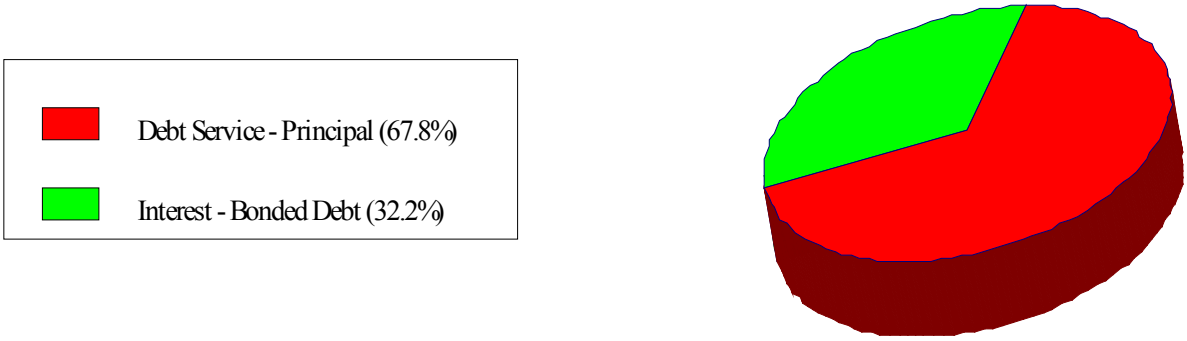
APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Personal Services	81,581	74,976	74,809	78,185
Operating Expenses	10,239	12,820	12,297	11,806
TOTAL	91,820	87,796	87,106	89,991
FUND TYPE				
Transportation Fund	91,820	87,796	87,106	89,991
TOTAL	91,820	87,796	87,106	89,991

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Debt Service

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2007 Pos. #	FY 2008 Pos. #	FY 2009 Pos. #	FY 2007 FY07 Actual	FY 2008 FY08 Budget As Passed	FY 2008 FY08 Estimated	FY 2009 FY09 Governor Proposed
Interest - Bonded Debt	0	0	0	24,503,545	22,805,471	22,805,471	23,009,983
Debt Service - Principal	0	0	0	46,122,098	46,614,555	46,614,555	48,449,068
TOTAL	0	0	0	70,625,643	69,420,026	69,420,026	71,459,051
FUND TYPE							
General Fund				64,547,179	64,929,281	64,929,281	67,048,726
Transportation Fund				2,087,951	1,994,895	1,994,895	1,914,650
Special Fund				3,990,513	2,495,850	2,495,850	2,495,675
TOTAL				70,625,643	69,420,026	69,420,026	71,459,051



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2007	FY 2008		FY 2009
	FY07 Actual	FY08 Budget As Passed	FY08 Estimated	FY09 Governor Proposed
Operating Expenses	23,032,807	22,805,471	22,805,471	23,009,983
Other Financing Uses Budget	1,470,738	0	0	0
TOTAL	24,503,545	22,805,471	22,805,471	23,009,983
FUND TYPE				
General Fund	21,884,652	21,804,950	21,804,950	22,183,933
Transportation Fund	553,320	489,671	489,671	420,375
Special Fund	2,065,573	510,850	510,850	405,675
TOTAL	24,503,545	22,805,471	22,805,471	23,009,983

STATE OF VERMONT
FISCAL YEAR 2009 BUDGET RECOMMENDATIONS
Debt Service - Principal

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2007	FY 2008		FY 2009
Major Object	**FY07 Actual**	**FY08 Budget As Passed**	**FY08 Estimated**	**FY09 Governor Proposed**
Operating Expenses	46,097,158	46,614,555	46,614,555	48,449,068
Other Financing Uses Budget	24,940	0	0	0
TOTAL	46,122,098	46,614,555	46,614,555	48,449,068
FUND TYPE				
General Fund	42,662,527	43,124,331	43,124,331	44,864,793
Transportation Fund	1,534,631	1,505,224	1,505,224	1,494,275
Special Fund	1,924,940	1,985,000	1,985,000	2,090,000
TOTAL	46,122,098	46,614,555	46,614,555	48,449,068