

FY 2016 Big Bill words at end – to JFO 1/15/15

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

(H. XXX)

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2016 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2016. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2015. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2016 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serve as the primary source and reference for appropriations for fiscal year 2016.

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

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2016.

Sec. A.103 DEFINITIONS

(a) As used in this act:

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

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

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

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

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the State appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2016, the Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the Legislature or the Joint Fiscal Committee if the

Legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2016, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2015 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2016 except for new positions authorized by the 2015 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d).

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>
<u>B.1100–B.1199 and E.1100–E.1199</u>	<u>One-time and other appropriation actions</u>

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

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2016, \$3,293,000 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of \$1,577,500 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$1,017,500 is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for competitive grants for internships through the Vermont Career Internship Program pursuant to 10 V.S.A. § 544.

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

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

(2) Loan repayment. The amount of \$471,000 as follows:

(A) Health care loan repayment. The amount of \$300,000 is appropriated to the Agency of Human Services – Global Commitment for the Department of Health to use for health care loan repayment. The Department shall use these funds for a

grant to the Area Health Education Centers (AHEC) for repayment of commercial or governmental loans for postsecondary health-care-related education or training owed by persons living and working in Vermont in the health care field.

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

(C) Science Technology Engineering and Math (STEM) incentive. The amount of \$141,000 is appropriated to the Agency of Commerce and Community Development for an incentive payment pursuant to 2011 Acts and Resolves No. 52, Sec. 6.

(3) Scholarships and grants. The amount of \$1,244,500 as follows:

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

(B) National Guard Educational Assistance. The amount of \$150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs. The amount of \$600,000 is appropriated to the Vermont State Colleges for dual enrollment programs consistent with 16 V.S.A. Sec. 944. The State Colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the State College system when the student will be better served at a non-State college or when available programs are not geographically suited to student need.

EXPLANATION: The appropriations from the Next Generation Fund are level funded from FY 2015, except that \$200K has been moved from the dual enrollment programs, to the Workforce Education and Training Fund (WETF), and appropriated to the Department of Labor for workforce education and training; and the STEM incentive is appropriately included in the loan repayment section.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2017 NEXT GENERATION FUND DISTRIBUTION

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the State Workforce Investment Board, shall recommend to the Governor no later than December 1, 2015 how \$3,293,000 from the Next Generation Fund should be allocated or appropriated in fiscal year 2017 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State Agencies and Departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

EXPLANATION: The same process as was successfully used for prior fiscal years, but expanding the effort at publicizing the availability of Next Generation funding.

Sec. B.1101 2014 Acts and Resolves No.160, Sec.9(a)(2)(A) is amended to read:

(A) General Fund. The amount of ~~\$8,480,001.00~~ \$3,995,165.00 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2016 collective bargaining agreements and the requirements of this act.

EXPLANATION: A reduction from the amount appropriated. Agencies and Departments will be asked to absorb the difference within their FY 2016 appropriations.

Sec. B.1102 SPECIAL FUND APPROPRIATION FOR TAX COMPUTER SYSTEMS

(a) \$15,500,000 is appropriated from the Tax Computer System Modernization Special Fund established pursuant to 2007 Acts and Resolves No. 65, Sec. 282, as amended in 2011 Acts and Resolves No. 63, Sec. C.103 and 2013 Acts and Resolves No.1, Sec. 65, and as further amended in 2014 Acts and Resolves No. 95, Sec. 62. This appropriation shall carry forward through fiscal year 2024. The Commissioner of Finance and Management may anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

EXPLANATION: The Tax Computer System Modernization project is continuing, towards the goal of an integrated tax system. Enhanced revenue is split 80/20 between the Modernization Fund and the General Fund, and vendors are paid when and as the project produces sufficient enhanced revenue. The legislature has approved three appropriations, in FY 2008, FY 2011, and FY 2013. The current appropriation request is the anticipated amount needed to cover payments to the vendors under their contracts through 2018 if enhanced revenue projections are met, as well as associated modernization costs

(though the schedule of work is subject to adjustments; and the entire project is planned to be completed July, 2024).

Sec. B.1103 SECRETARY OF ADMINISTRATION; FISCAL YEAR 2016 PERSONNEL AND LABOR COST SAVINGS

(a) The Secretary of Administration shall reduce appropriations and make transfers to the General Fund for a total of \$5,000,000, from agreed upon personnel or labor cost savings.

EXPLANATION: These General Fund savings are necessary in order to help meet the \$94 million budget gap in FY 2016.

Sec. C.101 BLUE RIBBON COMMISSION ON COST AND FINANCING OPTIONS FOR HIGH QUALITY AFFORDABLE CHILD CARE

(a) Blue Ribbon Commission on Financing High Quality, Affordable Child Care.

(1) Establishment of Commission. The Secretary of Administration shall establish a Blue Ribbon Commission on Financing High Quality, Affordable Child Care.

(2) Purpose of Commission. The purpose of the Commission is to examine the costs, affordability, and availability of funding for high quality child care for children ages birth through five and make recommendations to the General Assembly and the Governor for closing the gap between what is needed for adequate public funding and what is being provided at the present time.

(3) The work of the Blue Ribbon Commission will meet and support goals and strategies within the Vermont Early Childhood Framework and the accompanying Vermont Early Childhood Action Plan, especially goals three and four.

(4) Goals of the Commission:

(A) Determine the total costs of providing equal access to voluntary, high quality, early care and education for all of Vermont children, ages birth through five. Consider the needs and preferences of families which may range along a continuum from part day/part year services to full day/full year services and include non-traditional work hours as well as usual business hours or a combination of these.

(B) Work in coordination with the ongoing efforts of Vermont's Early Learning Challenge – Race to the Top grant, Vermont's PreK Expansion Grant and Vermont's implementation of Act 166 – Universal PreK.

(C) Examine current policies in Vermont's Child Care Financial Assistance Program (CCFAP) in relation to national trends and innovation in subsidy practice, as well as the relationship between CCFAP and other public benefits taking into consideration the overall impact on families, and recommend changes to maximize the use of CCFAP to support affordable access to high quality early care and education for eligible families.

(D) Consider various family composition and income level, recommend the amount that families should pay toward the costs of high quality early care and education and identify methods for reducing the costs for families paying more than what has been established as affordable.

(E) Determine capacity of current funding mechanisms for high quality, affordable early care and education and assess need for expansion.

(F) Review and identify the sources for any available and potentially available funding from the state and federal government for high quality, affordable early care and education.

(G) Investigate the current economic impact of the child care industry, including its importance for the role it plays in enabling parents to be in the workforce.

(H) Review and identify potentially available public and private funding sources, other than the federal government, for high quality, affordable early care and education.

(I) Review and identify innovative funding mechanisms used to finance high quality, affordable early care and education in other states and countries.

(J) Explore possible funding sources for equal access to voluntary, high quality, early care and education for all of Vermont children, ages birth through five, including but not limited to:

(i) Expansion of existing available child care tax credits for both families and businesses, and investigation of other tax credits, deductions and exemptions for families and businesses;

(ii) Development of a system for "Pay for Success" financing (e.g. "Social Impact Bonds");

(iii) Identification of available revenue from health care reform and establishing requirements for designating those savings for use in funding early care and education.

(iv) Identification of possible available revenue from changes in the education system or funding and establishing requirements for designating those savings for use in funding early care and education.

(v) Identification of possible systems to generate funding sources (such as fees) when new community or commercial development will create increased demand for high quality, affordable early care and education.

(vi) Analysis of current State allocation of tax and fee revenues and identification of possible re-allocation, additional new revenue and any other possible source of funds in the existing tax structure;

(K) Determine the return on investment by assessing future cost savings to the state

(L) Develop a specific plan and time line for implementation of recommendations.

(5) The Commission shall consist of 22 members to be selected as follows:

(A) Two members of the Senate appointed by the Senate Committee on Committees, to include at least one member of the Senate Finance Committee

(B) Two members of the House of Representatives appointed by the Speaker of the House, to include at least one member of the House Ways & Means Committee

(C) The Vermont Secretary of Education, or designee

(D) The Vermont Secretary of Administration, or designee

(E) The Vermont Secretary of Human Services, or designee

(F) The following members appointed by the Governor:

(i) one representative from the Child Development Division of the Agency of Human Services;

(ii) one representative from higher education;

(iii) three representatives of the Vermont business community;

(iv) one representative of the financial services industry in the State;

(v) one representative of licensed and registered home-based early learning and development programs in the State

(vi) one representative of licensed center-based early learning and development programs in the State;

(vii) one representative of Head Start;

(viii) one representative of Parent Child Centers;

(ix) one representative from the Early Educators United;

(x) two parents of children enrolled in an early care and education program in the State, one of whom is serving in the military;

(xi) one representative of a child advocacy group; and

(xii) one representative from Building Bright Futures State Council;

(6) The Commission shall be appointed as soon as possible after the effective date of this act. The panel shall elect a chair and a vice chair from among its members. The first meeting of the Commission shall be held on or before July 1, 2015. The Commission shall hold subsequent meetings at times and locations determined by the Commission

(7) The Commission shall hold meetings across the state and through interactive television, and actively seek input from a broad spectrum of stakeholders.

(8) Members of the Commission that are not state employees shall receive per diem compensation and reimbursement for expenses under Sec. 1010 of Title 32.

(9) The Secretary of Administration along with the Joint Fiscal Office and the Office of Legislative Counsel shall provide staff for the Commission.

(10) The Commission is authorized to accept funding to offset costs related to this study.

(11) The Commission shall report on its findings to the General Assembly and the Governor on or before November 1, 2016.

EXPLANATION: The purpose of the Commission is to examine the costs, affordability, and availability of funding for high quality child care for children ages birth through five and make recommendations to the General Assembly and the Governor for closing the gap between what is needed for adequate public funding and what is being provided at the present time.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

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

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

(2) The sum of \$12,154,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above \$12,154,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

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

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

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

(C) \$378,700 to the Vermont Center for Geographic Information.

EXPLANATION: Level fund from post-rescission, with further reduction to the Vermont Housing and Conservation Trust Fund, to be made up with Capital Bill appropriations.

Sec. D.101 FUND TRANSFERS AND RESERVES

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

(1) from the General Fund to the:

(A) Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$3,293,000.

EXPLANATION: Supports the Next Generation allocations in Sec. B.1100.

(B) Facilities Operations Fund established in 29 V.S.A. § 160a: \$1,693,408.

EXPLANATION: Supports the Fee-For-Space (FFS) Internal Service Fund for continued lack of ability to bill for FFS at the closed Waterbury Complex, due to Tropical Storm Irene.

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

EXPLANATION: Transportation Fund transfer to the Downtown Transportation and Related Capital Improvement Fund is increased by \$40K from FY 2015 to enhance the program.

(3) from the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund for the purpose of funding fiscal year 2016 transportation infrastructure bonds debt service: \$2,501,413.

EXPLANATION: According to 19 V.S.A. § 11f (d), until transportation debt service is paid in full, no other use of Transportation Infrastructure Bond Funds (TIB) is permitted. This transfer will enable the use of TIB funds for the FY 2017 construction season beginning July 1, 2016.

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2015 in the Tobacco Litigation Settlement Fund shall remain for appropriation in fiscal year 2016.

EXPLANATION: Tobacco Litigation Settlement Fund balances to be used for providing health care assistance under the Global Commitment Fund, instead of statutory transfer to the Tobacco Trust Fund. Same language as last year.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2016 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2016 is not negative shall be transferred from the Tobacco Trust Fund to the Tobacco Litigation Settlement Fund in fiscal year 2016.

EXPLANATION: Transfer of Tobacco Trust Fund balances to be used for providing health care assistance under the Global Commitment Fund. Same language as last year.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions is authorized in fiscal year 2016 as follows:

(1) In the Department of Information and Innovation – one (1) IT Security Analyst and one (1) IT Security Specialist.

EXPLANATION: One position is devoted to coordination of DII security controls, the other specifically to tax system security controls.

(2) In the Department of Buildings and General Services – one (1) Buildings Project Manager, two (2) Security Guard, five (5) Custodian, one (1) Custodial Supervisor, one (1) Maintenance Specialist, one (1) Electrician, three (3) Maintenance Mechanic and two (2) HVAC Specialist.

EXPLANATION: All positions for the reopening of Waterbury, except one environmental project manager, and one custodian for the Colchester laboratory.

(3) In the Military Department – one (1) Plant Maintenance Supervisor and one (1) Maintenance Mechanic.

EXPLANATION: Two positions to manage and maintain the Vermont Veterans' Cemetery in Randolph, replacing the current contract with Vt Technical College to provide year-round maintenance services.

(4) In the Agency of Agriculture – one (1) Dairy Product Specialist, one (1) Water Quality Specialist, one (1) Water Quality Permitting and Project Manager, two (2) Small Farm Water Quality Specialist, one (1) Agriculture Systems

Specialist, one (1) Financial Administrator, one (1) GIS Project Supervisor and one (1) Senior Agricultural Development Coordinator.

EXPLANATION: Seven positions related to the Total Maximum Daily Load (TMDL) water quality project. One water quality position for work in Franklin County. One dairy product inspector for growing number of facilities.

(5) In the Department of Financial Regulation – one (1) Captives Insurance Examiner.

EXPLANATION: To perform various analytical and administrative functions related to regulating Captives.

(6) In the Office of the Secretary of State – one (1) Deputy Director of Professional Regulation.

EXPLANATION: To assist the Director and to focus on policy issues related to professional regulation.

(7) In the Department of Public Service – two (2) Telecommunications Infrastructure Project Manager and one (1) Financial Manager.

EXPLANATION: These positions are funded by VT Universal Service Funds, to assume the responsibilities of the former Vermont Telecommunications Authority, including increasing affordable statewide broadband services and mobile telecommunications services including voice and high-speed data.

(8) In the Department of Liquor Control – one (1) Administrative Secretary, one (1) Administrative Assistant and two (2) Warehouse Worker.

EXPLANATION: Replacing temporary employees in licensing, marketing and warehouse functions.

(9) In the Green Mountain Care Board – one (1) Director of Rate Setting, one (1) Administrative Assistant, one (1) Data and Information Project Manager, one (1) Rate Setting Manager, one (1) Research and Methodology Manager and two (2) Data Analyst.

EXPLANATION: For various 2011 Act 48 (Universal and Unified Health System) responsibilities and activities.

(10) In the Department of Environmental Conservation – thirteen (13) TMDL (Total Maximum Daily Load) positions.

EXPLANATION: In the Department of Environmental Conservation's Watershed Management Division.

(b) The establishment of the following new permanent exempt positions is authorized in fiscal year 2016 as follows:

(1) In the Green Mountain Care Board – two (2) General Counsel.

EXPLANATION: For various 2011 Act 48 (Universal and Unified Health System) responsibilities and activities.

(2) In the Agency of Natural Resources – one (1) Attorney.

EXPLANATION: To assist in review of alternative and renewable energy projects.

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

EXPLANATION: Reduced funding levels have resulted in sufficient vacant positions to accommodate the new positions listed in this section.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$30,000 is from the Current Use Application Fee Special Fund and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

EXPLANATION: Will allow the Tax department to update CAPTAP software using Current Use special funds. Same as last year.

Sec. E.111.1 ONE-TIME FISCAL YEAR 2016 APPROPRIATIONS TO IMPLEMENT NEW REVENUE SOURCES

(a) The amount of \$3,470,000 in General Fund is appropriated to the Tax Department for contracts and associated costs for implementation of new revenue sources.

(b) The amount of \$1,943,060 in General Fund is appropriated to the Secretary of Administration, which may be allocated to Departments to pay the State's health care payroll tax liability.

EXPLANATION: Costs associated with new proposed revenue source for the State Health Care Resources Fund.

Sec. E.113 Buildings and general services – engineering

(a) The \$3,567,791 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2015 legislative session.

EXPLANATION: Clarifies that BGS Engineering is funded through the capital bill.

Sec. E.113.1 2013 Acts and Resolves No.1, Sec. 100(c), as amended by 2014 Acts and Resolves No. 179, Sec. E.113.1, is further amended to read:

(c) Sec. 97 (general obligation debt financing) shall take effect on ~~July 1, 2015~~ July 1, 2017.

EXPLANATION: Use of Capital funds to support certain engineering activities will be proscribed starting with the FY 2018 budget.

Sec. E.125 Legislative council

(a) Notwithstanding any other provision of law, from fiscal year 2015 funds appropriated to the Legislative Council and carried forward into fiscal year 2016, the amount of \$30,000 shall revert to the General Fund.

EXPLANATION: The Legislative Council has agreed to revert this amount.

Sec. E.126 Legislature

(a) Notwithstanding any other provision of law, from fiscal year 2015 funds appropriated to the Legislature and carried forward into fiscal year 2016, the amount of \$215,376 shall revert to the General Fund.

(b) It is the intent of the General Assembly that funding for the Legislature in fiscal year 2016 be included at a level sufficient to support an 18-week legislative session.

EXPLANATION: The Legislature has agreed to revert this amount.

Sec. E.127 Joint fiscal committee

(a) Notwithstanding any other provision of law, from fiscal year 2015 funds appropriated to the Joint Fiscal Committee and carried forward into fiscal year 2016, the amount of \$19,623 shall revert to the General Fund.

EXPLANATION: The Joint Fiscal Office has agreed to revert this amount.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2016, investment fees shall be paid from the corpus of the Fund.

EXPLANATION: Same as in FY 2015, this language allows investment fees to be paid from the fund, instead of from the FY 2016 state contribution charged to the Departments of state government.

Sec. E.141 Lottery commission

(a) From this appropriation, the Lottery Commission shall fund the gambling addiction program.

(b) The Vermont Lottery Commission will continue to provide financial support and recommendations to provide and promote problem gambling services for Vermont's citizens, to include production of media marketing, printed material, and other methods of communication.

EXPLANATION: Removal of the specific amount to be transferred to the Department of Health for support of gambling addiction. The Department of Health supports the change.

Sec. E.142 Payments in lieu of taxes

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

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

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

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

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

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

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

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

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud

settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$997,000 is appropriated in Sec. B.200 of this act.

EXPLANATION: Same provisions as in FY 2015, except the consumer protection recovery amount appropriated to the Attorney General is increased from \$725K to \$997K.

Sec. E.204 Judiciary

(a) As part of budget testimony in the 2015 legislative session, the Judiciary shall submit a plan for judicial restructuring to achieve a General Fund appropriation reduction of at least \$500,000 in fiscal year 2016. The March 31, 2015 report to the House and Senate Appropriations Committees required by the fiscal year 2015 budget adjustment shall satisfy this requirement. The General Assembly shall indicate approval of the plan by reducing by at least \$500,000 the amount of General Fund from the amount proposed in the Governor's budget submission for Departments included in the judicial restructuring.

EXPLANATION: Savings that will be used to offset the FY 2016 budget gap.

Sec. E.208 Public safety – administration

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

EXPLANATION: Same as for FY 2015.

Sec. E.209 Public safety – state police

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

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

EXPLANATION: Same as for FY 2015.

Sec. E.212 Public safety – fire safety

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

EXPLANATION: Same as for FY 2015.

Sec. E.215 Military – administration

(a) The amount of \$250,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856. Of this amount, \$100,000 shall be general funds from this appropriation, and \$150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

EXPLANATION: Language and amounts same as in FY 2015.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, \$2,500 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; \$7,500 shall be used for the Veterans' Day parade; \$5,000 shall be granted to the Vermont State Council of the Vietnam Veterans of America to fund the Service Officer Program; \$5,000 shall be used for the Military, Family, and Community Network; and \$10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

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

EXPLANATION: Language and amounts same as in FY 2015.

Sec. E.220 Center for crime victims services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer \$55,435 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

EXPLANATION: The Center for Crime Victims Services had initially funded this position at 100%, but declining revenues have increased pressure on their funding sources. An agreement was made with the Criminal Justice Training Council to fund 50% of the position.

Sec. E.223 Agriculture, food and markets – food safety and consumer protection

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section for the Food Safety and Consumer Protection Division to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

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

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

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of \$496,136 in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for direct grants and investments in food and forest systems pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5.

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

Sec. E.225 Agriculture, food and markets – laboratories, agricultural resource management and environmental stewardship

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

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

Sec. E.225.1 VERMONT AGRICULTURAL AND ENVIRONMENTAL LABORATORY

(a) Effective July 1, 2015, the functions of the Department of Environmental Conservation environmental laboratory and the Agency of Agriculture, Food and Markets agricultural laboratory are consolidated in the Vermont Agricultural and Environmental Laboratory, under the direction of the Agency and separately appropriated there. The environmental laboratory positions in the Department and positions in the Agency associated with agricultural laboratory operations are transferred to that appropriation.

(b) The Department of Environmental Conservation shall utilize the Agricultural and Environmental Laboratory for chemical analytical samples unless any of the following apply:

- (1) The Agricultural and Environmental Laboratory cannot perform the analysis being requested by the Department of Environmental Conservation.
- (2) The Agricultural and Environmental Laboratory cannot process the samples within the timeframe established by the Department of Environmental Conservation.
- (3) The fees charged by the Agricultural and Environmental Laboratory are 120 percent or greater than for comparable analyses performed by a private environmental laboratory.

EXPLANATION: In order to provide greater efficiency, lower costs of analysis and reduce redundancy of services, the Agency of Agriculture and Department of Environmental Conservation laboratory analytical services will be merged into a single laboratory functional group. In order to accomplish this merger, certain statutory amendments are required as noted here.

Sec. E.225.2 6 V.S.A. Sec. 121 is amended to read:
Sec. 121. Creation and purpose

There is created within the agency of agriculture, food and markets a central testing laboratory for the purpose of assisting the agency in the performance of the duties required of it by law providing agricultural and environmental testing services.

EXPLANATION: In order to provide greater efficiency, lower costs of analysis and reduce redundancy of services, the Agency of Agriculture and Department of Environmental Conservation laboratory analytical services will be merged into a single laboratory functional group. In order to accomplish this merger, certain statutory amendments are required as noted here.

Sec. E.225.3 6 V.S.A. Sec. 122 is amended to read:

Sec. 122. Fees

Notwithstanding 32 V.S.A. § 603, the agency shall establish fees for ~~any tests conducted~~ providing agricultural and environmental testing services at the request of private individuals and State agencies. The fees shall ~~cover the costs of the tests and any administrative work performed in conjunction with the test, including but not limited to collection costs~~ be reasonably related to the cost of providing the services. Fees collected under this chapter shall be credited to a special fund which shall be established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and which shall be available to the Agency to offset the cost of providing the services.

EXPLANATION: In order to provide greater efficiency, lower costs of analysis and reduce redundancy of services, the Agency of Agriculture and Department of Environmental Conservation laboratory analytical services will be merged into a single laboratory functional group. In order to accomplish this merger, certain statutory amendments are required as noted here.

Sec. E.225.4 REPEAL

(a) 3 V.S.A. Sec. 2822(n) (environmental testing laboratory services) is repealed.

(b) The balance in the Environmental Conservation – Laboratory Receipts Special Fund (SF#21861) is transferred to the Agriculture, Food and Markets – Laboratory Testing Special Fund (SF#21667).

EXPLANATION: In order to provide greater efficiency, lower costs of analysis and reduce redundancy of services, the Agency of Agriculture and Department of Environmental Conservation laboratory analytical services will be merged into a single laboratory functional group. In order to accomplish this merger, certain statutory amendments are required as noted here.

Sec. E.233 CONNECTIVITY INITIATIVE FUNDING

(a) Of the amount of monies determined by the fiscal agent as available to the Connectivity Initiative, as prescribed by 30 V.S.A. Sec. 7516, \$270,000.00 shall be for staffing and administering the Connectivity Initiative established in 30 V.S.A. Sec. 7515b.

EXPLANATION: Funding to support the 3 new telecommunications positions established in Sec. E.100(a)(7).

* * * HUMAN SERVICES * * *

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

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2016 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

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

Sec. E.300.1 18 V.S.A. Sec. 9503 is amended to read:

Sec. 9503. Vermont tobacco prevention and treatment

(a) Except as otherwise specifically provided, the Tobacco Prevention and Treatment Program shall be administered and coordinated statewide by the Department of Health ~~and~~ with the advice of the Vermont Tobacco Evaluation and Review Board, pursuant to the provisions of this chapter. The Program shall be comprehensive and research-based, and shall include the following components:

- (1) community-based programs;
- (2) school-based programs;
- (3) tobacco cessation programs;
- (4) countermarketing activities;
- (5) enforcement activities;

- (6) surveillance and evaluation activities;
- (7) policy initiatives; and
- (8) any other activities determined by the Commissioner ~~or the Board~~ to be necessary to implement the provisions of this section.

(b) ~~By June 1, 2001, the Department and the Board shall jointly establish a plan that includes goals for each Program component listed in subsection (a) of this section, for reducing adult and youth smoking rates by 50 percent in the following 10 years. By June 1 of each year, the Department and with the advice of the Board, shall jointly establish goals for reducing adult and youth smoking rates in the following two years, including goals for each Program component listed in subsection (a) of this section. The services provided by a quitline approved by the Department of Health shall be offered and made available to any minor, upon his or her consent, who is a smoker or user of tobacco products as defined in 7 V.S.A. § 1001.~~

(c) The Department of Liquor Control shall administer the component of the Program that relates to enforcement activities.

(d) The Agency of Education shall administer school-based programs.

(e) The Department shall pay all ~~fees and~~ costs of the surveillance and evaluation activities, ~~including the costs associated with hiring a contractor to conduct an independent evaluation of the Program.~~

(f) ~~The Board shall be represented on all Tobacco Program Advisory Committees, including, but not limited to, the youth working group, Community Grants Advisory Board, and the Scientific Advisory Board. The Board's representative on any such Advisory Committee shall include at least one member other than the Commissioner of Health.~~

EXPLANATION: Amendments associated with making the Vermont Tobacco Evaluation and Review Board advisory to the Department of Health. The various groups listed in subsection (f) no longer exist.

Sec. E.300.3 18 V.S.A. Sec. 9504 is amended to read:

Sec. 9504. Creation of the Vermont Tobacco Evaluation and Review Board

(a) There is created and established, within the Office of the ~~Secretary Commissioner,~~ a an advisory body to be known as the Vermont Tobacco Evaluation and Review Board, ~~an independent State Board created to work in partnership with the Agency of Human Services and the Department provide advice to the Commissioner~~ of Health in establishing the annual budget, Program criteria and policy development, and review ~~and evaluation~~ of the Tobacco Prevention and Treatment Program.

(b) The Board shall consist of 14 members, including ex officio the Commissioner of Health and the Secretary of Education, or their designees; the Commissioner of Liquor Control or designee; the Attorney General or designee; a member of the House of Representatives appointed by the Speaker of the House; a member of the Senate appointed by the Committee on Committees; a member representing a nonprofit organization qualifying under Section 501(c)(3) of the Internal Revenue Code and dedicated to anti-tobacco activities appointed by the Speaker of the House; a member representing the low income community appointed by the Senate Committee on Committees; two persons under the age of 30, one appointed by the Speaker of the House and one appointed by the Committee on Committees; and four members appointed by the Governor with the advice and consent of the Senate, including: one K-12 educator involved in prevention education; one tobacco use researcher; one member representing the health care community; and one tobacco industry countermarketing expert. The public members shall serve for three-year terms, beginning on July 1 of the year in which the appointment is made, except that the first members appointed by the Governor to the Board shall be appointed, two for a term of two years, one for a term of three years and one for a term of four years. Vacancies shall be filled in the same manner as the original appointment for the unexpired portion of the term vacated.

(c) The Governor shall appoint a Chair from among the Board's public members. The Chair shall serve for a term of two years. The Chair may be removed for good cause by a two-thirds voting majority of the Board. The Board may elect such other officers as it may determine. ~~The Board may appoint committees or subcommittees for the purpose of providing advice on community based programs, countermarketing activities, and independent program evaluations. Meetings shall be held at the call of the Chair or at the request of three members Commissioner of Health; however, the Board shall meet no less more than four times a year. A majority of the sitting members shall constitute a quorum, and action taken by the Board under the provisions of this chapter may be authorized by a majority of the members present and voting at any regular or special meeting. Actions taken by the Board to approve, authorize, award, grant, or otherwise expend money appropriated to the Board or the Department shall require authorization from a majority of members of the entire Board.~~

(d) Public members other than ex officio members shall be entitled to per diem compensation authorized under 32 V.S.A. § 1010 for each day spent in the performance of their duties, and members shall be reimbursed from the fund for reasonable expenses incurred in carrying out their duties under this chapter. Legislative members shall be entitled to per diem compensation and reimbursement for expenses in accordance with 2 V.S.A. § 406.

(e) ~~The Board may employ staff, through the Agency of Human Services, to assist the Board in planning, administering, and executing its functions under this chapter, subject to the policies, control, and direction of its members and the powers and duties of the Board under this chapter. The Board may employ technical experts and contractors as necessary to effect the~~

purposes of this chapter. The Board shall use the Office of the Attorney General for legal services. The Board shall receive additional staff assistance from the Department of Health, the Office of Legislative Council, and the Joint Fiscal Office.

(f) ~~The Agency of Human Services~~ Department of Health shall provide administrative support to the Board for the purposes of this chapter.

(g) No member of the Board shall have any direct or knowing affiliation or contractual relationship with any tobacco company, its affiliates, its subsidiaries, or its parent company. Each Board member shall file a conflict of interest statement, stating that he or she has no such affiliation or contractual relationship.

EXPLANATION: Amendments associated with making the Vermont Tobacco Evaluation and Review Board advisory to the Department of Health.

Sec. E.300.4 REPEAL

(a) 18 V.S.A. Sec. 9505 (general powers and duties of the Vermont Tobacco Evaluation and Review Board) is repealed.

EXPLANATION: Amendments associated with making the Vermont Tobacco Evaluation and Review Board advisory to the Department of Health.

Sec. E.300.5 18 V.S.A. Sec. 9506 is amended to read:

Sec. 9506. Allocation system

(a) In determining the allocation of funds available for the purposes of this chapter, ~~the Department and Commissioner, with the advice of~~ the Board, shall consider all relevant factors, including:

- (1) the level of funding or other participation by private or public sources in the activity being considered for funding;
- (2) what resources will be required in the future to sustain the Program;
- (3) geographic distribution of funds; and
- (4) the extent to which the outcomes of the project can be measured by reductions in adult or youth smoking rates.

(b) ~~The Department's and Board's Commissioner's~~ allocation system shall include a method, developed jointly with the advice of the Board, that evaluates the need for and impact and quality of the activities proposed by eligible applicants, including, if appropriate, measuring the outcomes of the project through reductions in adult and youth smoking rates.

EXPLANATION: Amendments associated with making the Vermont Tobacco Evaluation and Review Board advisory to the Department of Health.

Sec. E.300.6 18 V.S.A. Sec. 9507 is amended to read:

Sec. 9507. Annual report

(a) On or before January 15 of each year, ~~the Board shall submit a report concerning its activities under this chapter to the Governor and the General Assembly. The report shall include, to the extent possible, the following:~~

- ~~(1) the results of the independent Program evaluation, beginning with the report filed on January 15, 2003, and then each year thereafter;~~
- ~~(2) a full financial report of the activities of the Departments~~ Department of Health shall, and in consultation with the Department of Liquor Control, and the Agency of Education, and the Board, including a special provide a joint report accounting ~~of~~ for all activities from July 1 through December 31 of the year preceding the legislative session during which the report is submitted;
- ~~(3) a recommended budget for the Program; and~~
- ~~(4) an explanation of the outcomes of approved programs, measured through reductions in adult and youth smoking rates.~~

EXPLANATION: Amendments associated with making the Vermont Tobacco Evaluation and Review Board advisory to the Department of Health.

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

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

(b) In addition to the state funds appropriated in this section, a total estimated sum of \$28,995,359 is anticipated to be certified as state matching funds under the Global Commitment as follows:

- (1) \$18,212,850 certified state match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$22,287,150 of Federal Funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred

from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. 2959a.
(2) \$ 4,027,624 certified state match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$1,830,081 certified state match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-aged children.

(4) \$2,653,915 certified state match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) \$2,270,889 certified state match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

EXPLANATION: Annual language (with updated revenue estimates) to establish certified state fund match as defined in the Global Commitment waiver.

Sec. E.306 2014 Acts and Resolves No. 179, Sec. E.306.1 is amended to read:

Sec. E. 306.1 EMERGENCY RULES

(a) The Agency of Human Services shall adopt rules pursuant to 3 V.S.A. chapter 25 prior to June 30, ~~2015~~ 2016 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The rules shall be adopted to achieve timely compliance with federal laws and guidance and shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

EXPLANATION: Federal rules regulating the operation of the Vermont Health Benefit Exchange will continue to be promulgated after June 30, 2015. Providing an extension to emergency rulemaking authority through the end of the 2016 state fiscal year will help to ensure that the State can comply with timelines set in forthcoming federal regulations.

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

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the Department of Vermont Health Access may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and VPharm programs is not operational by that date, but no later than December 31, ~~2015~~ 2016.

EXPLANATION: Providing an extension until December 31, 2016 to convert eligibility determination for VPharm and Healthy Vermonters programs to Modified Adjusted Gross Income (MAGI) will help ensure a successful transition process and will avoid unanticipated consequences of converting eligibility methods at a time when the rules for eligibility are still very new and the operability of the system is undergoing improvement daily.

Sec. E.307.1 33 V.S.A. Sec. 2001(c) is amended to read:

(c) The Commissioner of Vermont Health Access shall report ~~quarterly~~ annually on or before August 31 to the ~~Health Care Reform Oversight Committee~~ Health Care Reform Oversight Committee concerning ~~the following aspects of the Pharmacy Best Practices and Cost Control Program.~~ Topics covered in the report will include issues related to drug cost and utilization; the effect of national trends on the pharmacy program; comparisons to other states; and decisions made by the Department's Drug Utilization Review Board in relation to both drug utilization review efforts and the placement of drugs on the Department's preferred drug list. :

~~(1) the efforts undertaken to educate health care providers about the preferred drug list and the Program's utilization review procedures;~~

~~(2) the number of prior authorization requests made; and~~

~~(3) the number of utilization review events (other than prior authorization requests).~~

EXPLANATION: DVHA finds that the quarterly report as required by 33 V.S.A. § 2001(c) is narrow in its scope, and there are many additional areas of pharmacy operations on which DVHA could report that would provide significantly greater insight into the performance of the DVHA's Pharmacy Benefit Program.

Sec. E.307.2 33 V.S.A. Sec. 1901f is amended to read:

Sec. 1901f. Medicaid program enrollment and expenditure reports

By ~~January 30, April 30, July 30~~ March 1, June 1, September 1, and October 30 December 1 of each year, the Commissioner of Vermont Health Access or designee shall submit to the General Assembly a quarterly report on enrollment and total expenditures by Medicaid eligibility group for all programs paid for by the Department of Vermont Health Access during the

preceding calendar quarter and for the fiscal year to date. Total expenditures for Medicaid-related programs paid for by other departments within the Agency of Human Services shall be included in this report by Medicaid eligibility group to the extent such information is available.

EXPLANATION: DVHA requests that the due dates for the quarterly enrollment and expenditures reports be pushed back one month to allow adequate time for the creation and review of the reports, as the necessary data is not available until the day before the report is currently due.

Sec. E.307.3 BLUEPRINT FOR HEALTH: PAYMENT INCREASES

(a) Beginning January 1, 2016, the Department of Vermont Health Access shall:

(1) increase payments to the Blueprint for Health's community health teams under section 705 of Title 18 by \$541,078 in Global Commitment Funds;

(2) adjust payments for community health teams under section 705 of Title 18 to reflect revised patient attribution and market share of insurers and Medicaid. Payments may be modified as set forth in section 702(b) of Title 18 and insurers shall participate in the new payment amounts as required by section 706 of Title 18. The Department shall increase its payments to reflect increased enrollment in Medicaid by an amount up to \$467,833 in Global Commitment Funds.

(b) Beginning January 1, 2016, the Department of Vermont Health Access shall increase payments to primary care medical homes under 18 V.S.A. § 704 by \$3,500,000 in Global Commitment Funds.

EXPLANATION: Invests in Blueprint for Health to support primary care, support delivery reform in primary care, and improve health outcomes. Increases payments to Blueprint for Health's community health teams and primary care medical homes. Also, has DVHA adjust insurer payments to reflect new market share, including Medicaid.

Sec. E.307.4 HOME HEALTH: PAYMENT INCREASES

(a) Beginning January 1, 2016, the Department of Vermont Health Access shall modify reimbursement methodologies and amounts to home health agencies as defined in 8 V.S.A. § 4095 to provide prospective payments and to include a quality component and increasing available funding by \$1,250,000 in Global Commitment Funds.

EXPLANATION: Begins a payment reform for home health agencies and increases Medicaid reimbursement to home health agencies to invest in better health outcomes.

Sec. E.307.5 HEALTH HOME INVESTMENT

(a) Beginning January 1, 2016, the Department of Vermont Health Access shall increase health home funding by \$5,000,000 in Global Commitment Funds to invest in delivery system reform.

EXPLANATION: Invest in better health outcomes through increased funding for health care delivery reform.

Sec. E.307.6 COST SHIFT: INCREASE REIMBURSEMENT TO MEDICARE LEVELS

(a) Beginning January 1, 2016, the Department of Vermont Health Access shall increase reimbursement as follows to address the Medicaid cost shift:

(1) for in-state outpatient services as defined in 42 U.S.C. § 1396d(a)(2) by \$10,000,000;

(2) for primary care services by \$5,000,000;

(3) for inpatient hospital services as defined in 42 U.S.C. § 1396d(a)(1) for Dartmouth Hitchcock Medical Center by \$1,500,000;

(4) for non-primary care professional services as defined in 42 U.S.C. § 1396d by \$9,000,000.

(b) Beginning July 1, 2015, the Department of Vermont Health Access is appropriated \$29,768,988 to account for an increase in Medicaid caseload. This appropriation is included in Sec. B.307 of this act.

EXPLANATION: Increase Medicaid reimbursement and support increased caseload to help address Medicaid cost shift and invest in better health outcomes.

Sec. E.307.7 COST SHIFT ACCOUNTABILITY

(a)(1) In fiscal year 2016 the amount of \$25,500,000 in Global Commitment Funds is appropriated in this act to the Agency of Human Services to address health care inflation and reduce costs shifted to private insurers due to the underpayment of health care providers by Medicaid. This amount annualizes to approximately \$51,000,000.

(2) In fiscal year 2016 the amount of \$29,768,988 in Global Commitment Funds is appropriated in this act to the Agency of Human Services to address Medicaid enrollment and a reduction in the uninsured, which will reduce uncompensated care and bad debt assumed by health care providers. This amount reflects a full year cost.

(3) The Green Mountain Care Board (GMCB) shall account for the impact on the cost shift of these investments through its regulatory authority over hospital budgets and health insurer rates. The GMCB shall include its assessment of the impacts in its annual report as required by 9375(d) of Title 18.

(4) Any hospital service corporation established under chapter 123 of Title 8 and medical service corporation established under chapter 125 of Title 8 shall adjust their reimbursement to health care providers and premiums or administrative fees charged to account for the impact of investing funds in Medicaid provider reimbursement in order to ensure the cost shift is reduced to the fullest extent possible.

EXPLANATION: Directs the Green Mountain Care Board to ensure that the increases in Medicaid reimbursements and for a reduction of the uninsured are accounted for in hospital charges and in private insurance premiums.

Sec. E.307.8 REPEALS

(a) 2000 Acts and Resolves No. 152, Sec. 117b, as amended by 2013 Acts and Resolves No. 79, Sec. 42 is repealed July 1, 2015.

EXPLANATION: Repeals report required by the Department of Vermont Health Access on the cost shift, because the Green Mountain Care Board is required to report on the cost shift by 18 VSA 9375(d).

Sec. E.308 CHOICES FOR CARE; SAVINGS, REINVESTMENTS, AND SYSTEM ASSESSMENT

(a) In the Choices for Care program, “savings” means the difference remaining at the conclusion of fiscal year 2015 between the amount of funds appropriated for Choices for Care, excluding allocations for the provision of acute care services, and the sum of expended and obligated funds, less an amount equal to one-percent of the fiscal year 2015 year total Choices for Care expenditure. The one-percent shall function as a reserve to be used in the event of a fiscal need to freeze Moderate Needs Group enrollment. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

(1) It is the intent of the General Assembly that the Department of Disabilities, Aging, and Independent Living only obligate funds for expenditures approved under current law.

(b)(1) Any funds appropriated for long-term care under the Choices for Care program shall be used for long-term services and supports to recipients. In using these funds, the Department of Disabilities, Aging, and Independent Living shall give priority for services to individuals assessed as having high and highest needs and meeting the terms and conditions of the Choices for Care waiver.

(2)(A) First priority for the use of any savings from the long-term care appropriation after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and community-based services. Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

(B) Savings either shall be one-time investments or shall be used in ways that are sustainable into the future. Excluding appropriations allocated for acute services, any unexpended and unobligated State General Fund or Special Fund appropriation remaining at the close of a fiscal year shall be carried over to the next fiscal year.

(C) The Department of Disabilities, Aging, and Independent Living shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(c) The Department, in collaboration with Choices for Care participants, participants’ families, and long-term care providers, shall conduct an annual assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1, 2015, the Department of Disabilities, Aging, and Independent Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare in order to inform the reinvestment of savings during the budget adjustment process.

(d) On or before January 15, 2016, the Department of Disabilities, Aging, and Independent Living shall propose reinvestment of the savings calculated pursuant to this section to the General Assembly as part of the Department’s proposed budget adjustment presentation.

(e) Concurrent with the procedures set forth in 32 V.S.A. § 305a, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board their respective estimates of caseloads and expenditures for programs under the Choices for Care Medicaid Section 1115 waiver.

EXPLANATION: Same provision as in 2014 Act 179 Sec. E.308.

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2016 and as provided in this section, the Department of Health shall provide grants in the amount of

\$340,000 of AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, \$90,281;

(B) HIV/HCV Resource Center, \$18,063;

(C) VT CARES, \$174,246;

(D) Twin States Network, \$25,160;

(E) People with AIDS Coalition, \$32,250.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines.

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

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

(4) In fiscal year 2016, the Department of Health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

EXPLANATION: The language in (a)(1) no longer includes reference to \$135K General Fund, which is not included in the FY 2016 budget proposal. Reference to tobacco programs is covered in the tobacco statutes, amended earlier in this Bill.

Sec. E.313 Health – alcohol and drug abuse programs

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the State, a State-qualified alcohol and drug abuse counselor may apply to the Department of Health, Division of Alcohol and Drug Abuse Programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the Division of Alcohol and Drug Abuse Programs may use the following criteria to determine whether to enroll a State-supported Medicaid and uninsured population substance abuse program in the Division's network of designated providers, as described in the State plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the Division's standards, licensure standards, and accreditation standards established by the Commission on Accreditation of Rehabilitation Facilities, the Joint Commission on Accreditation of Health Care Organizations, or the Commission on Accreditation for Family Services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the Division's "request for bids" process.

EXPLANATION: Same language as in 2014 Act 179 Sec. E.313.

Sec. E.316 DEPARTMENT FOR CHILDREN AND FAMILIES; REVISED APPROPRIATIONS STRUCTURE

(a) As part of its fiscal year 2016 budget presentation, the Department for Children and Families shall propose a revised appropriations structure for fiscal year 2017. The House and Senate Appropriations Committees may provide their endorsement of the revised structure.

EXPLANATION: DFC seeks an endorsement from the Appropriations Committees before preparing a fully developed proposal to the 2017 session of the legislature.

Sec. E.318 33 V.S.A. Sec. 3505 is amended to read:

Sec. 3505 Supplemental child care grants

(a) The Commissioner of the Department for Children and Families may reserve up to one-half of one percent of the child care family assistance program funds for extraordinary financial relief to assist child care facilities that are at risk of closing due to financial hardship. The Commissioner shall develop guidelines for providing assistance and shall prioritize extraordinary financial relief to child care programs in areas of the state with high poverty and low access to high quality child care. If the Commissioner determines that the child care center is at risk of closure because operations of a child care program are not fiscally sustainable, he or she may provide assistance to transition children served by the child care operator in an orderly fashion to help secure other child care opportunities for children served by the program in an effort to minimize a disruption of services. The Commissioner has the authority to request tax returns and other financial documents to verify the financial hardship and ability to sustain operations.

(b) In instances in which extraordinary financial relief will not maintain ongoing access to high quality child care, the Department for Children and Families may provide additional support to ensure access to high-quality, comprehensive child care that meets the needs of working parents in high-poverty areas of Vermont. Licensed child care centers may be considered for this additional financial support to help ensure ongoing access to high-quality child care in areas of the State where none exists, as determined by the Commissioner. Financial assistance may be granted, at the discretion of the Commissioner, if the child care center meets the following criteria:

* * *

EXPLANATION: Authority to provide extraordinary financial relief for child care facilities at risk of closure (previously in 2012 Act 162 Sec E.318) is being added to 33 VSA Sec 3505 as subsection (a).

Sec. E.318.1 CHILD CARE SERVICES PROGRAM; WAITLIST

(a) The Department for Children and Families is authorized to implement a waitlist for eligible applicants seeking a subsidy through the child care financial assistance program if the Department anticipates that the program costs will exceed the amount appropriated.

EXPLANATION: This language reflects the statutory provision in 33 V.S.A. §3512(a)(1) that “A child care services program is established to subsidize, to the extent that funds permit, the costs of child care for families ...” [emphasis added]

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) For State fiscal year 2016, the Agency of Human Services may continue a housing assistance program within the General Assistance program to create flexibility to provide these General Assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. The program shall operate in a consistent manner within existing statutes and rules and policies effective on July 1, 2013, and any succeeding amendments thereto, and may create programs and provide services consistent with these policies. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The program may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish outcomes and procedures for evaluating the program overall, and for each district in which the Agency operates the program, it shall establish procedures for evaluating the district program and its effects.

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

EXPLANATION: Language needed as some of the benefits that DCF previously provided directly through General Assistance (such as security deposits, down payments and back rent) referenced in statute and rule are now being provided through grants.

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2016 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The cold weather exception issued by the Department for Children and Families’ Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

EXPLANATION: Policy unchanged from last year.

Sec. E.321.2 2013 Acts and Resolves No. 50, Sec. E.321.2(c) is amended to read:

(c) On or before ~~January 15~~ January 31 and ~~July 15~~ July 31 of each year beginning in ~~2014~~ 2015, the Agency of Human Services shall report statewide statistics related to the use of emergency housing vouchers during the preceding calendar half-year, including demographic information, deidentified client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing, and such other relevant data as the Secretary deems appropriate. When the General Assembly is in session, the Agency shall provide its report to the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the House and Senate Committees on Appropriations. When the General Assembly is not in session, the Agency shall provide its report to the Joint Fiscal Committee.

EXPLANATION: Language needed to modify the due date of these reports to ensure that the Department has the data necessary to include in the reports.

Sec. E.323 33 V.S.A. Sec. 1103(c) is amended to read:

(c) The Commissioner shall adopt rules for the determination of eligibility for the Reach Up program and benefit levels for all participating families that include the following provisions:

* * *

(9) \$125 of the Supplemental Security Income payment received by a parent shall count toward the determination of the amount of the family's financial assistance grant.

EXPLANATION: Implements counting \$125 of SSI income in Reach Up benefit grants.

Sec. E.324 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2015, and for program administration, the Commissioner of Finance and Management shall transfer \$2,550,000 from the Home Weatherization Assistance Fund to the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the Home Weatherization Fund from the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the Home Weatherization Assistance Fund be necessary for the 2015-2016 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2015 and if LIHEAP funds awarded as of December 31, 2015 for fiscal year 2016 do not exceed \$2,550,000, subsequent payments under the Home Heating Fuel Assistance Program shall not be made prior to January 30, 2016. Notwithstanding any other provision of law, payments authorized by the Department for Children and Families Economic Services Division shall not exceed funds available, except that for fuel assistance payments made through December 31, 2015, the Commissioner of Finance and Management may anticipate receipts into the Home Weatherization Assistance Fund.

EXPLANATION: Annual language to authorize a transfer from the Weatherization Fund if Congress fails to appropriate LIHEAP funds timely. The language allows DCF to issue partial fuel assistance benefits until the legislature reconvenes.

Sec. E.324.1 EXPEDITED CRISIS FUEL ASSISTANCE

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

EXPLANATION: The language allows DCF to issue crisis fuel assistance benefits to qualified households in order to avoid the household from running out fuel prior to final determination.

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

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

EXPLANATION: Annual language, same amount as in FY 2015.

Sec. E.326 Department for children and families – OEO – weatherization assistance

(a) Of the Special Fund appropriation in Sec. B.326 of this act, \$750,000 is for the replacement and repair of home heating equipment.

EXPLANATION: Annual language, same amount as FY 2015.

Sec. E.337 28 V.S.A. Sec. 120 is amended to read:

Sec. 120. Department of Corrections education program; independent school

* * *

(d) Curriculum. The education program shall offer a ~~minimum~~ course of study, as defined in 16 V.S.A. § 906, and special education programs as required in 16 V.S.A. chapter 101 ~~at each correctional facility and Department service center in at least one correctional facility in which female inmates are incarcerated and one correctional facility in which male inmates are incarcerated~~, but is not required to offer a driver training course or a physical educational course.

* * *

EXPLANATION: This language would allow the Community High School of Vermont to focus available resources on its core mission for those who are incarcerated. Inmates will be located so as to guarantee participation in educational programs as required by law.

EXPLANATION FOR REDUCTIONS INCORPORATED IN CORRECTIONS PROPOSED APPROPRIATIONS (NOT PART OF APPROPRIATIONS BILL):

Numerous statute changes are needed to implement a policy that would mandate the use of home detention and home confinement for persons charged with and convicted of nonviolent misdemeanors and felonies. These statute changes have been submitted to the various Committees of jurisdiction.

Summary of the statute changes:

(1) 13 V.S.A. § 7554 will need to be amended to preclude bail as an option for persons charged with nonviolent misdemeanors and felonies. Under the proposed amendments, judges would have the option of releasing the person charged on personal recognizance or imposing conditions of release or home detention. Bail would be eliminated as an option for persons charged with nonviolent misdemeanors and felonies.

(2) 13 V.S.A. § 7557 will need to be amended to eliminate bail as an option for persons charged with nonviolent misdemeanors and felonies whose trials are postponed.

(3) 28 V.S.A. § 808b will need to be amended to eliminate the 180-day maximum period of home confinement furlough. This will permit judges to impose home confinement furlough for a period greater than 180 days and, presumably, equivalent to the period of incarceration that the statutes currently permit judges to impose as punishment for the crime.

Finally, when the legislature identifies the misdemeanors and felonies that are nonviolent, each statute defining those crimes and punishments will need to be amended to eliminate incarceration in a correctional facility as a punishment and included home confinement furlough as a punishment. Given the differences in opinion as to what constitute violence, we have not attempted to identify the crimes that would qualify.

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

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

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

Sec. E.342.1 20 V.S.A. § 1713(b) is amended to read:

(b) The Board shall consist of ~~24~~ 20 ~~members~~:

~~(1)~~ ~~Twenty~~ members shall be appointed by the Governor for staggered terms of three years, at least 15 of whom shall be veterans who have been honorably discharged from any branch of the U.S. Armed Forces. Each appointed trustee shall serve until a successor has been appointed. In the event an appointed trustee vacates the Board, is unable to serve, or is removed by the Governor for cause, the Governor shall appoint another trustee to serve the unexpired term of the departing trustee.

* * *

EXPLANATION: The July 1, 2017 repeal of the requirement for a classified employee on the Veterans' Home Board of Trustees (in 2014 Act 179 Sec. E.342.2) left unclear whether the Vermont Veterans' Home Board of Trustees was then

intended to remain at 21 trustees, with no provision of how the 21st Trustee would be appointed. This amendment to the Board membership, with the effective date of 7/1/17 reflects the intent to have the Board return to 20 trustees. (This amendment was suggested in the FY 2015 Statement of Legislative Intent.) Effective date is 7/1/17 (see Effective Dates section)

Sec. E.345 Green mountain care board

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

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

* * * K-12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons, or both, in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

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

Sec. E.500.1 2014 Acts and Resolves No. 179, Sec. E.500.1 is amended to read:

Sec. E.500.1 UNIFORM CHART OF ACCOUNTS COMPLETION, TRANSITION, TRAINING AND SUPPORT

(a) ~~On or before June 30, 2015,~~ A GASB compliant Uniform Chart of Accounts and Financial Reporting requirements shall be established by the Agency of Education which shall:

- (1) be comprehensive in respect to compliance with federal funds reporting requirements; and
 - (2) provide the financial information necessary for State and local education decision makers in regard to specific program costs and evaluation of student outcomes.
- (b) The Agency of Education shall hire a contractor or contractors through the State's procurement process to assist them in the establishment and completion of the requirements of subsection (a) of this section. Contract deliverables shall include but not be limited to:
- (1) a comprehensive accounting manual, with related business rules;
 - (2) specifications for school financial software; and
 - (3) a detailed transition and support plan that ensures local reporting entities required to record and report information consistent with requirements of subsection (a) of this section can fully comply on or before July 1, 2017.

EXPLANATION: A revision of the timeline for establishment of the Uniform Chart of Accounts is requested because the timeline for writing RFPs and executing contracts is somewhat unpredictable.

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

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,646,521 shall be used by the Agency of Education in fiscal year 2016 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$181,438 may be used by the Agency of Education for its participation in the higher education partnership plan.

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

Sec. E.503 Education – state-placed students

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

EXPLANATION: Allows payments for pregnant and parenting teens to be made to the Independence Place program of the Lund Family Center. Same as in FY 2015.

Sec. E.504 Education – adult education and literacy

(a) Of this appropriation, \$3,250,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c). Notwithstanding 16 V.S.A. Sec. 4025(b), of this Education Fund appropriation, the amount of \$650,000 is available to pay college providers of the dual enrollment program on behalf of school districts, and \$100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

EXPLANATION: Language ensures that education funds are paid directly to school districts to fund the high school completion program, to help fund the dual enrollment program created in 16 VSA Sec 944, and to support distance learning in Vermont schools. Total \$4M is same as in FY 2015.

Sec. E.504.1 16 V.S.A. Sec. 944 is amended to read:

Sec. 944. Dual Enrollment Program

* * *

(f) Tuition and funding

(1) Tuition shall be paid to public postsecondary institutions in Vermont as follows:

(A) For any course for which the postsecondary institution pays the instructor, ~~the student's school district of residence shall pay tuition~~ shall be paid to the postsecondary institution in an amount equal to the tuition rate charged by the Community College of Vermont (CCV) at the time the dual enrollment course is offered; provided however, that tuition paid to CCV under this subdivision (A) shall be in an amount equal to 90 percent of the CCV rate.

(B) For any course that is taught by an instructor who is paid as part of employment by a secondary school, ~~the student's school district of residence shall pay tuition~~ shall be paid to the postsecondary institution in an amount equal to 20 percent of the tuition rate charged by the Community College of Vermont at the time the dual enrollment course is offered.

(2) ~~Notwithstanding subdivision (1) of this subsection requiring the district of residence to pay tuition, the~~ The State shall pay 50 percent of the tuition owed to public postsecondary institutions under subdivision (1)(A) of this subsection from the Next Generation Initiative Fund created in section 2887 of this title; provided, however, that the total amount paid by the State in any fiscal year shall not exceed the total amount of General Fund dollars the General Assembly appropriated from the Fund in that year for dual enrollment purposes plus any balance carried forward from the previous fiscal year; and further provided that, notwithstanding subdivision (b)(2) of this section, the cumulative amount to be paid by school districts under subdivision (1)(A) in any fiscal year shall not exceed the amount available to be paid by General Fund dollars in that year, and 50 percent from funds appropriated from the Education Fund, notwithstanding 16 V.S.A. Sec. 4025(b) .

* * *

EXPLANATION: Current law requires that districts pay half of the college tuition of dual enrollment students. This mode of funding is hindering the equity of the dual enrollment program. The administrative work needed to collect the districts' shares is also significant. The proposed language replaces the districts' share with Education Fund appropriated in Sec. B.504.

Sec. E.512 Education – Act 117 cost containment

(a) Notwithstanding any other provision of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the State's 60 percent of the statewide total special education expenditures of funds which are not derived from federal sources.

EXPLANATION: This language, in effect, makes funding for Act 117 activities come out of the amount appropriated for the special education funding formula. The special funds source in this Act 117 appropriation, i.e., Medicaid, would ordinarily be deposited into the Education Fund. Because the Education Fund does not receive that revenue, expenditures from the Education Fund are reduced by the same amount, thereby having a neutral impact on the Fund. Standard language.

Sec. E.513 Appropriation and transfer to education fund

(a) Pursuant to Sec. B.513, and notwithstanding the provisions of 16 V.S.A. Sec. 4025(a)(2), there is appropriated in fiscal year 2016 from the General Fund for transfer to the Education Fund the amount of \$300,378,103.

EXPLANATION: The general fund appropriation to the education fund is calculated to reflect a reduced contribution to the current use appropriation, and a re-focusing of the Corrections Community High School of Vermont program.

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$76,102,909.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$10,384,106 is the "normal contribution," and

\$65,718,803 is the “accrued liability contribution.”

EXPLANATION: Standard language.

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

(a) In accordance with 16 V.S.A. § 1944b (b)(2), \$12,576,468 will be contributed to the Retired Teachers’ Health and Medical Benefits plan.

EXPLANATION: New language about the contribution to the Retired Teachers’ Health and Medical Benefits plan.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

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

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

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

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

EXPLANATION: (a) – (c): Establishes the grant disbursement schedule for the appropriation, and ensures that if Global Commitment funds are not available the full appropriation will be met through General or other funding sources. Dedicates a fixed amount of the appropriation to EPSCoR. Standard language. (d) Annual language that makes clear that Global Commitment funds will be used for appropriate Global Commitment purposes.

Sec. E.602 Vermont state colleges

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

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

EXPLANATION: (a) Establishes the grant disbursement schedule for the appropriation. (b) Dedicates a fixed amount of the appropriation to the Vt. Manufacturing Extension Center. Standard language.

Sec. E.603 Vermont state colleges – allied health

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

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

EXPLANATION: (a) Ensures that if Global Commitment funds are not available the full appropriation will be met through general or other funding sources. (b) Annual language that makes clear that Global Commitment funds will be used for appropriate Global Commitment purposes.

Sec. E.605 Vermont student assistance corporation

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

(b) Except as provided in subsection (a) of this section, not less than 93 percent of grants shall be used for direct student aid.

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

EXPLANATION: (a) Provides that \$25,000 of the appropriation be set aside for children in state custody seeking to attend institutions of higher education. (b) Allows 7% of the appropriation to be used by VSAC for administrative purposes and the

remainder is for direct student aid subject to the restriction in subsection (a). (c) Makes clear that the funding from the Military appropriation in Sec. E.215(a) is for the National Guard educational assistance program in 16 V.S.A. Sec. 2856. Any unexpended funds at the end of the fiscal year shall carry forward to the next year for use by the National Guard educational assistance program.

* * * NATURAL RESOURCES * * *

Sec. E.704 Forests, parks and recreation - forestry

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

EXPLANATION: This language is needed to allow the level of use of the Lands and Facilities Trust Fund in Sec. B.704. Same as last year.

Sec. E.706 Forests, parks and recreation – lands administration

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

EXPLANATION: This language is needed to allow the level of use of the Lands and Facilities Trust Fund in Sec. B.706. Same as last year.

Sec. E.713 Natural resources board

(a) As part of budget testimony in the 2015 legislative session, the Agency of Natural Resources in conjunction with the Natural Resources Board shall by March 31, 2015 submit a plan to the House and Senate Appropriations Committees for consolidation within the Agency, to achieve a General Fund appropriation reduction of at least \$200,000 in fiscal year 2016. The General Assembly shall indicate approval of the plan by reducing by at least \$200,000 the amount of General Fund from the amount proposed in the Governor's budget submission for Departments included in the consolidation.

EXPLANATION: Savings that will be used to offset the FY 2016 budget gap.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.802 3 V.S.A. Sec. 2471c is amended to read:

Sec. 2471c. Office of Creative Economy; ~~Vermont Film Commission~~

(a) The Office of Creative Economy is created within the Agency of Commerce and Community Development in order to build upon the years of work and energy around creative economy initiatives in Vermont, ~~including the work of the Vermont Film Commission~~. The Office ~~shall~~ may provide business, networking, and technical support to establish, grow, and attract enterprises involved with the creative economy, primarily focused on but not limited to such areas as film, new and emerging media, software development, and innovative commercial goods. The Office ~~shall~~ may work in collaboration with Vermont's private and public sectors, including educational institutions, to raise the profile and economic productivity of these activities.

(b) The Office ~~shall~~ may be administered by a director appointed by the Secretary pursuant to section 2454 of this title and shall be supervised by the Commissioner of ~~Housing and Community~~ Economic Development.

EXPLANATION: Due to budget reductions, the Office of Creative Economy will operate without an appointed Director and will conduct limited creative economy initiatives. Removes references to the Vt Film Commission (really, the VF Corporation), which was repealed in 2011 Act 52 Sec 16(a).

Sec. E.804 Community development block grants

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

EXPLANATION: This language allows grant funds received in FY 2016 to be carried forward until grants are fully expended. It is standard language.

Sec. E.805 24 V.S.A. Sec. 2796 is amended to read:

Sec. 2796. Downtown transportation and related capital improvement fund

(a) There is created a downtown transportation and related capital improvement fund, to be also known as the fund, which shall be a special fund created under subchapter 5 of chapter 7 of Title 32, to be administered by the Vermont downtown development board in accordance with this chapter to aid municipalities with designated downtown districts in financing capital transportation and related improvement projects to support economic development.

* * *

(c) Any municipality with a designated downtown development district may apply to the Vermont downtown development board for financial assistance from the fund for capital transportation and related improvement projects within or serving the

district. The board may award to any municipality grants in amounts not to exceed \$250,000.00 annually, loans, or loan guarantees for financing capital transportation projects, including but not limited to construction or alteration of roads and highways, parking facilities, and rail or bus facilities or equipment, or for the underground relocation of electric utility, cable and telecommunications lines, but shall not include assistance for operating costs. Grants awarded by the board shall not exceed ~~50~~ 80 percent of the overall cost of the project. The approval of the board may be conditioned upon the repayment to the fund of some or all of the amount of a loan or other financial benefits and such repayment may be from local taxes, fees or other local revenues sources. The board shall consider geographical distribution in awarding the resources of the fund.

(d) ~~Each fiscal year, \$40,000.00 of the~~ The fund shall be available to the department of housing and community ~~affairs~~ development for the reasonable and necessary costs of administering the fund.

EXPLANATION: This amendment in (c) increases the allowable share for projects chosen for funding from the Downtown Fund from 50% to 80%, which reduces the proportion required from the municipality from 50% to 20%. The amendment in (d) recognizes that the administrative costs are not realistically \$40K (and have not been for years), and that they change every year, depending on state employee bargained raises among other factors. Referring to them as “reasonable and necessary” costs of administration gives the Department the necessary flexibility.

Sec. E.806 TOURISM AND MARKETING INITIATIVE

(a) Up to 15%, but not to exceed \$750,000, of the amount of meals and rooms tax revenue for fiscal year 2016 projected at the January 20, 2015 Emergency Board meeting as part of the revenue forecast pursuant to 32 V.S.A. Sec 305a, that exceeds the fiscal year 2016 projection for the meals and rooms tax at the July 24, 2014 Emergency Board meeting, shall be deposited in a special fund available to the Agency of Commerce and Community Development for purposes of tourism and marketing support and promotion. This funding is contingent on a General Fund surplus at the end of fiscal year 2016 adequate to support the deposit.

EXPLANATION: Makes funding available for tourism and marketing initiatives.

* * * TRANSPORTATION * * *

Sec. E.900 19 V.S.A. Sec. 11a is amended to read:

Sec. 11a. Transportation funds appropriated for the Department of Public Safety

No transportation funds shall be appropriated for the support of government other than for the Agency, the Board, Transportation Pay Act Funds, construction of transportation capital facilities, transportation debt service, the operation of information centers by the Department of Buildings and General Services, and the Department of Public Safety. The amount of transportation funds appropriated to the Department of Public Safety shall not exceed:

- (1) \$25,250,000.00 in fiscal year 2014;
- (2) \$22,750,000.00 in fiscal ~~year~~ years 2015 and 2016; and
- (3) \$20,250,000.00 in fiscal year ~~2016~~ 2017 and in succeeding fiscal years.

EXPLANATION: A further reduction in the amount of Transportation Fund available to the Department of Public Safety is postponed by one year.

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,123,455 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

EXPLANATION: 19 VSA Sec 13(c) requires the amount to be distinctly appropriated.

Sec. E.915 Transportation – town highway aid program

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

EXPLANATION: Standard language.

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.101 (Blue Ribbon Commission on Cost and Financing Options for High Quality Affordable Child Care), D.102 (tobacco litigation settlement fund balance), E.204 (Judiciary plan to achieve savings), E.308 (Choices for Care), E.316 (Department for Children and Families revised appropriations structure), E.500.1 (Agency of Education uniform chart of accounts), E.713 (ANR - NRB plan to achieve savings), and E.802 (Office of Creative Economy) of this act shall take effect on passage.

(b) Sec. E.342.1 (Veterans’ Home Board of Trustees) shall take effect July 1, 2017.

(c) All remaining sections shall take effect on July 1, 2015.