STATE OF VERMONT
FISCAL YEAR 2013

BUDGET
RECOMMENDATIONS

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Agency Mission Statement

The Agency of Administration exists to provide centralized support services to all agencies and departments of state government as well as providing selected services to Vermont municipalities and Vermont citizens. The Agency also exists to insure that the fiscal resources of the state are properly managed.

Description of Departments in Agency

Information and Innovation - provides direction and oversight for all activities directly related to information technology within state government, including telecommunications services, information technology equipment, software, accessibility, and networks in state government.

Finance and Management - oversees efficient and effective operations related to the State of Vermont's finances. We serve our stakeholders in many ways including coordinating the Governor's budget recommendations, delivering reliable financial information, advocating for responsible use of taxpayer dollars, and supporting the State's accounting system.

Buildings and General Services - provide the facilities and services required for all state agencies and departments to accomplish their missions. Building construction and renovation, buildings and grounds maintenance and custodial services as well as the security of state facilities constitute some of the most significant aspects of the BGS mission.

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

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

Human Resources - attract, retain, and reward a talented and diverse workforce with the skills necessary for Agencies and Departments to meet their organizations' objectives in an efficient and cost effective manner.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Secretary of Administration	5	4	5	42,756,083	715,852	930,914	879,068
Information and Innovation	75	78	81	9,614,147	13,477,861	13,067,832	14,319,963
Finance and Management	35	36	37	4,224,414	4,222,106	4,008,965	4,111,218
Human Resources	39	75	80	7,352,022	7,959,036	8,081,247	7,939,766
Libraries	26	26	26	3,487,950	3,376,670	3,288,399	3,446,328
Tax	173	169	171	15,449,958	15,501,942	14,844,933	15,534,476
Buildings and General Services	366	366	366	44,022,980	43,476,728	41,592,352	41,723,874
TOTAL	719	754	766	126,907,554	88,730,195	85,814,642	87,954,693
FUND TYPE							
General Fund				24,831,065	24,743,728	23,970,925	21,352,538
Transportation Fund				0	0	0	3,638,110
Special Fund				2,441,449	1,951,892	1,935,674	1,813,839
American Recovery & Reinvestment Act				39,893,235	0	0	0
Federal Revenue Fund				3,224,976	878,355	827,041	815,264
Enterprise Fund				56,420	108,002	77,796	91,792
Internal Service Fund				48,172,217	55,634,138	53,546,050	54,257,604
Interdepartmental Transfer				8,288,192	5,414,080	5,457,156	5,985,546
TOTAL				126,907,554	88,730,195	85,814,642	87,954,693

Department Mission Statement

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

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

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

Description of Appropriations, Divisions, & Programs

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

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

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Secretary of Administration

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Secretary of Administration's Office	5	4	5	42,756,083	715,852	930,914	879,068
TOTAL	5	4	5	42,756,083	715,852	930,914	879,068
FUND TYPE							
General Fund				632,503	715,852	930,914	879,068
American Recovery & Reinvestment Act				39,893,235	0	0	0
Federal Revenue Fund				2,230,345	0	0	0
TOTAL				42,756,083	715,852	930,914	879,068

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Secretary of Administration's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	575,151	640,938	844,424	781,049
Operating Expenses	57,352	74,914	86,490	98,019
Grants	42,123,580	0	0	0
TOTAL	42,756,083	715,852	930,914	879,068
FUND TYPE				
General Fund	632,503	715,852	930,914	879,068
American Recovery & Reinvestment Act	39,893,235	0	0	0
Federal Revenue Fund	2,230,345	0	0	0
TOTAL	42,756,083	715,852	930,914	879,068

Department Mission Statement

Vision Statement:

Achieve cost savings by leveraging technology to drive down the cost of doing business.

Mission Statement:

We support the business needs of State government through the successful and effective use of technology.

Strategic Goals:

- Healthcare: By 2014, we will have the capability to use technology to support healthcare initiatives.
- Transparency: Technology throughout state government will show measureable business value for all significant investment.
- People: We will maximize business value by appropriately resourcing projects and operations.
- Reliability/Availability: We will ensure appropriate business outcomes through technology process and policies thereby enhancing the reliability and availability of appropriate services.

Description of Appropriations, Divisions, & Programs

The Department of Information and Innovation (DII) was created in 2003 to provide direction and oversight to the state and to help state government make well informed investments in information technology (IT). The state Chief Information Officer (CIO) position was created the same year, and the CIO is also the DII Commissioner. DII provides architecture, design, and hosting services (Infrastructure-as-a-Service) for the underlying systems upon which many business processes and supporting data reside. DII also provides telephone service, access to the internet, enterprise application support (e.g. email), software support, transactional systems such as those used by finance and human resources, datacenters, project management, business analysis, technical security, and web services. DII also hosts an IBM mainframe system which supports many legacy systems throughout the state. DII's budget includes a statewide IT allocation and revenue from various demand services such as telecom and mainframe activities. The overall cost to sustain the infrastructure that supports our mission is about $19 million annually.

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Information and Innovation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Comm & Info Technology	75	78	81	9,614,147	13,477,861	13,067,832	14,319,963
TOTAL	75	78	81	9,614,147	13,477,861	13,067,832	14,319,963
FUND TYPE							
General Fund				49,392	20,911	0	0
Internal Service Fund				9,564,755	13,456,950	13,067,832	14,090,577
Interdepartmental Transfer				0	0	0	229,386
TOTAL				9,614,147	13,477,861	13,067,832	14,319,963

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Comm & Info Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	6,594,864	7,111,349	6,834,371	7,277,590
Operating Expenses	2,719,283	5,466,512	5,333,461	6,142,373
Grants	300,000	900,000	900,000	900,000
TOTAL	9,614,147	13,477,861	13,067,832	14,319,963
FUND TYPE				
General Fund	49,392	20,911	0	0
Internal Service Fund	9,564,755	13,456,950	13,067,832	14,090,577
Interdepartmental Transfer	0	0	0	229,386
TOTAL	9,614,147	13,477,861	13,067,832	14,319,963

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

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

Budget and Management:

The Budget and Management Division is responsible for maintaining the State's sound fiscal condition and maintains a liaison relationship with all departments in state government to assure proper application of spending and compliance with the various appropriations bills and other key statutes. The Division also is responsible for revenue projecting and reporting. In meeting its responsibilities the Division works to limit spending growth at sustainable levels and to maintain budget stabilization reserves of at least 5% of prior year total appropriations in the General Fund, Transportation Fund, and Education Fund. The Division seeks to limit reliance on supplemental appropriations through the Budget Adjustment Act and works with the Department of Buildings and General Services to ensure that the Governor's Capital Bill recommendations comply with recommendations of the Debt Affordability Committee. Another important role of the Division is to assure compliance with Administration Bulletin 3.5, the contracting review and approval process. In addition the Commissioner or other staff represents the Administration through membership on various boards (e.g. State Retirement Board) and various Legislative study committees.

Financial Operations:

Financial Operations is responsible for the establishment and maintenance of centralized accounting functions that incorporate appropriate internal controls and generate reliable financial information that is in accord with established accounting principles. This division also oversees and processes all payroll services for the entire state. Statute requires that all state disbursements by the Treasurer be approved first by the Commissioner of Finance and Management, with warrants then being provided to the Treasurer. Financial Operations is responsible for the processing and monitoring of these warrants.

The Financial Operations Division consists of two distinct areas: the Financial Services Section and the Payroll Section.

The Financial Services Section performs two primary roles, accounting and auditing. Accounting responsibilities include establishing and monitoring appropriations, as approved by the legislature. Additionally, Financial Services is the primary resource for departments on proper accounting procedures. Audit responsibilities include assuring that departments are functioning within the framework of all policies and procedures set forth by the Department of Finance and Management and the Agency of Administration and to assure that departments are maximizing the information opportunities and the best practices available within VISION. In addition to accounting and internal auditing, Financial Services publishes the state's Comprehensive Annual Financial Report (CAFR) and works closely with the State Treasurer in projecting and monitoring the cash flow of state government.

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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Budget and Management	10	10	11	1,221,842	1,296,966	1,259,498	1,288,917
Financial Operations	25	26	26	3,002,572	2,925,140	2,749,467	2,822,301
TOTAL	35	36	37	4,224,414	4,222,106	4,008,965	4,111,218
FUND TYPE							
General Fund				984,467	1,053,132	1,038,623	1,055,204
Internal Service Fund				3,002,572	2,925,140	2,749,467	2,822,301
Interdepartmental Transfer				237,375	243,834	220,875	233,713
TOTAL				4,224,414	4,222,106	4,008,965	4,111,218

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	947,882	1,080,093	1,030,133	1,051,469
Operating Expenses	273,960	216,873	229,365	237,448
TOTAL	1,221,842	1,296,966	1,259,498	1,288,917
FUND TYPE				
General Fund	984,467	1,053,132	1,038,623	1,055,204
Interdepartmental Transfer	237,375	243,834	220,875	233,713
TOTAL	1,221,842	1,296,966	1,259,498	1,288,917

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	2,386,135	2,645,289	2,432,074	2,530,508
Operating Expenses	615,707	279,851	317,393	291,793
Non Operating Exp Budget	730	0	0	0
TOTAL	3,002,572	2,925,140	2,749,467	2,822,301
FUND TYPE				
Internal Service Fund	3,002,572	2,925,140	2,749,467	2,822,301
TOTAL	3,002,572	2,925,140	2,749,467	2,822,301

Department Mission Statement

The Department of Human Resources provides leadership to and works in partnership with state agencies and departments to recruit, develop and sustain a premier workforce while ensuring the observance of legal and contractual requirements.

Description of Appropriations, Divisions, & Programs

Operations Appropriation:
The Recruitment Unit, which is part of the Division for Workforce Recruitment, Development & Wellness, strives to hire quality applicants of diverse backgrounds to enable agencies and departments to meet their short and long term objectives. The Workforce Development Unit provides training and programs that increase employee effectiveness, health and job satisfaction. The Human Resources Field Operations Division provides human resources services and guidance to managers and supervisors throughout state government to assist them in implementing best practices. The Employment Services Division classifies positions within state government and manages the human capital management system to ensure that all employees are compensated in accordance with statutes, collective bargaining agreements and state policies. The Labor Relations Division negotiates, interprets and administers collective bargaining agreements and provides labor relations advice and expertise to department managers and employees. The Legal Services Division, including the Investigations Unit within the Division, handles complex personnel investigations and cases before the Labor Relations Board, Human Rights Commission and state and federal courts, and conducts statewide trainings on best practices. The Administrative Services Division provides compensation analysis, conducts data analysis and manages information requests, including public records requests.
Benefits and Wellness Appropriation:
The Benefits Unit of the Administrative Services Division manages benefits programs covering nearly 23,000 lives in order to provide effective and efficient services to state employees, retirees and others. The Wellness Unit, as part of the Division for Workforce Recruitment, Development & Wellness, helps state employees improve their health and well being, particularly through health screenings and its flu vaccination programs.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Operations	28	64	69	5,797,339	6,174,998	6,295,091	6,180,676
Employee Benefits & Wellness	11	11	11	1,554,683	1,784,038	1,786,156	1,759,090
TOTAL	39	75	80	7,352,022	7,959,036	8,081,247	7,939,766
FUND TYPE							
General Fund				2,182,971	1,819,211	1,948,826	1,520,545
Special Fund				162,982	280,835	281,816	213,814
Internal Service Fund				1,514,830	5,095,580	5,106,828	5,188,808
Interdepartmental Transfer				3,491,239	763,410	743,777	1,016,599
TOTAL				7,352,022	7,959,036	8,081,247	7,939,766

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	5,246,059	5,454,543	5,488,076	5,544,850
Operating Expenses	551,280	720,455	807,015	635,826
TOTAL	5,797,339	6,174,998	6,295,091	6,180,676
FUND TYPE				
General Fund	2,182,971	1,819,211	1,948,826	1,520,545
Special Fund	162,982	280,835	281,816	213,814
Internal Service Fund	0	3,361,536	3,370,666	3,443,391
Interdepartmental Transfer	3,451,386	713,416	693,783	1,002,926
TOTAL	5,797,339	6,174,998	6,295,091	6,180,676

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	996,647	1,086,751	1,094,275	1,038,445
Operating Expenses	558,036	697,287	691,881	720,645
TOTAL	1,554,683	1,784,038	1,786,156	1,759,090
FUND TYPE				
Internal Service Fund	1,514,830	1,734,044	1,736,162	1,745,417
Interdepartmental Transfer	39,853	49,994	49,994	13,673
TOTAL	1,554,683	1,784,038	1,786,156	1,759,090

Department Mission Statement

Guided by 22 V.S.A. §601-635, the mission of the Department of Libraries (DOL) is to collect, organize, and disseminate information and library materials in a variety of formats to the three branches of State government, libraries statewide, the general public, and Vermonters with special needs; to support and strengthen local libraries; to foster new means for statewide cooperation and resource sharing among all types of libraries; and to increase public awareness of libraries and their services and to act as an advocate on their behalf. The DOL:

- Provides access to information in a variety of formats to the three branches of Vermont State Government in order to contribute to effective and efficient government;
- Provides consultation, training and other services to librarians, public library board members and elected officials and offers resources, services and grants to qualifying libraries in order to strengthen their capacity to deliver quality library service;
- Enables resource sharing between all types of libraries;
- Provides for all Vermonters with qualifying visual and physical disabilities access to quality library services and the special format materials they need in order to enjoy recreational reading, to engage in lifelong learning and to improve their economic self-sufficiency.

Inherent in this mission is the Department's advocacy of the right of Vermont citizens to read and have full access to information by ensuring that libraries and their resources are readily accessible to all Vermonters regardless of their geographic location, their level of income, access to technology or disability, and, as the official depository for Vermont state documents, the preservation of the record of Vermont state government for public scrutiny. In offering our services we espouse the core concept that libraries are social and community centers, which provide equal access to quality information, designed to increase the level of knowledge in a community. Libraries represent social capital that makes people's lives better. They are non-sectarian service-oriented institutions for all age groups. They are a safe place fostering intellectual freedom and inventiveness.

Description of Appropriations, Divisions, & Programs

State Librarian's Office: The State Librarian serves as administrative head of the Department and Secretary to the Board of Libraries and President of the Vermont Public Library Foundation. The State Librarian's Office provides direction and oversight of all Department activities and functions; administrative support to the Board and for the Board's geographic naming activities; administers state and federal plans, and grants; receives and distributes state documents; arranges for and designates

depositories of state documents. [Location: 109 State St., Montpelier]
Statewide Library Development: Under the direction of the Assistant State Librarian, the Midstate Library Service Center (Berlin), four Regional Library Consultants and a Youth Services Consultant provide a service of advice and consultation to all libraries in the state. Also: compiles annual public library statistics; offers continuing education and a certification programs for public librarians in the state; administers an e-Rate program for selected public libraries. [Locations: 109 State St., Montpelier; Midstate Library Service Center, Berlin; Northeast regional office, St. Johnsbury, Southeast Office, Bellow Falls; Southwest Office, Rutland.]
Reference & Law Information Services: Includes the Vermont State Library, Law & Documents collections, Reference and Interlibrary Loan Services, University of Vermont (UVM) Access Office, and the Technical Services Division. Provides and maintains a law library to serve the Supreme Court, the Attorney General, other members of the judiciary, the legal profession, members of the legislature, officials of state government and the general public; maintains a collection of state documents and acts as a federal depository library; maintains a Vermontiana collection; provides reference services to state government, citizens and local libraries; provides centralized cataloging and related services to libraries; encourages libraries to share resources through interlibrary loan and other means; acts as a liaison to the UVM libraries and maintains an office at UVM to provide statewide access to the resources of its library collections. [Locations: 109/111 State St., Montpelier; Bailey Howe Library, UVM, Burlington.]
Special Services to the Visually and Physically Handicapped and State-Supported Institutions: Provides a service of advice and consultation to libraries and to state institutions; provides and maintains reading materials (large print, "talking books," and braille) for the blind and physically handicapped and selected state institutions; targets library and information services to persons having difficulty using a library; maintains a separate online catalog of materials available for the public. [Location: Special Services Unit, Midstate Library Service Center, Berlin.]
Vermont Automated Libraries System (VALS) and Library Information Technology: Serves as one of the primary access points for state information, and provides advice on information technology policy in libraries; plans for and implements library-related information technology and information databases for libraries and Vermont citizens; establishes electronic linkages among or between libraries as well as electronically linking libraries with educational, social, or information services; assists libraries in accessing information through electronic networks; assists with the costs for libraries to acquire or share computer systems and telecommunications technologies; assists libraries in cooperative acquisition of online resources and statewide database licensing; provides leadership role in procuring broadband for public libraries. [Location: 109 State St., Montpelier)]
Related Activities:
Vermont Public Library Foundation (22 VSA §610) The Vermont Public Library Foundation administers two grant programs: (1) Grants to public libraries using interest earned from the Freeman Family Foundation Endowment; and (2) Winnie Belle Learned Fund grants, established in 2007 and supported by financial gifts from Dr. Burnett Rawson of Essex, to support services to youth and children in public libraries. [Location: State Librarian's Office, 109 State St., Montpelier]
Vermont Online Library (VOL) - The *Vermont Online Library* (VOL) is designed to provide citizen access to a selection of subscription electronic licensed content designed to serve the state's most common research and information needs. VOL includes resources for the general public, student

research and homework help, business research, professional development for educators, consumer health research, information on careers and support for job-seekers, foreign languge learning, small business resources, information on current issues and biography, and online classes, all tailored to different age groups. The purpose of the *Vermont Online Library* is to ensure statewide, online access for all Vermont residents and students in Vermont schools and colleges to a core set of high quality, full-text information resources through the licensing of online/electronic information database products. The VOL is made possible with three sources of funding: (1) state general funds; (2) federal LSTA (Library Services and Technology Act) funds; and (3) membership fees from participating libraries.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Department of Libraries	26	26	26	3,487,950	3,376,670	3,288,399	3,446,328
TOTAL	26	26	26	3,487,950	3,376,670	3,288,399	3,446,328
FUND TYPE							
General Fund				2,378,960	2,297,383	2,260,426	2,401,244
Special Fund				157,899	99,156	99,156	126,425
Federal Revenue Fund				849,741	878,355	827,041	815,264
Interdepartmental Transfer				101,350	101,776	101,776	103,395
TOTAL				3,487,950	3,376,670	3,288,399	3,446,328

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,862,514	1,850,467	1,764,103	1,887,486
Operating Expenses	1,546,026	1,471,123	1,477,582	1,489,724
Grants	79,410	55,080	46,714	69,118
TOTAL	3,487,950	3,376,670	3,288,399	3,446,328
FUND TYPE				
General Fund	2,378,960	2,297,383	2,260,426	2,401,244
Special Fund	157,899	99,156	99,156	126,425
Federal Revenue Fund	849,741	878,355	827,041	815,264
Interdepartmental Transfer	101,350	101,776	101,776	103,395
TOTAL	3,487,950	3,376,670	3,288,399	3,446,328

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

Administration:

The Administrative division has overall management control of the entire department. The division responds to all tax policy inquiries from the Governor the General Assembly, and other stakeholders, issues rulings and technical bulletins to implement tax legislation, conducts tax appeal hearings, and represents the department in any civil or criminal litigation. The Administration also is responsible for business functions such as form development, and procurement of goods and services.

Taxpayer Services:

The Taxpayer Services division provides assistance to taxpayers by responding to questions, resolving tax problems, distributing educational materials, encouraging voluntary compliance with Vermont tax laws and reviewing tax return information. The division administers 27 taxes, 6 licensing programs and the property tax and renter rebate programs. The division also distributes and processes applications for the Lifeline and V-Script programs.

The division is working to advance the Department's goal of improved outreach. The division develops and participates in workshops and seminars for taxpayers, tax preparers, and volunteer groups.
The division maintains and supports several electronic filing systems for individual taxpayers and business taxpayers, and is working to advance the Department's goal to bring more of these opportunities online.

Compliance:

Compliance is the enforcement division of the Department of Taxes. In addition to standard audit selection and collection activity, the goal is to continue to implement technology-based compliance initiatives to enhance revenue collections and encourage voluntary compliance with tax statutes. To supplement the in-house collection activities, the department also places delinquent accounts with

private collection agencies as authorized by 32 VSA §3109.

Compliance also administers the refund offset program for 21 State and Federal agencies. The department also places qualifying debts with the U. S. Treasury Offset Program (TOPS).

Information Systems:

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

Property Valuation and Review:

Property Valuation and Review (PVR) provides administrative support for Vermont's property tax system, staff support for the development of property tax policies and administration of several property tax related programs Including the State's current use and payment in lieu of taxes programs as well as fulfilling key roles in the determination of school property tax rates and the education property tax liabilities for all school districts. Most major functions assigned to the division involve taxes and programs that are primarily administered by municipal governments; hence PVR works extensively with local governments in performance of its duties. Beyond issues related to the property tax the Division also administers the State property transfer and land gains taxes and the real estate withholding system for nonresidents who sell Vermont property.

Revenue Accounting & Returns Processing:

These divisions are responsible for all revenue accounting and returns processing needs for the department. Those duties include: receipt, opening, extraction and routing of all incoming mail; document preparation for scanning/imaging; data capture of all documents via scanning/imaging technology or data entry; daily bank deposits, refunds and related cash management functions including electronic funds transfers and credit card payments; bank account/general ledger reconciliations; and finally, preparing year-end GAAP/GASB 34 reports. The division is also responsible for overseeing the receipt and posting of an ever-increasing number of returns and payments filed electronically via a number of different applications made available to taxpayers over the past few years.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration / Collection	173	169	171	15,449,958	15,501,942	14,844,933	15,534,476
TOTAL	173	169	171	15,449,958	15,501,942	14,844,933	15,534,476
FUND TYPE							
General Fund				13,886,499	13,922,041	13,070,000	13,973,154
Special Fund				1,253,369	1,521,901	1,504,702	1,448,600
Interdepartmental Transfer				310,090	58,000	270,231	112,722
TOTAL				15,449,958	15,501,942	14,844,933	15,534,476

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	12,286,883	12,608,208	11,901,710	12,478,214
Operating Expenses	3,163,075	2,893,734	2,943,223	3,056,262
TOTAL	15,449,958	15,501,942	14,844,933	15,534,476
FUND TYPE				
General Fund	13,886,499	13,922,041	13,070,000	13,973,154
Special Fund	1,253,369	1,521,901	1,504,702	1,448,600
Interdepartmental Transfer	310,090	58,000	270,231	112,722
TOTAL	15,449,958	15,501,942	14,844,933	15,534,476

Department Mission Statement

"The Department of Buildings and General Services exists to enhance the quality of life of Vermonters by supporting the agencies of State government in carrying out their missions."

This mission is intended to reflect the department's desire to provide quality goods and services to its customers. It is the intent of the Department of Buildings & General Services to locate space where the best service to the occupant and their clients can be achieved while meeting the intent of 24VSA 2794(a)(12). This is accomplished by allocating sufficient space to the client, complete with all necessities. These necessities extend beyond basic custodial and maintenance services and into functional areas including mail services, curatorial services, copying and printing, centralized purchasing and contracting, insurance protection, fleet management, and disposal of surplus property. In addition, the department serves Vermonters and the traveling public by providing clean and safe places to stop for respite and information along the State and Federal highway systems.

BGS is fully committed to providing quality services while seeking customer satisfaction.

Description of Appropriations, Divisions, & Programs

ADMINISTRATIVE SERVICES

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

The goals of the Administrative Services Division are: (a) leadership (b) to produce timely and accurate financial statements, budget requests, program analysis, chargeable rates, and accounting services for all programs as established by the legislature; and (c) to provide all BGS programs the management and legal support that they need to better serve their customers and achieve their departmental goals and objectives.

FACILITIES OPERATIONS
(Fee for Space)

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

snow removal, pest control, maintenance, and space allocation among others.

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

PROPERTY MANAGEMENT
(Leases and Purchases)

Property Management's mission is to provide State agencies with safe, comfortable, and efficient office space with its effort focused on leasing, space planning, purchases and sales, space assignments, and space move requests. In addition to the space provided to State agencies and departments, surplus space may be leased or sold to the general public. The goals of this program are (1) to efficiently plan, provide, and manage State-owned and leased office space and specialty space to minimize the impact on the State's budget; (2) to facilitate changes to existing space in a timely manner to enable occupants to adapt to changes in programs; (3) to maintain an inventory of space to facilitate proposed back charging of space to users; (4) to provide security to the tenants; and (5) to ensure that the environmental quality of State-owned space meets sufficient quality standards.

ENGINEERING AND CONSTRUCTION

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

The engineering program provides planning, engineering, and architectural services to State Government based on appropriations in the annual capital construction bill. The program also provides oversight to the maintenance and custodial efforts of the fee for space program.

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

POSTAL CENTER

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

and departments, the program will look to provide additional services including bulk mailing services.

FLEET MANAGEMENT SERVICES

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

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

PRINT SHOP

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

PURCHASING AND CONTRACT ADMINISTRATION

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

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

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

compliance with Bulletin 3.5 and relevant state statutes and executive orders.

STATE AND FEDERAL SURPLUS PROPERTY

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

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

RISK MANAGEMENT - INSURANCE SERVICES

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

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

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

The Workers' Compensation program now administers the Sarcoidosis Benefit Trust fund established by the General Assembly by Act 53 of the 2007 Session (An Act Relating to Closure of the Bennington State Office Building).

INFORMATION CENTERS

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

Core responsibilities involve marketing, promotions and customer relations in an attempt at influencing the buying practices and purchasing behaviors of the Vermont tourists. In addition, providing clean, safe, and well lighted accommodations for truck drivers as well as the motoring public are essential

services provided by the division. The program currently provides internet connections for travelers through hot spots at selected facilities.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration	17	19	19	1,900,782	1,818,257	1,786,234	1,856,241
Engineering	22	22	22	2,392,246	2,428,803	2,334,263	2,433,490
Information Centers	32	31	32	4,158,711	4,039,279	3,846,685	4,255,361
Purchasing	10	11	11	789,135	890,203	890,092	895,356
Postal Services - Interdepartmental	11	0	0	35,716	0	0	0
Postal Services - External	0	11	11	701,231	735,797	726,882	740,234
Copy Center	11	10	10	740,995	751,502	718,724	762,261
Fleet Management Services	8	8	8	653,748	681,536	669,942	669,266
Federal Surplus Property	1	1	1	56,420	108,002	77,796	91,792
State Surplus Property	1	1	1	164,403	173,773	183,592	167,531
Property Management	16	17	23	2,083,883	2,128,848	2,113,609	2,340,296
All Other Insurance	0	0	0	50,677	52,518	46,341	44,955
General Liability Insurance	3	3	3	349,598	332,025	329,121	335,225
Workers' Compensation Insurance	16	15	15	1,623,504	1,436,185	1,490,730	1,532,462
Fee For Space	216	216	209	28,321,931	27,900,000	26,378,341	25,599,404
TOTAL	366	366	366	44,022,980	43,476,728	41,592,352	41,723,874
FUND TYPE							
General Fund				4,716,273	4,915,198	4,722,136	1,523,323
Transportation Fund				0	0	0	3,638,110
Special Fund				867,199	50,000	50,000	25,000
Federal Revenue Fund				144,890	0	0	0
Enterprise Fund				56,420	108,002	77,796	91,792
Internal Service Fund				34,090,060	34,156,468	32,621,923	32,155,918
Interdepartmental Transfer				4,148,138	4,247,060	4,120,497	4,289,731
TOTAL				44,022,980	43,476,728	41,592,352	41,723,874

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,573,732	1,635,705	1,595,750	1,647,902
Operating Expenses	182,160	182,552	190,484	208,339
Grants	144,890	0	0	0
TOTAL	1,900,782	1,818,257	1,786,234	1,856,241
FUND TYPE				
Federal Revenue Fund	144,890	0	0	0
Interdepartmental Transfer	1,755,892	1,818,257	1,786,234	1,856,241
TOTAL	1,900,782	1,818,257	1,786,234	1,856,241

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Engineering

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	2,087,387	2,095,457	1,987,342	2,089,763
Operating Expenses	304,859	333,346	346,921	343,727
TOTAL	2,392,246	2,428,803	2,334,263	2,433,490
FUND TYPE				
Interdepartmental Transfer	2,392,246	2,428,803	2,334,263	2,433,490
TOTAL	2,392,246	2,428,803	2,334,263	2,433,490

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	2,858,692	2,930,114	2,751,284	3,057,602
Operating Expenses	1,267,019	1,064,165	1,062,401	1,164,759
Grants	33,000	45,000	33,000	33,000
TOTAL	4,158,711	4,039,279	3,846,685	4,255,361
FUND TYPE				
General Fund	3,891,422	3,989,279	3,796,685	592,251
Transportation Fund	0	0	0	3,638,110
Special Fund	267,289	50,000	50,000	25,000
TOTAL	4,158,711	4,039,279	3,846,685	4,255,361

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Purchasing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	670,132	737,204	741,799	761,351
Operating Expenses	119,003	152,999	148,293	134,005
TOTAL	789,135	890,203	890,092	895,356
FUND TYPE				
General Fund	789,135	890,203	890,092	895,356
TOTAL	789,135	890,203	890,092	895,356

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Postal Services - Interdepartmental

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Operating Expenses	35,716	0	0	0
TOTAL	35,716	0	0	0
FUND TYPE				
General Fund	35,716	0	0	0
TOTAL	35,716	0	0	0

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Postal Services - External

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	591,846	619,966	609,383	619,080
Operating Expenses	109,385	115,831	117,499	121,154
TOTAL	701,231	735,797	726,882	740,234
FUND TYPE				
General Fund	0	35,716	35,359	35,716
Internal Service Fund	701,231	700,081	691,523	704,518
TOTAL	701,231	735,797	726,882	740,234

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Copy Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	623,026	636,262	601,020	634,249
Operating Expenses	117,969	115,240	117,704	128,012
TOTAL	740,995	751,502	718,724	762,261
FUND TYPE				
Internal Service Fund	740,995	751,502	718,724	762,261
TOTAL	740,995	751,502	718,724	762,261

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Fleet Management Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	519,275	549,846	528,375	542,830
Operating Expenses	134,473	131,690	141,567	126,436
TOTAL	653,748	681,536	669,942	669,266
FUND TYPE				
Internal Service Fund	653,748	681,536	669,942	669,266
TOTAL	653,748	681,536	669,942	669,266

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Federal Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	27,287	71,447	54,605	72,596
Operating Expenses	29,133	36,555	23,191	19,196
TOTAL	56,420	108,002	77,796	91,792
FUND TYPE				
Enterprise Fund	56,420	108,002	77,796	91,792
TOTAL	56,420	108,002	77,796	91,792

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	56,051	87,630	89,515	71,437
Operating Expenses	108,352	86,143	94,077	96,094
TOTAL	164,403	173,773	183,592	167,531
FUND TYPE				
Internal Service Fund	164,403	173,773	183,592	167,531
TOTAL	164,403	173,773	183,592	167,531

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,058,066	1,047,876	1,042,594	1,240,875
Operating Expenses	1,025,817	1,080,972	1,071,015	1,099,421
TOTAL	2,083,883	2,128,848	2,113,609	2,340,296
FUND TYPE				
Special Fund	599,910	0	0	0
Internal Service Fund	1,483,973	2,128,848	2,113,609	2,340,296
TOTAL	2,083,883	2,128,848	2,113,609	2,340,296

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
All Other Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	24,197	29,129	23,593	24,132
Operating Expenses	26,480	23,389	22,748	20,823
TOTAL	50,677	52,518	46,341	44,955
FUND TYPE				
Internal Service Fund	50,677	52,518	46,341	44,955
TOTAL	50,677	52,518	46,341	44,955

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
General Liability Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	266,206	268,325	265,313	275,346
Operating Expenses	83,392	63,700	63,808	59,879
TOTAL	349,598	332,025	329,121	335,225
FUND TYPE				
Internal Service Fund	349,598	332,025	329,121	335,225
TOTAL	349,598	332,025	329,121	335,225

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,324,246	1,158,422	1,195,116	1,226,115
Operating Expenses	299,258	277,763	295,614	306,347
TOTAL	1,623,504	1,436,185	1,490,730	1,532,462
FUND TYPE				
Internal Service Fund	1,623,504	1,436,185	1,490,730	1,532,462
TOTAL	1,623,504	1,436,185	1,490,730	1,532,462

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Fee For Space

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	13,713,531	13,773,992	12,272,478	11,852,272
Operating Expenses	14,608,400	14,126,008	14,105,863	13,747,132
TOTAL	28,321,931	27,900,000	26,378,341	25,599,404
FUND TYPE				
Internal Service Fund	28,321,931	27,900,000	26,378,341	25,599,404
TOTAL	28,321,931	27,900,000	26,378,341	25,599,404

Department Mission Statement

The Vermont Center for Geographic Information (VCGI) will pursue a comprehensive strategy for the development, maintenance and use of the Vermont Geographic Information System (GIS), and provide GIS services and support to all Vermonters.

VCGI will accomplish its mission by:

- Assuring that all VCGI data is of high quality and is compatible with, useful to, and shared with other public-sector data users.
- Encouraging the same high standards of quality and compatibility in other Vermont GIS cooperators.
- Promoting the efficient development and use of geographic information by agencies of the state, its political subdivisions, Vermont businesses and citizens.
- Facilitating the growth of commercial services within Vermont for the provision of spatial data, products, and services.

Description of Appropriations, Divisions, & Programs

VCGI is a public non-profit supported in part by the State of Vermont (through the property transfer tax) and in part through grants and fees paid for the products and services it provides to clients (e.g. the VT Agency of Transportation and the VT Enhanced 9-1-1 Board).

The storage and provision of free digital geographic data created by members of the VT GIS community are two of the most important tasks that VCGI performs.

VCGI also does the following:

- Develops data standards, guidelines, and procedures
- Develops and assists in the development of essential statewide databases
- Develops and hosts interactive map applications to increase the public's access to information
- Performs outreach and training to current and potential GIS users
- Supports the VT Spatial Data Partnership (an informal membership organization)

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Geographic Information System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Geographic Information System	0	0	0	408,700	378,700	378,700	378,700
TOTAL	0	0	0	408,700	378,700	378,700	378,700
FUND TYPE							
Special Fund				408,700	378,700	378,700	378,700
TOTAL				408,700	378,700	378,700	378,700

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Geographic Information System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	408,700	378,700	378,700	378,700
TOTAL	408,700	378,700	378,700	378,700
FUND TYPE				
Special Fund	408,700	378,700	378,700	378,700
TOTAL	408,700	378,700	378,700	378,700

Department Mission Statement

Office of the Governor -- the staff supports the Governor as he fulfills his constitutional and statutory duties as Vermont's Chief Executive. Functions of the Governor's Office include communication of development of Governor's administrative and legislative agenda/priorities, representing the state at the state, national and international levels, managing appointments to Boards and Commissions, tracking policy changes in the legislature, and inter-agency coordination. Provide communication and referrals with the public, and other activities as appropriate.

The Governor's senior staff consists of five positions: a Chief of Staff; a Legal Counsel; a Secretary of Civil & Military Affairs; and two Special Assistants. The Governor is also supported by a Scheduler, and a Director for Board and Commission appointments. Administrative and office systems management support for the Governor is provided by an Executive Assistant, a Special Assistant who handles social media and constituent correspondence, a Policy Advisor and a Business Manager. The Governor's Information and Referral Office is supported by a Director of Constituent Services and a Constituent Correspondent who assist the public with dealings with state government.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Governor's Office	14	14	14	1,505,925	1,617,044	1,686,975	1,609,814
TOTAL	14	14	14	1,505,925	1,617,044	1,686,975	1,609,814
FUND TYPE							
General Fund				1,312,425	1,423,544	1,493,475	1,416,314
Interdepartmental Transfer				193,500	193,500	193,500	193,500
TOTAL				1,505,925	1,617,044	1,686,975	1,609,814

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Governor's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,116,850	1,193,165	1,263,096	1,204,827
Operating Expenses	389,075	423,879	423,879	404,987
TOTAL	1,505,925	1,617,044	1,686,975	1,609,814
FUND TYPE				
General Fund	1,312,425	1,423,544	1,493,475	1,416,314
Interdepartmental Transfer	193,500	193,500	193,500	193,500
TOTAL	1,505,925	1,617,044	1,686,975	1,609,814

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Legislative Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Legislative Council	24	25	25	2,332,838	2,277,429	2,229,035	2,276,036
Legislative Information Technology	4	4	4	910,012	941,753	934,664	945,272
TOTAL	28	29	29	3,242,850	3,219,182	3,163,699	3,221,308
FUND TYPE							
General Fund				3,242,850	3,219,182	3,163,699	3,221,308
TOTAL				3,242,850	3,219,182	3,163,699	3,221,308

Appropriation Key Budget Issues

The Legislative Council budget request falls $48,000 short of anticipated FY2013 need. Savings achieved in FY2012 are expected to offset this deficit in FY2013, but the deficit will pose a challenge in FY2014. This budget includes a staff furlough equivalent to 3% of salaries for employees earning above $60,000.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Legislative Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	2,160,925	2,078,823	2,030,429	2,061,578
Operating Expenses	171,913	198,606	198,606	214,458
TOTAL	2,332,838	2,277,429	2,229,035	2,276,036
FUND TYPE				
General Fund	2,332,838	2,277,429	2,229,035	2,276,036
TOTAL	2,332,838	2,277,429	2,229,035	2,276,036

Appropriation Key Budget Issues

The Legislative Information Technology budget request falls $5,000 short of anticipated FY2013 need. Savings achieved in FY2012 are expected to offset this deficit in FY2013. This budget includes a staff furlough equivalent to 3% of salaries for employees earning above $60,000.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Legislative Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	387,055	364,696	357,607	394,911
Operating Expenses	522,957	577,057	577,057	550,361
TOTAL	910,012	941,753	934,664	945,272
FUND TYPE				
General Fund	910,012	941,753	934,664	945,272
TOTAL	910,012	941,753	934,664	945,272

Department Mission Statement

The mission of the Legislature, as set out in the State's Constitution. Chapter II, sections 1 and 2 direct the Senate and House of Representatives to exercise the "Supreme Legislative power" and that, together with the Governor, the Senate and House of Representatives shall "govern the State of Vermont." The legislature establishes state policy, enacts laws, raises revenue, and authorizes and oversees the expenditure of funds and operations of state government.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Legislature

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Legislature	19	18	18	6,678,066	6,970,444	6,955,697	6,875,152
TOTAL	19	18	18	6,678,066	6,970,444	6,955,697	6,875,152
FUND TYPE							
General Fund				6,607,831	6,970,444	6,955,697	6,875,152
Special Fund				70,235	0	0	0
TOTAL				6,678,066	6,970,444	6,955,697	6,875,152

Appropriation Key Budget Issues

The Legislature's budget request falls $148,892 short of anticipated FY2013 need. Savings achieved in FY2012 are expected to offset up to this deficit in FY2013, but the deficit will pose a challenge in FY2014. This budget includes a staff furlough equivalent to 3% of salaries for employees earning above $60,000.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,615,431	3,633,861	3,619,114	3,585,526
Operating Expenses	3,012,635	3,336,583	3,336,583	3,289,626
Grants	50,000	0	0	0
TOTAL	6,678,066	6,970,444	6,955,697	6,875,152
FUND TYPE				
General Fund	6,607,831	6,970,444	6,955,697	6,875,152
Special Fund	70,235	0	0	0
TOTAL	6,678,066	6,970,444	6,955,697	6,875,152

Department Mission Statement

To provide the Vermont Legislature with sound research, analysis, forecasts and recommendations on state government revenues and spending. To provide the members with high quality work that is factually-based and delivered in a timely, professional, and non-partisan manner, so they can make informed decisions that are in the best interests of the citizens of Vermont.

Description of Appropriations, Divisions, & Programs

The governing board is the 10 member Joint Fiscal Committee established pursuant to 2 V.S.A. Chapter 15 (§ 501-504).

Statute Regarding Functions of Joint Fiscal Committee:

2 V.S.A. Chapter 15 § 503

Functions:

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

Description of Staff Responsibilities:

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

The staff of the House Ways and Means Committee and the Senate Finance Committee performs the following core functions: economic forecasting; revenue forecasting; tax analysis; economic analysis; analysis of education funding alternatives; and provides staff support to the Joint Fiscal Committee.

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Joint Fiscal Committee	12	12	12	1,601,753	1,465,429	1,439,248	1,408,769
TOTAL	12	12	12	1,601,753	1,465,429	1,439,248	1,408,769
FUND TYPE							
General Fund				1,545,146	1,465,429	1,439,248	1,408,769
Interdepartmental Transfer				56,607	0	0	0
TOTAL				1,601,753	1,465,429	1,439,248	1,408,769

Appropriation Key Budget Issues

The Joint Fiscal Committee's budget request is over $56,000 below the FY12 base. Lower anticipated spending on education financing consulting accounts for the majority of this base reduction. The budget includes a staff furlough equivalent to 3% of salaries for employees earning above $60,000.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,493,558	1,359,656	1,333,475	1,277,145
Operating Expenses	108,195	105,773	105,773	131,624
TOTAL	1,601,753	1,465,429	1,439,248	1,408,769
FUND TYPE				
General Fund	1,545,146	1,465,429	1,439,248	1,408,769
Interdepartmental Transfer	56,607	0	0	0
TOTAL	1,601,753	1,465,429	1,439,248	1,408,769

Department Mission Statement

It is the mission of the Green Mountain Care Board to oversee innovations and change in Vermont that improve the health of the population, result in access to high quality health services for all residents of the state, and assure a rate of growth in health care costs that is sustainable.

Description of Appropriations, Divisions, & Programs

The Green Mountain Care Board (GMCB) was created under Act 48 of the 2011 Vermont legislative session. The GMCB is responsible for implementing major components of the state's health care reform agenda, including mechanisms for controlling health care cost growth, assuring adequate health care provider supply and assuring that benefits provided through a universal, uniform system support the needs of Vermonters and promote good health. The GMCB receives funds from four sources: the General Fund; the Medicaid Global Commitment; bill-backs for specific regulatory functions, and; grants from outside sources. These funds support the Board's operations and staffing, including staffing for the hospital budget review process and review of heath insurer rate increase requests that have been approved by the Commissioner of Banking, Insurance, Securities and Health Care Administration. The funds also support consulting contracts that the board has or will enter into to analyze health care data, model changes in health care payment and delivery and support the Board's decision-making.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Green Mountain Care Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Green Mountain Care Board	0	0	17	0	0	2,135,952	2,476,015
TOTAL	0	0	17	0	0	2,135,952	2,476,015
FUND TYPE							
General Fund				0	0	467,038	467,038
Special Fund				0	0	0	392,351
Global Commitment Fund				0	0	557,886	1,477,740
Interdepartmental Transfer				0	0	1,111,028	138,886
TOTAL				0	0	2,135,952	2,476,015

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Green Mountain Care Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	0	0	1,981,802	2,199,217
Operating Expenses	0	0	154,150	276,798
TOTAL	0	0	2,135,952	2,476,015
FUND TYPE				
General Fund	0	0	467,038	467,038
Special Fund	0	0	0	392,351
Global Commitment Fund	0	0	557,886	1,477,740
Interdepartmental Transfer	0	0	1,111,028	138,886
TOTAL	0	0	2,135,952	2,476,015

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

Duties involve overseeing the activities in the State House and maintaining the same; this includes furnishings. The staff consists of the Sergeant at Arms, Assistant Sergeant at Arms, and other office staff. Door keepers, traffic and security officer and custodians are managed by the Sergeant at Arms.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Sergeant at Arms

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Sergeant at Arms	6	6	6	482,425	511,664	505,708	537,533
TOTAL	6	6	6	482,425	511,664	505,708	537,533
FUND TYPE							
General Fund				482,425	511,664	505,708	537,533
TOTAL				482,425	511,664	505,708	537,533

Appropriation Key Budget Issues

The Sergeant at Arms budget request falls $17,000 short of anticipated FY2013 need. Savings achieved in FY2012 are expected to offset this deficit in FY2013, but the deficit will pose a challenge in FY2014.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Sergeant at Arms

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	430,905	443,809	437,853	469,253
Operating Expenses	51,520	67,855	67,855	68,280
TOTAL	482,425	511,664	505,708	537,533
FUND TYPE				
General Fund	482,425	511,664	505,708	537,533
TOTAL	482,425	511,664	505,708	537,533

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Lieutenant Governor's office works with citizens, public officials, legislators, and state agencies on a daily basis. Under the direction of the Lieutenant Governor, meetings and task forces are coordinated and research projects are undertaken. The office acts as an ombudsman for Vermont citizens by providing information and support. The Lieutenant Governor serves as the acting governor whenever the Governor leaves the territorial boundaries of the state until the Governor physically returns to the state. The Lieutenant Governor's office is staffed with one full-time employee, as well as a college student intern during the legislative session.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Lieutenant Governor

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Lieutenant Governor	2	2	2	173,673	170,402	168,981	173,072
TOTAL	2	2	2	173,673	170,402	168,981	173,072
FUND TYPE							
General Fund				173,673	170,402	168,981	173,072
TOTAL				173,673	170,402	168,981	173,072

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Lieutenant Governor

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	145,605	143,631	138,245	141,223
Operating Expenses	28,068	26,771	30,736	31,849
TOTAL	173,673	170,402	168,981	173,072
FUND TYPE				
General Fund	173,673	170,402	168,981	173,072
TOTAL	173,673	170,402	168,981	173,072

Department Mission Statement

The mission of the Vermont State Auditor's Office is to be a catalyst for good government by promoting professional audits, financial training, efficiency and economy in government, and service to cities and towns.

Description of Appropriations, Divisions, & Programs

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

(1) performance of and/or contracting to perform the Federal Single Audit which includes the compliance audit of federal programs and the audit of the state's financial statements;
(2) discretionary government audits and examinations of any department, institution and agency of the state and certain county officers;
(3) special audits as requested by the Governor;
(4) audits or reviews as statutorily required by the Legislature, such as the recent law requiring the audit of the sex offender registry.

Guiding Values

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

- useful;
- timely;
- accurate;
- objective;
- of high quality;
- audited in a fair manner; and
- performed in conformance with Generally Accepted Government Auditing Standards.

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

Significant Recent Achievements of the State Auditor's Office

As of the end of calendar year 2010, we had successfully completed the move, started in 2008, to become an effective performance auditing office. Calendar year 2011 was the first full year of performance auditing for our office. We completed the following performance audits in FY 2011:

- Southwest Vermont Supervisory Union (SVSU): We hired MGT of America, Inc. to audit the delivery of services within the SVSU. The resulting report contains more than 60 findings and recommendations for the SVSU, which if implemented, should allow it to save more than $2 million annually.

- Sex Offender Supervision: – Probation & Parole Officers' Caseload: Corrections' caseloads were largely in accordance with statutory requirements, but monitoring tools need improvement. Most of our recommendations were targeted toward improving the accuracy of information in the Corrections system and the usefulness of the applicable reports.

- Newport Tax Increment Financing District: This report found that the City of Newport generally complied with state statutes, but the City miscalculated the total incremental property tax revenue generated by the TIF district and as a result owes the state's education fund $81,612. In addition to recommending that the City arrange to pay the amount owed to the state's education fund, we also made recommendations designed to improve the City's administration of the TIF district.

Statutorily Required Audits and Reports

In FY2011, the State Auditor's Office completed the following statutorily required audits and reports:

FY 2010 financial statement audit and Single Audit were completed on time in December 2010 and March 2011, respectively. The State received "clean" opinions, but material weaknesses and significant control deficiencies were found and brought to the attention of management. Although we contract with an independent auditing firm to perform much of the work associated with these audits, our staff also provide significant support to these efforts with their time (about 2,000 hours) and expertise.

- *CAFR (Basic Financial Statement Audit).* This is the Office's most resource-intensive audit. The objective of this audit is to express an opinion on whether the state's financial statements are free

of material misstatement and to report on the state's internal controls over financial reporting and compliance with certain provisions of law and regulation.

- *Federal Single Audit.* This annual audit reviews the more than $1.3 billion Vermont receives annually from the federal government to ensure that it is spent in compliance with all applicable laws and regulations. It is performed by an independent audit firm (KPMG) with the assistance of the State Auditor's Office.

The State Auditor's Office has taken the initiative to work with state agencies to continually monitor whether they have put policies and procedures in place to address audit findings and recommendations resulting from the Single Audit as well as from citizen complaints received by our office. Audit findings that are repeated year after year add to the state's audit costs and, more importantly, indicate management's failure to fix known problems. By committing sustained attention to this issue, the Office hopes to reduce such repetitive and costly findings in the future.

- *Litigation Report for Calendar Years 2010 & 2011***.** This report is required by Act 80, Section 22a. It details spending by the Attorney General's Office in defending the state in pharmaceutical regulation litigation. **The total direct litigation cost associated with Act No. 80 as of June 30, 2011, is $634,678, including $345,227 in staff salaries and benefits. The court awarded $1,759,057 in legal fees to Pharmaceutical Research and Manufacturers of America. There are three additional parties to the suit to whom attorney's fees or other amounts may be awarded by the court.**

- Tax Increment Financing (TIF) Audit – Town of Newport

- Department of Corrections – Sex Offender Supervision Audit

- Sexual Abuse Response System Recommended Audit Strategy

- State Job Creation Programs Audit Strategy

In addition to the work listed above, the following performance audits were started in FY2011 and will
be completed in FY2012:

- Tax Increment Financing Audit – Town of Milton

- Tax Increment Financing Audit – City of Burlington

Other Audits, Reviews and Situation Reports

As time and staff resources permit, the State Auditor's Office completes performance audits, other reviews and situation reports. These audits, reviews and situation reports are initiated based upon the Office's assessment of risk areas within state government or as a result of whistleblower allegations and requests from legislators. The following reviews and situation reports were completed in FY 2011, or started in FY2011 and will be completed in FY2012.

- Windsor Northeast Supervisory Union/Bethel School District Situation Report
- Barre City School District Situation Report
- Report to Legislature on FY2010 Audit Findings
- Alternate Revenue Sourcing – Bronner Group

Other Significant Activities

Although staff resources are largely devoted to audits, the SAO provides many other valuable services as time and resources allow. For example:

- At the request of five members of the Vermont General Assembly, we undertook a review of certain issues related to monitoring and managing the Decommissioning Trust Fund. Although this work did not constitute an audit, this report contained timely and relevant information to help further the public discourse related to the future of Vermont Entergy and the monies put away for the eventual decommissioning and cleanup of the plant. Our work focused on (1) the State's method for monitoring whether the decommissioning trust fund will have sufficient assets in the future to cover the costs of site cleanup required by the State and (2) the system of controls that Entergy and the State established to safeguard the assets of the decommissioning trust fund. During FY2011, per statutory requirement, we provided two audit strategies to the legislature for their consideration.

- Sexual Abuse Response System Audit Strategy: To encompass the range of issues and organizations related to the State's sexual abuse response system, we proposed a series of 5 possible audits, which if undertaken, would take place over a period of 4-5 years, commencing with audits of sexual abuse prevention programs and special investigative units.

- State Job Creation Programs Audit Strategy: We recommended a series of 3 discrete audits, commencing with a profile audit. Based on feedback we received from the chairs of the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs and from the Secretary of the Agency of Commerce & Community Development (ACCD), we will gather additional information from ACCD once its strategic and performance planning process is completed, and we will use this information as part of our consideration of whether to pursue the proposed audits.

- In FY2011 we started the process of following up on the implementation of recommendations made during past performance audits. Audit recommendation follow-up is an important internal control function of management and provides important feedback to our office. It is our policy that, as a part of our annual work plan, we follow up on audit recommendations made in performance audits issued by the Office. The follow-up is performed in the years of the second and fourth anniversaries of the audit report. Recommendations not implemented subsequent to the fourth year may continue to be tracked at the discretion of the State Auditor. The follow-up records, including any data provided by the audited agency, will be maintained and will contribute to the annual performance measurement system of SAO.

- Vermont Employment Growth Incentive program: In brief, we found that the Department of Taxes had established some internal controls to ensure that claims and payments were accurate, complete and timely; however, the claims process could benefit from additional written procedures and documented supervisory review.

- The planned follow-up on the BGS performance audit was postponed as they informed us they are working on the Governor's strategic plan, which would address performance issues. A draft of the plan was provided to our office.

Sheriffs' Departments and Municipalities

The State Auditor's Office has also worked extensively with municipalities and sheriffs' departments to improve their financial operations. For example, the Auditor's office met once a month for 18 consecutive months with the Vermont Sheriffs and their bookkeepers to revise the uniform accounting manual, develop a uniform chart of accounts and facilitate the adoption of a uniform accounting software. We continue to meet on a bi-monthly basis to focus on accounting issues and to review policies and procedures to insure best management practices**. We have recommended and are working toward a similar process with the county assistant judges to improve county government financial operations.**

- During the course of a year, the SAO receives numerous requests for assistance from municipalities. In some cases there is an ongoing dispute in a town and we facilitate its resolution while in other cases we provide expertise or a sounding board to help address technical financial management issues. As part of this process, we may issue a situation report, which is a tool to gather relevant information and inform citizens and management of the issues involved in the topic under consideration. A situation report is not an audit and expresses no opinion or conclusions. We issued two situation reports in FY 2011. These reports dealt with questions regarding the (1) financial operation of the Barre City School District and (2) finances and management of the Bethel School District and the Windsor Northwest Supervisory Union.

- ***In June 2011 the State Auditor's Office partnered with the Vermont League of Cities and Towns (VLCT), with the cooperation of the Government Finance Officers Association (GFOA), and the Vermont Municipal Clerks and Treasurers Association (VMCTA) to hold the fourth annual training for financial managers in towns, schools and state government. 151 attendees representing state and municipal organizations, schools, CPA firms, and others came from across the state to hear presentations on Embezzlement in Vermont Municipal Government – how it's done - how to stop it. Planning is under way for the 2012 training scheduled for June 20th.***

Legislation that impacts SAO effectiveness

The statutory requirement that this office perform audits of the Tax Increment Finance (TIF) districts, which include Milton, Newport, Winooski and Burlington by the end of calendar year 2011 drained nearly all staff resources not consumed by the work on the CAFR and A-133 audits, allowing for only a minimal number of performance audits in FY2012. The requirement that these audits be performed by the State Auditor's Office every three years should be reconsidered by the legislature if the Auditor's Office is to be an effective performance measurement office. We recommend that these audits be performed by outside audit firms and paid for with TIF funds.

Including the requirement in new legislation that the SAO will audit a particular program severely limits our small office from auditing programs which have significant financial risk to the state. We agree that the need to audit is important, but the size of our office and budget limitations prevent us from auditing everything. Consideration should be given to requiring agencies to engage outside audit firms to perform the needed audits and to include the audit costs in their budget requests.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Auditor of Accounts	15	15	14	3,373,828	3,908,707	3,890,898	3,577,926
TOTAL	15	15	14	3,373,828	3,908,707	3,890,898	3,577,926
FUND TYPE							
General Fund				381,127	396,853	379,044	379,580
Special Fund				53,099	53,099	53,099	53,099
Internal Service Fund				2,939,602	3,458,755	3,458,755	3,145,247
TOTAL				3,373,828	3,908,707	3,890,898	3,577,926

Department Mission Statement

The mission of the Auditor's Office is to be a catalyst for good government by promoting professional audits, financial training, efficiency and economy in government, and service to cities and towns.

Appropriation Key Budget Issues

Key Budget Matters

The upcoming fiscal year 2013 budget process is once again significantly impacted by Federal requirements to audit programs receiving American Recovery and Reinvestment Act (ARRA) funds. Thirty-one (31) programs had to be audited in FY2012 because they received ARRA funds. Under federal audit guidelines covering ARRA funds and required re-audits due to audit findings, we anticipate that a total of twenty-six (26) programs will require federal compliance audits in FY2013; eleven (11) more than the fifteen (15) A-133 audits that are included in the contract with KPMG. The estimated cost of the 11 additional audits is $440,000.

Funding Targets

Our funding targets must be viewed together with the Single Audit Revolving Fund (SARF). Title 32, Chapter 3, section 168 of the Vermont Statutes establishes "…a single audit revolving fund within the state treasury, to be administered by the auditor of accounts." This is the state's mechanism to capture the costs of the federal compliance audit, the basic financial statement audit, and other audit services. These costs are billed to all agencies and departments. On 9/29/11, we provided each agency and department with an estimated bill for the audit of FY2012 which is performed and paid for in FY2013.

Expenditures

Office staff salaries and benefits are a major component of our budget, along with the fee paid to the contractor for the CAFR and the A-133 Single Audit. In order to more fully describe the assumptions incorporated into the budget, we will address these items separately.

Personal Services

Salary and Wages - The Office currently has 14 authorized and filled positions. We are asking for funding for these 14 positions in this budget request at a cost for salaries and benefits of $1,494,375. These include the Auditor and three appointed (exempt) positions and 10 classified positions.

Benefits - Employee benefits for Social Security, retirement and life insurance increase in relative proportion to increases in salary and wages.

Non-employee Personal Services

The most significant component is the fee paid to KPMG for the audit of the state's financial statements and the A-133 audit of federal funds. In order to control the rate of growth in these costs, we entered into a five-year contract in 2008 at a very competitive price to perform the audits. The contracted price to perform the audit of the CAFR and A-133 audit for the term of the contract is:

Year Audited	Cost
FY2008:	$1,127,000
FY2009:	$1,375,000
FY2010:	$1,392,000
FY2011:	$1,392,000
FY2012:	$1,400,000 (current budget request)

The price of the audits for the two option years of FY2013 and FY2014 are $1,450,000 and $1,500,000 respectively.

Although we negotiated competitive pricing for the CAFR and A-133 audits, the KPMG contract is premised upon 15 federal program audits per year. Factors that cause the number of program audits to exceed 15, such as ARRA funding and repeat non-compliance findings, will result in increased audit costs.

Due to continuing expenditure of ARRA funds in FY2012, FY2013 will again see an increase in the number of federal programs required to be included in the scope of the A-133 audit beyond the pre-ARRA number of 15. Generally, each program with ARRA funding is required to have an audit. Prior to ARRA, the state's federal programs were audited on a rotational basis (once every 3 years), which typically should result in 15 programs audited each year. We cannot determine at this time exactly how many programs will need to be audited during FY2013; we are estimating, for budget purposes, that 26 programs will be audited, a decrease of three programs from FY2012. Eleven (11) audits over the base

contract number of fifteen (15) will result in an estimated additional cost of $440,000.

Re-audits are another driver of audit costs. FY2011's A-133 audit, which is ongoing, has preliminarily identified 17 federal programs with significant noncompliance findings which may result in repeat audits of these programs. There are a number of programs still being reviewed which may require re-audits. The 17 programs identified to date which would require re-audits in FY 2013 are:

Medicaid
TANF
SNAP
Adoption Assistance
DWSRF
CWSRF
WIA Cluster*
State Fiscal Stabilization Fund
Child Support Enforcement
Title I
Child Nutrition
State Energy Program
Energy Efficiency Conservation Block Grant
State Labor Information System
Disaster Assistance – presidentially declared disasters
Child Care Development Fund
State Fiscal Stabilization Fund

In the last five to seven years four programs have been habitual repeat audit offenders and have cost the state approximately $180,000 per year in additional audit costs. These programs are:

Immunization Grants – had a clean audit last year and was not required to be audited this year

CDC Technical Assistance – had a clean audit last year and was not required to be audited this year

Child Support Enforcement – has not corrected past audit finding and will have to be re-audited next year

Highway Planning and Construction – had a clean audit this year and will not be audited next year

Non-employee personal services also include amounts budgeted for audit specialists hired directly by

this office to supplement existing staff skill sets as needed. We are estimating $80,000 needed for this service in FY2013. This category also includes the projected costs of the audits of the county sheriffs' departments. By statute this Office pays one-third of the cost of the biennial audits, and the full cost of any transition audits. Our cost to audit the sheriff departments is estimated to be $21,146 in FY 2013.

Municipal Investigations

Non-employee personal services also include special reviews and investigations of municipal officials and/or municipal financial issues performed by this office. One significant impact of the reductions to our general fund appropriations over the past few years is that are no funds available in FY2013 to cover municipal investigations. $100,000 has been included in the Attorney General's Office budget to cover the cost of municipal investigations, but does not cover day-to-day assistance by our office on financial management issues.

Operating Expenses

Educational materials – These expenses include the cost of professional literature and audit resource materials.

Rentals – This represents our fee for space allocation. This is our share of the cost allocation from BGS.

Data processing – These costs are also based on cost allocation plans charged by the Department of Information and Innovation.

Dues, Subscriptions, Registrations – This line item includes our cost of continuing professional education (CPE). Under professional standards prescribed by the US Government Accountability Office, each member of the audit staff must complete a specified number of CPE credits on an annual basis. The amount budgeted in this line item reflects the elevation of Auditor staff qualifications, and the reality that CPE is not only required but essential to the effective delivery of audit services.

Travel – Represents estimated cost for staff to travel to audit locations, conferences and trainings.

Processing Hardware / Software – The efficient and effective delivery of audit services relies on the use of technology. For FY2013 we anticipate the replacement / upgrade of computers purchased more than 4 years ago. The budget also includes the renewal of software licenses.

Conclusion

Based on our initial analysis of the funding targets provided, it appears that the Office of the State Auditor will be capable of supporting its funded operations within those funding targets.

Performance Program Information

A separate document outlining our office's performance program is included as part of the legislative testimony.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,223,245	3,758,362	3,740,553	3,435,521
Operating Expenses	150,583	150,345	150,345	142,405
TOTAL	3,373,828	3,908,707	3,890,898	3,577,926
FUND TYPE				
General Fund	381,127	396,853	379,044	379,580
Special Fund	53,099	53,099	53,099	53,099
Internal Service Fund	2,939,602	3,458,755	3,458,755	3,145,247
TOTAL	3,373,828	3,908,707	3,890,898	3,577,926

Department Mission Statement

The office of the State Treasurer is a service and administrative department performing duties prescribed by statute. It is responsible for the management and accounting of the State's cash balances; processing of checks and EFT payments, and reconciliations of cash and associated accounts; administration and operation of three defined benefit pension plans, a deferred compensation plan and two defined contribution plans, for State employees, teachers, and Municipal employees; management of temporary investments of State funds; selling and servicing bonds authorized by the General Assembly; administration of the Unclaimed Property Act; and short-term borrowing when necessary. The mission is to carry out the mandates of the law as efficiently and cost-effectively as possible while providing related services to the public, State employees, and members of the retirement systems; and to manage the cash balances and trust funds under custody of the State Treasurer in keeping with the highest fiduciary standards in order to maximize income without undue risk.

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

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

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

As of June 30, 2011, the system had 7,768 active members, 849 inactive members, 774 terminated vested members, and approximately 5,375 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The actuarial value of the fund was $1,349 million as of June 30, 2011, compared with $1,265 million as of June 30, 2010. The system paid $86.7 million in retirement benefits during fiscal year 2011.

Health care cash payments for premiums totaled approximately $22.8 million in FY2011, rise to $28.0 million in the FY2012 budget, and are budgeted at $29.2 million in FY2013 in this request. Beginning in

2010, health care expenses have been funded in a separate Other Post-employment Benefits (OPEB) trust fund, enacted by the Legislature. While the cash payments or "pay-as-you-go" amounts are budgeted the State has not prefunded these per the actuarial recommendation, with the exception of a small portion of Medicare D reimbursements from the Vermont State Retirement System. The Agency Proposed budget request includes the prefunding amount. Full funding of the Actuarially Required Contribution (ARC) for OPEB on a prefunded basis is $49,533,317. Budgeted cash payments in the pension are $29,200,000 leaving the ARC to be funded of $20,333,317. If prefunding does not occur, the remaining ARC cost rises significantly ($76,027,162 total, less $29,200,000 budgeted, leaving the ARC to be funded at $46,827,162). Of the $37,273,381 proposed budget, $8,073,381 will be paid from VSRS Pension trust funds, and $29,200,000 will be paid from Vermont State Retirement System OPEB trust funds.

The Vermont State Retirement System Board of Trustees is responsible for the administration of the system. This board consists of the State Treasurer, Commissioner of Human Resources, Commissioner of Finance and Management, one designated representative of the Governor, three members elected by the Vermont State Employees Association and one member elected by the Vermont Retired State Employees Association. Staff is provided by the Retirement Division of the State Treasurer's Office, which also administers the State Teachers' Retirement System and the Vermont Municipal Employees' Retirement System.

The Vermont Municipal Employees' Retirement System is a uniform, state-administered pension plan provided for municipal employees of the State of Vermont. It was established effective July 1, 1975 and is governed by Title 24, V.S.A., Chapter 125.

As of June 30, 2011, the system had 428 contributing employers; 6,475 active members, 1,821 inactive members, 645 terminated vested members, and 1,779 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The actuarial value of the fund was $402.6 million as of June 30, 2011, compared with $376.2 million as of June 30, 2010. The system paid $12.4 million in retirement benefits during FY2011.

The Vermont Municipal Employees' Retirement System Board of Trustees is responsible for the administration of the system. This board consists of the State Treasurer, one representative designated by the Governor, and two municipal employees and one municipal official all three of whom are elected by the membership of the system. Staff is provided by the Retirement Division of the State Treasurer's Office which also administers the Vermont State Retirement System and the State Teachers' Retirement System.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Office of the Treasurer	29	29	29	5,084,641	2,926,668	2,926,668	2,952,234
Unclaimed Property	4	4	4	652,517	913,995	913,995	1,031,721
Vt State Retirement System	0	0	0	6,535,339	35,081,536	35,081,536	37,310,714
State Retirement DBP - OPEB	0	0	0	22,915,904	0	0	0
Municipal Employees' Retirement	0	0	0	2,062,225	2,478,979	2,478,979	2,798,240
TOTAL	33	33	33	37,250,626	41,401,178	41,401,178	44,092,909
FUND TYPE							
General Fund				1,265,533	1,065,828	1,065,828	988,481
Special Fund				2,039,014	1,744,843	1,744,843	1,874,673
Permanent Trust Fund				1,238,659	0	0	0
Pension Trust Fund				31,951,310	37,560,515	37,560,515	40,108,954
Private Purpose Trust Fund				652,517	913,995	913,995	1,031,721
Interdepartmental Transfer				103,593	115,997	115,997	89,080
TOTAL				37,250,626	41,401,178	41,401,178	44,092,909

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,093,278	2,561,936	2,561,936	2,588,617
Operating Expenses	257,500	348,248	348,248	347,133
Grants	1,717,379	16,484	16,484	16,484
Other Financing Uses Budget	16,484	0	0	0
TOTAL	5,084,641	2,926,668	2,926,668	2,952,234
FUND TYPE				
General Fund	1,265,533	1,065,828	1,065,828	988,481
Special Fund	2,039,014	1,744,843	1,744,843	1,874,673
Permanent Trust Fund	1,238,659	0	0	0
Pension Trust Fund	437,842	0	0	0
Interdepartmental Transfer	103,593	115,997	115,997	89,080
TOTAL	5,084,641	2,926,668	2,926,668	2,952,234

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Unclaimed Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	427,742	660,757	660,757	793,619
Operating Expenses	224,775	253,238	253,238	238,102
TOTAL	652,517	913,995	913,995	1,031,721
FUND TYPE				
Private Purpose Trust Fund	652,517	913,995	913,995	1,031,721
TOTAL	652,517	913,995	913,995	1,031,721

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vt State Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	5,739,811	6,065,656	6,065,656	7,053,372
Operating Expenses	795,528	29,015,880	29,015,880	30,257,342
TOTAL	6,535,339	35,081,536	35,081,536	37,310,714
FUND TYPE				
Pension Trust Fund	6,535,339	35,081,536	35,081,536	37,310,714
TOTAL	6,535,339	35,081,536	35,081,536	37,310,714

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,653,240	1,992,423	1,992,423	2,271,444
Operating Expenses	408,985	486,556	486,556	526,796
TOTAL	2,062,225	2,478,979	2,478,979	2,798,240
FUND TYPE				
Pension Trust Fund	2,062,225	2,478,979	2,478,979	2,798,240
TOTAL	2,062,225	2,478,979	2,478,979	2,798,240

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State Labor Relations Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
State Labor Relations Board	2	2	2	203,649	209,455	207,033	213,964
TOTAL	2	2	2	203,649	209,455	207,033	213,964
FUND TYPE							
General Fund				198,058	203,879	201,457	198,620
Special Fund				1,028	2,788	2,788	2,788
Interdepartmental Transfer				4,563	2,788	2,788	12,556
TOTAL				203,649	209,455	207,033	213,964

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State Labor Relations Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	157,547	169,121	166,699	171,850
Operating Expenses	46,102	40,334	40,334	42,114
TOTAL	203,649	209,455	207,033	213,964
FUND TYPE				
General Fund	198,058	203,879	201,457	198,620
Special Fund	1,028	2,788	2,788	2,788
Interdepartmental Transfer	4,563	2,788	2,788	12,556
TOTAL	203,649	209,455	207,033	213,964

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
VOSHA Review Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
VOSHA Review Board	1	0	1	21,220	51,228	53,157	46,530
TOTAL	1	0	1	21,220	51,228	53,157	46,530
FUND TYPE							
General Fund				10,608	25,614	26,575	23,265
Interdepartmental Transfer				10,612	25,614	26,582	23,265
TOTAL				21,220	51,228	53,157	46,530

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
VOSHA Review Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	6,410	7,038	32,571	25,760
Operating Expenses	14,810	44,190	20,586	20,770
TOTAL	21,220	51,228	53,157	46,530
FUND TYPE				
General Fund	10,608	25,614	26,575	23,265
Interdepartmental Transfer	10,612	25,614	26,582	23,265
TOTAL	21,220	51,228	53,157	46,530

Department Mission Statement

To assist in preserving Vermont's productive agricultural and forest lands, enrolled properties are taxed on their use value rather than fair market value. This program was changed effective July 1, 1996 to require that municipalities list all enrolled property at use value and was further changed by the passage of Act 60 where the impact of use value on education property tax revenue is addressed by the statewide funding of education. This program continues to reimburse communities for only the loss of municipal property tax revenue resulting from the use value appraisal of enrolled properties.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Use Tax Reimbursement Fund	0	0	0	11,563,110	12,400,000	12,400,000	12,640,000
TOTAL	0	0	0	11,563,110	12,400,000	12,400,000	12,640,000
FUND TYPE							
General Fund				11,563,110	12,400,000	12,400,000	12,640,000
TOTAL				11,563,110	12,400,000	12,400,000	12,640,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	2,208	0	0	0
Operating Expenses	2,548	0	0	0
Grants	11,558,354	12,400,000	12,400,000	12,640,000
TOTAL	11,563,110	12,400,000	12,400,000	12,640,000
FUND TYPE				
General Fund	11,563,110	12,400,000	12,400,000	12,640,000
TOTAL	11,563,110	12,400,000	12,400,000	12,640,000

Department Mission Statement

To operate a State Lottery that will produce the maximum amount of net revenue consonant with the dignity of the State and the general welfare of the people.

Description of Appropriations, Divisions, & Programs

The Lottery currently offers nine products to the playing public: Instant Games; and On-line games known as Powerball, Hot Lotto, Mega Millions, Tri-State Megabucks Plus, Tri-State Weekly Grand, the Tri-State Fast Play games, and the Tri-State Daily Numbers games of Pick 3 and Pick 4.

Licensed Vermont Lottery agents offer lottery games to players. Currently, there are approximately 685 licensed Vermont Lottery agents. All agents sell instant games as well as on-line games.

The Vermont Lottery was established in 1977, under Public Acts Number 82, now codified as 31 VSA Chapter 14, for the establishment and management of the Lottery. A small staff of professionals consisting of twenty one full-time employees operates the Vermont Lottery. It is one of the smallest staffs of any lottery in the United States. Public oversight is provided by a five-person policy setting Board of Commissioners, appointed by the Governor and approved by the State Senate.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Lottery Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Lottery Commission	21	21	21	2,696,288	2,892,961	2,892,961	3,037,609
TOTAL	21	21	21	2,696,288	2,892,961	2,892,961	3,037,609
FUND TYPE							
Enterprise Fund				2,696,288	2,892,961	2,892,961	3,037,609
TOTAL				2,696,288	2,892,961	2,892,961	3,037,609

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Lottery Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,581,708	1,629,989	1,629,989	1,649,942
Operating Expenses	964,580	1,262,972	1,262,972	1,387,667
Grants	150,000	0	0	0
TOTAL	2,696,288	2,892,961	2,892,961	3,037,609
FUND TYPE				
Enterprise Fund	2,696,288	2,892,961	2,892,961	3,037,609
TOTAL	2,696,288	2,892,961	2,892,961	3,037,609

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Payments in Lieu of Taxes	0	0	0	5,650,000	5,800,000	5,800,000	5,800,000
TOTAL	0	0	0	5,650,000	5,800,000	5,800,000	5,800,000
FUND TYPE							
Special Fund				5,650,000	5,800,000	5,800,000	5,800,000
TOTAL				5,650,000	5,800,000	5,800,000	5,800,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	5,650,000	5,800,000	5,800,000	5,800,000
TOTAL	5,650,000	5,800,000	5,800,000	5,800,000
FUND TYPE				
Special Fund	5,650,000	5,800,000	5,800,000	5,800,000
TOTAL	5,650,000	5,800,000	5,800,000	5,800,000

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Montpelier PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Montpelier PILOT	0	0	0	184,000	184,000	184,000	184,000
TOTAL	0	0	0	184,000	184,000	184,000	184,000
FUND TYPE							
Special Fund				184,000	184,000	184,000	184,000
TOTAL				184,000	184,000	184,000	184,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Montpelier PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000
FUND TYPE				
Special Fund	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000

Department Mission Statement

The corrections PILOT program provides state payments to municipalities to offset the tax burden resulting from the presence of untaxed correctional facilities.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Corrections PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Corrections PILOT	0	0	0	40,000	40,000	40,000	40,000
TOTAL	0	0	0	40,000	40,000	40,000	40,000
FUND TYPE							
Special Fund				40,000	40,000	40,000	40,000
TOTAL				40,000	40,000	40,000	40,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Corrections PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000
FUND TYPE				
Special Fund	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
2012 Primary and General Elections	0	0	0	0	0	0	510,000
TOTAL	0	0	0	0	0	0	510,000
FUND TYPE							
General Fund				0	0	0	135,000
Special Fund				0	0	0	375,000
TOTAL				0	0	0	510,000

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	0	0	0	510,000
TOTAL	0	0	0	510,000
FUND TYPE				
General Fund	0	0	0	135,000
Special Fund	0	0	0	375,000
TOTAL	0	0	0	510,000

Department Mission Statement

Special Investigation Units were created by the Legislature with the support of Governor Douglas to provide comprehensive investigations and prosecution of child sexual abuse criminal cases. The first SIU was created in Chittenden County over a decade ago. It now serves every community in the county providing specially trained investigators and prosecutors for crimes against children.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Special Investigative Units

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Special Investigative Units	0	0	0	906,075	1,253,719	1,253,719	1,252,650
TOTAL	0	0	0	906,075	1,253,719	1,253,719	1,252,650
FUND TYPE							
General Fund				877,512	1,153,719	1,153,719	1,152,650
Federal Revenue Fund				28,563	100,000	100,000	100,000
TOTAL				906,075	1,253,719	1,253,719	1,252,650

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Special Investigative Units

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	57,413	0	0	0
Operating Expenses	20,206	0	0	0
Grants	828,456	1,253,719	1,253,719	1,252,650
TOTAL	906,075	1,253,719	1,253,719	1,252,650
FUND TYPE				
General Fund	877,512	1,153,719	1,153,719	1,152,650
Federal Revenue Fund	28,563	100,000	100,000	100,000
TOTAL	906,075	1,253,719	1,253,719	1,252,650

Department Mission Statement

The Attorney General's Office prosecutes crimes and enforces civil rights, consumer and environmental laws. The Office represents the State's interests in legal proceedings in all courts and before administrative tribunals. The Office advises state officials and seeks to protect the health and safety of all Vermonters.

Description of Appropriations, Divisions, & Programs

Civil Division

The Civil Division represents state officers and employees who are named in civil lawsuits brought in state and federal courts, including personal injury, wrongful death, employment, and civil rights actions. It also defends legislative acts and administrative rules that are challenged on constitutional or other grounds. In addition, the Division may bring affirmative claims on behalf of the state, for example, to recover money claims for the State. The Division also litigates civil appeals before appellate tribunals such as the Vermont Supreme Court, the United States Courts of Appeals, and the United States Supreme Court.

Criminal Division

The Criminal Division is a statewide prosecutorial agency. The Division's caseload consists primarily of homicides, violent felonies including child abuse and sexual assault, computer crimes, public corruption, and drug trafficking. The Criminal Division reviews all incidents involving the use of deadly force by Vermont police officers. The Division works closely with county, state and federal law enforcement and provides technical assistance and personnel support to county prosecutors as needed. The Division works with the Legislature on a wide range of criminal justice issues and is an active participant on a number of committees and working groups that shape criminal justice policy in Vermont. The Division also provides guidance to law enforcement agencies on complex policing issues. Two examples include the Attorney General's *A Study and Report on the Use of Tasers and Less Lethal Means of Force by Vermont Law Enforcement* and the Attorney General's *Proposed Policy: Bias-Free Policing*. Both of these publications are available on the AGO website.

A specialized *Drug Unit* within the Criminal Division provides prosecutorial support to the Vermont Drug Task Force. The AGO Drug Unit has been in place for over twenty years and it is primarily funded through the federal JAG and BYRNE grants. Funding from these grants currently support one prosecutor position which, due to a steady reduction in funding, is down from 2.5 positions several years ago. The JAG and BYRNE grants have experienced continued and significant cuts over the last decade and the AGO was recently informed that it may lose all federal funding for the drug prosecutor position as of July 2012.

Another specialized unit, the *Medicaid Fraud and Residential Abuse Unit*, investigates and prosecutes Medicaid provider fraud and violations of Vermont's Medicaid fraud laws. This Unit participates in civil actions, both locally and nationally, to recoup fraud losses for the Medicaid Program. In FY 2011, the Unit recovered more than $900 thousand for the State. In addition, the Unit investigates and prosecutes complaints of patient abuse, exploitation or neglect in health care facilities that receive Medicaid funds. In recent years the Unit has investigated and prosecuted an increasing number of complaints that health care providers diverted drugs from patients. These enforcement activities are 75% federally-funded.

Environmental Protection Division

The Environmental Protection Division litigates environmental cases of statewide importance. The Division files civil and criminal actions (the latter in conjunction with the Criminal Division) to enforce Vermont's environmental laws based on referrals from the Agency of Natural Resources and the Natural Resources Board. The Division also brings civil cases to recover monies expended by the state environmental clean-up funds on contaminated properties. The Division defends the State of Vermont and its agencies when they are sued in state or federal court over environmental matters and handles appeals of decisions from the Superior Courts involving environmental issues. On a national level, the Division participates in a variety of environmental cases and joint initiatives with other states. In addition, the Division provides legal advice and counsel to the Vermont Agency of Natural Resources, the Natural Resources Board and other state agencies on environmental matters.

During the past year, the Division defended the State in federal court against a lawsuit by Entergy to prevent the State from enforcing its laws and regulations regarding operation of the Vermont Yankee nuclear power plant in Vernon after expiration of its current license on March 21, 2012. In July 2011, after a hearing, the Federal Court denied Entergy's request for a preliminary injunction. The trial was held in September 2011. The Division, in conjunction with the Criminal Division, also successfully prosecuted a Bolton man for two criminal counts of submitting false reports concerning public water supply tests. In addition, in FY 2011, the Division concluded various civil enforcement cases for violations of state environmental laws and regulations, including actions against a ski resort, a salvage yard operator and railway company. In connection with contaminated properties, the Division pursued various cases recovering monies for the State's environmental clean-up funds. In FY 2011, the Division recovered $1.1 million for the State of Vermont.

General Counsel Division

The General Counsel Division advises and represents Vermont's constitutional officers, the retirement boards, the pension investment committee, the buildings and general services department, liquor control and other state agencies. It handles public records and open meetings issues and lawsuits, reviews and

negotiates state contracts and handles elections cases. It investigates and prosecutes disciplinary complaints against physicians. The Division's appellate unit briefs and argues civil appeals in the Vermont Supreme Court and in the federal Appellate Courts including the United States Supreme Court. It assists other staff and other state agencies in complex trials and appeals. The Division also administers the statewide juvenile and adult court diversion programs.

Public Protection Division

The *Civil Rights Unit* within the Public Protection Division enforces laws that protect victims of hate crimes and protect Vermonters from discrimination and harassment in the workplace. It produces informational materials and sponsors education programs for businesses, workers, and youth entering the work force. In FFY 2011, the Unit issued 88 new charges of employment discrimination and investigated a total of 189 charges (a 10% increase over the previous FFY). During that period, the Unit resolved 112 employment discrimination claims and investigated 5 complaints of hate crimes. The unit also responded to 1,100 inquiries about Vermont's civil rights laws, down 12% from the previous FFY, perhaps due to the availability of information and complaint forms on the Attorney General's website. In the past year the Unit has strengthened regional cooperation among New England civil rights agencies and assisted the Equal Employment Opportunities Commission in its nationwide investigation of large employers with a business presence in Vermont.

The *Consumer Protection* and *Antitrust Units* investigate and prosecute frauds against consumers and unfair, deceptive and anticompetitive business practices. The units handle a wide variety of matters both in Vermont and nationally, including litigation concerning deceptive advertising; telecommunications practices, including cramming (unauthorized third-party billing on telephone bills); pharmaceuticals; security breaches; telemarketing and internet fraud; fraud-induced wire transfers; home improvement fraud; debt settlement and foreclosure practices; toxins in housing or consumer products; tobacco; and antitrust violations. The consumer unit is also responsible for implementation and reporting on disclosures of payments by manufacturers of prescribed products to health care providers, and by paid fundraisers soliciting for charities.

In response to systemic problems or initiatives undertaken by the Attorney General, the units also recommend or support legislation or promulgate regulations to protect consumers. In FY 2011, staff testified on a number of important issues in the legislature, including propane, cramming, security breaches, misrepresentations of florists as local businesses, and amendments to the prescribed products disclosure law.

In FY 2011 the Consumer Protection and Antitrust Units obtained over $3.1 million in civil penalties and damages for the State of Vermont, and recovered over $1.1 million for consumers. The majority of settlements reflect violations of Vermont's Consumer Fraud Act and other laws by pharmaceutical companies, debt settlement companies, and companies which have placed unauthorized charges on consumers' phone bills. In August 2011, one company paid $1 million for violating a previous

settlement with the Attorney General.

In cooperation with UVM, the Attorney General operates the *Consumer Assistance Program (CAP)* to educate consumers about consumer issues and charitable giving, and to resolve consumer complaints on an informal basis. In FY 2011, CAP received over 8,600 complaints and requests for information (a 1/3 increase over FY 2010), resolved nearly 40% of the complaints, including consumer recoveries of approximately $360,000 (included in the $1.1 million above). The program has increased capacity by increasing electronic complaint handling. From December 2010 through March 2011, CAP received 190 complaints about propane companies, more than five times as many as during the same period a year earlier. In the first five months following amendments to the propane law requiring companies to pay a penalty for not providing a prompt refund to consumers wishing to change companies, three companies paid a total of $46,775 in penalties to 11 consumers.

The *Tobacco Group* implements and enforces the 1998 Tobacco Master Settlement Agreement (MSA) and Vermont's tobacco statutes, including laws that prohibit the sale of tobacco to minors or over the Internet, smoking in workplaces and public places, and laws that require all cigarettes sold in the state to meet reduced ignition standards. In FY 2011, the group continued defending the State's receipt of 2003 MSA payments. In November 2011, the tobacco companies decided not to contest Vermont's diligent enforcement during 2003, thereby eliminating the risk that Vermont would lose between $4.7 and $25 million for that year alone.

Also in March 2010, the court ruled in Vermont's favor on the liability of R. J. Reynolds for false advertising and marketing of "reduced-harm" cigarettes. We are preparing for trial on the State's claims for injunctive relief, civil penalties, and attorney's fees and costs. Trial will likely take place in the spring of 2012.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Attorney General	76	77	78	7,877,214	8,244,223	8,107,231	8,646,266
TOTAL	76	77	78	7,877,214	8,244,223	8,107,231	8,646,266
FUND TYPE							
General Fund				3,796,736	3,835,621	3,723,629	3,951,997
Special Fund				1,390,765	1,593,000	1,593,000	1,737,455
Federal Revenue Fund				562,184	685,000	685,000	745,364
Interdepartmental Transfer				2,127,529	2,130,602	2,105,602	2,211,450
TOTAL				7,877,214	8,244,223	8,107,231	8,646,266

Appropriation Key Budget Issues

Fiscal Year 2013
Appropriation

The Fiscal 2013 funding levels will sustain the core mission and activities of the Attorney General's Office.

The budget continues the Fiscal 2012 special fund (fees and recoveries) replacement of general funds as well as a $115K increase in this fund to partially cover enhancements to the Consumer Assistance Program operations to increase support for Vermont businesses, expand opportunities for UVM students, and obtain more consumer recoveries. This effort will require increased attorney time as well as part-time employment for three graduate and two undergraduate students. The CAP program is jointly funded by UVM and the AGO.

The Fiscal 2013 budget also includes a $200K general fund increase for enhancing the operations of the VT Internet Crimes Against Children (ICAC) Program and expanding the State's capacity to conduct pro-active child pornography investigations. VT ICAC has been operated by the Burlington Police Department through a federal grant from the United States Department of Justice of approximately $222K. The general fund increase will be used to support new AGO attorney and investigator positions. These positions will allow the State to conduct proactive investigations and will provide a resource to the State's Attorneys ensuring that there is enhanced coordination of the investigation and prosecution of child pornography offenses. The attorney will work closely with State and Federal counterparts. BPD will remain the grantee for the federal grant which will continue to be used for existing purposes including: overtime for local enforcement affiliates, training and equipment, public outreach and a first-in-the-nation mental health program for investigators, forensic examiners and prosecutors involved in child pornography investigations. Grant administration and digital forensic capacity will be transferred to the Vermont State Police.

Vacancy and turnover savings continue to be budgeted at $184,278.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Attorney General

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	6,875,353	7,147,070	7,010,078	7,668,981
Operating Expenses	1,001,861	1,097,153	1,097,153	977,285
TOTAL	7,877,214	8,244,223	8,107,231	8,646,266
FUND TYPE				
General Fund	3,796,736	3,835,621	3,723,629	3,951,997
Special Fund	1,390,765	1,593,000	1,593,000	1,737,455
Federal Revenue Fund	562,184	685,000	685,000	745,364
Interdepartmental Transfer	2,127,529	2,130,602	2,105,602	2,211,450
TOTAL	7,877,214	8,244,223	8,107,231	8,646,266

Department Mission Statement

The mission of Vermont court diversion programs is to engage community members in responding to the needs of crime victims, the community, and those who violated the law, holding the latter accountable in a manner that promotes responsible behavior.

Court Diversion is a locally governed community justice program begun in the 1970's to divert minor offenders out of the court system to community-based programs staffed largely by volunteers. It provides a community-based alternative to the formal court process for youth and adult offenders. Its goals are to

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

Description of Appropriations, Divisions, & Programs

Through Court Diversion, offenders have the opportunity to accept responsibility for their actions, to repair the harm done, and to avoid a criminal record. The State's Attorney refers individuals to the county program. The majority of diversion clients are first-time offenders charged with misdemeanors; typical violations are disorderly conduct, simple assault, retail theft, and alcohol and marijuana violations. At the start of FY 2011, the statutory purpose of adult Court Diversion was expanded to include second-time misdemeanants. During FY 2011, approximately 14% of people referred to Diversion had previously been involved in the criminal justice system. Of all misdemeanor cases disposed by the Superior Court's Criminal Division in FY 2011, approximately 10% were as a result of successful completion of Diversion.

In FY 2011, approximately 2,150 individuals were referred to Court Diversion and 2,515 youth to the Teen Alcohol Safety Program. Last fiscal year over 80 percent of the adults and youth completed their court diversion contracts successfully. Clients paid over $77,000 in restitution and charitable donations during the past year. Staffed by 30 full-time staff equivalents and 500 volunteers, programs provided these services at a cost of approximately $280 per case in General Fund dollars. 93% of the GF appropriation is awarded as grants to the private non-profit agencies that run Court Diversion in each county.

Court Diversion is a cost-effective program that holds offenders accountable, helps offenders to repair the harm caused to victims and the larger community, and works to prevent future criminal behavior. This community-based, restorative justice approach to crime is a valuable investment that reduces the workload and cost of the Courts, State's Attorneys, and Department of Corrections.

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

In addition, Court Diversion programs run the Teen Alcohol Safety Program (TASP). Youth who violate Vermont's underage possession and consumption of alcohol laws (7 VSA §656 and §657) are referred by law enforcement to the Teen Alcohol Safety Program. Participants pay a fee, meet with a licensed substance abuse counselor for a screening or assessment and must follow the recommendations of the counselor, and may participate in an educational program and perform community service. If an individual fails to complete the contract, the ticket is sent to the Vermont Judicial Bureau, which levies a fine, and the individual's driver's license is suspended.

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Court Diversion

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Court Diversion	0	0	0	1,814,781	1,831,011	1,830,866	1,830,866
TOTAL	0	0	0	1,814,781	1,831,011	1,830,866	1,830,866
FUND TYPE							
General Fund				1,204,228	1,311,014	1,310,869	1,310,869
Special Fund				610,553	519,997	519,997	519,997
TOTAL				1,814,781	1,831,011	1,830,866	1,830,866

Appropriation Key Budget Issues

In FY 2012, the state General Fund appropriation for Diversion increased by $106,238 to $1,311,014. The program had been level funded from FY 2004 through FY 2011, except in FY 2007 an increase of approximately $79,000 was awarded to raise wages in seven counties. On average, the state grant supports approximately 60% of the annual costs of each Court Diversion program, and fees provide 25% of program revenue. In recent years, directors have spent a growing amount of time working to raise the remainder, through annual campaigns, special events, town appropriations and the United Way. While town support is important for some programs, there has been little growth in these appropriations, and many towns have more stringent and time-consuming conditions for requesting funds. United Way support varies significantly by community and has decreased in some regions. Approximately one-third of Court Diversion programs do not receive any support from towns, and a similar number do not receive United Way funding.

Rising costs of health insurance, liability insurance, workers compensation insurance, financial audits, and mileage reimbursement have all contributed to mounting operating expenses.

Referrals of adults to Court Diversion increased 3% from FY 2010 to FY 2011. Approximately 14% of people referred to Diversion had previously been involved in the criminal justice system - they had either participated in Diversion previously or have a criminal record. Programs report that individuals who are referred to Court Diversion after a second charge typically present more challenging issues and require more case manager supervision and support. State's attorneys retain discretion in which cases to refer, but as pressures grow to reduce the workload of other components of the criminal justice system, more cases are being referred to these community programs. For example, some State's Attorneys have started to refer criminal DLS cases to Diversion.

Special Fund: Court Diversion Fees

The FY 2013 Court Diversion Special Fund is budgeted at $519,997. Court Diversion programs collect fees from clients and report the amount collected and spent quarterly to the Attorney General's Office (AGO). As of July 2010, programs no longer submit fee revenue for deposit in the Court Diversion Special Fund, according to 3 VSA §166. A uniform statewide fee schedule was adopted in January 2009. Programs may reduce or waive fees to account for participants' financial situation.

Performance Program Information

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

FY 2010	Youth CD	Adult CD	TASP
Successful Completion Rate	85%	82%	81%
Victims Financially Compensated	99%	91%	NA
Restitution & Charitable Donations	$17,868	$70,432	$17,647
Hours of Community Service	6,493	10,062	8,695

A major focus of the Vermont Association of Court Diversion Programs (VACDP) is to create uniform practices, while still preserving local control and governance. Performance standards are encompassed in the Compliance Standards that serve as the basis for each program's peer review, conducted every three years. Following the peer review, a program develops a plan to implement improvements, and the Court Diversion Director, of the Attorney General's Office, monitors that implementation plan.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Operating Expenses	237	0	0	0
Grants	1,814,544	1,831,011	1,830,866	1,830,866
TOTAL	1,814,781	1,831,011	1,830,866	1,830,866
FUND TYPE				
General Fund	1,204,228	1,311,014	1,310,869	1,310,869
Special Fund	610,553	519,997	519,997	519,997
TOTAL	1,814,781	1,831,011	1,830,866	1,830,866

Department Mission Statement

The over-arching duty of the Office of Defender General remains the assurance that persons entitled to appointed counsel receive effective legal advocacy. The Office of Defender General has an obligation to provide adequate representation to needy individuals in a cost-efficient manner, thereby serving not only its clients, but all citizens of the State of Vermont. The provision of representation with reasonable diligence and promptness, and a zealous commitment and dedication to the interests of clients charged with serious crime is a necessary component to the fair administration of the criminal justice system.

Description of Appropriations, Divisions, & Programs

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

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

Public Defense

There are twelve full-time public defense field offices located throughout the State. Seven of these offices are staff offices. Five of these offices are public defense contract offices, that is, private law firms that have entered into a contract with the Defender General to provide public defense services. One attorney has a small contracts in Addison County to provide representation to parties in juvenile proceedings. In FY 2004 a public defense contract Serious Felony Unit was established to handle the most serious cases throughout the state. In FY 2008 budget constraints forced the elimination of the designated serious felony staff attorney which was established in FY 2005. A part-time special projects contract attorney was added in FY 2008 in an attempt to fill that void, and in FY 2009 this contract was

expanded to encompass additional serious felony cases. In FY 2005 a Public Defense Caseload Relief contract was established to provide relief to counties experiencing caseload spikes and backlogs, primarily in the southern counties. In FY 2006 a second Caseload Relief contract was established focusing on the northern counties. The contract public defenders provide substantial savings to the state over a staff office with salary, benefit and operating costs.

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

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

Assigned Counsel Contractors
The Assigned Counsel Contractors are private attorneys who contract with the Defender General to provide services in criminal and juvenile cases when there are conflicts with the public defenders. The objective is to assure that in most counties there are at least two contractors to take conflict cases. There are presently 73 separate contracts for assigned counsel services, including 2 attorneys who handle appeals and 2 attorneys who handle post-conviction relief cases.

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

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

of two million dollars for representation on major felony cases. Additionally, the implementation of the SFUs has rendered budgeting much more predictable.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Defender General

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Public Defense	66	69	69	8,333,005	8,872,303	9,113,936	9,227,734
Assigned Counsel	2	2	2	3,371,203	3,492,089	3,489,613	3,712,489
TOTAL	68	70	70	11,704,208	12,364,392	12,603,549	12,940,223
FUND TYPE							
General Fund				11,264,791	11,725,840	11,961,057	12,301,671
Special Fund				431,887	638,552	638,552	638,552
Interdepartmental Transfer				7,530	0	3,940	0
TOTAL				11,704,208	12,364,392	12,603,549	12,940,223

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2013 continues current services, including a litigation support/Appellate attorney in response to the increased number and seriousness of sex crimes and one new attorney position to be shared between the Prisoners' Rights Office and the Appellate Defender's Office. The salaries of top level staff attorneys were reduced by 5% in FY 2009, and remained frozen through FY 2012. The FY 2013 recommended funding also provides funds for staff benefit increases (primarily health insurance and retirement), various interdepartmental cost increases, case-associated increases such as witnesses and transcripts, a minimal increase for court transcripts based on new contracts put in place by the Judiciary, leased office rent increases, and for computer upgrades and replacements. Most other operating line items are level funded.

Most importantly, the FY 2013 budget includes funding to provide pay equity between public defenders and prosecutors. Over the years pay inequity has forced attorneys to decline public defense positions, forced experienced defenders to leave the system if they desired pay advancement, and has unfairly impacted pensions of long time public defenders for decades. This funding, and the ultimate adoption of the State's Attorney Pay Plan by the Office of the Defender General will finally bring pay equity to the ODG system.

With this level of funding, the Office of the Defender General expects to continue to fund the various improvements made to the delivery of cost-effective public defense services over the last few years. Specifically, the Public Defense Serious Felony Units, the special projects Serious Felony contract attorney, and two Public Defense caseload relief contracts are expected to be continued.

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

In FY 2002 the Defender General began negotiating longer terms to primary public defense contracts to bring fiscal stability to the system, and financial certainty to the contractors. Most of the larger public defense contracts are three-year contracts that will not expire until the end of FY 2013. The ODG hopes to level fund the one public defense and the few SFU and caseload relief contracts that are up for renewal in FY 2013.

Public Defense Caseload Activity

One of the prime measures of the demand for defense services is the number of added clients during a fiscal year. Public defenders routinely represent significantly more clients than is recommended under guidelines developed in 1973 to assure competent representation by the National Advisory Commission

on Criminal Justice Standards and Goals. This Lawyer Equivalency Caseload (LEC) Guideline, provides that no single lawyer should accept more than either 150 added felony clients, 400 added misdemeanor clients or 200 juvenile clients in a year, or some combination of the three categories. For many years, the ODG has utilized this LEC formula as a measure of the workload of its staff. Chittenden County handles nearly 30% of the state's caseload. The Addison office currently has the highest rate of understaffing 40.1%.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	7,618,239	7,931,011	7,834,054	8,335,000
Operating Expenses	714,766	941,292	1,279,882	892,734
TOTAL	8,333,005	8,872,303	9,113,936	9,227,734
FUND TYPE				
General Fund	7,936,529	8,359,015	8,596,708	8,714,446
Special Fund	388,946	513,288	513,288	513,288
Interdepartmental Transfer	7,530	0	3,940	0
TOTAL	8,333,005	8,872,303	9,113,936	9,227,734

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2013 in Assigned Counsel pays for existing staff benefit increases, and level funds Assigned Counsel Contractors and Assigned Counsel Serious Felony Unit contractors. Assigned counsel contractors are the most cost-efficient means of providing public defense services. The cost effectiveness of expanding the number of assigned counsel contracts is now well documented. The predictability of the cost and savings of diverting cases to assigned counsel contractors has eliminated the need to request budget adjustment for assigned counsel for nine consecutive fiscal years. The ODG will continue to make every effort to use assigned counsel contractors whenever possible, and the four serious felony units will be continued. It has become increasingly difficult to attract assigned counsel contractors, particularly in rural counties, and for juvenile representation.

Changes in sex crimes immediately and inadvertently impacts potential ad hoc assignments and debentures. Legislative increases in penalties for sex offenses to include indeterminate probationary sentences with the potential for life in prison increases ad hoc compensation, per the Court's existing Administrative Order 4, from a maximum allowable compensation of $5,000 per case to $25,000 per case, with the potential for additional supplemental payments. The increased attention to sex crimes also impacts expert expenditures. This budget provides funding for increases in case-associated costs such as experts, witnesses and transcripts.

Ad Hoc Counsel is the most expensive means of providing public defense services, and it is only used when there are no public defense or assigned counsel contractors who can ethically provide representation. The ODG continues to minimize the use of ad hoc counsel and to keep costs as low as possible. The FY 2013 funding for Ad Hoc Counsel contains additional funds and should be sufficient if the caseload responds to reallocation of contract resources employed in FY 2011.

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

Assigned Counsel Caseload Activity
Over the five-year period ending FY 2003 added clients assigned to assigned counsel contractors increased 49%. Starting in FY 2002 there has been a major shift in cases assigned to assigned counsel contractors and serious felony units versus ad hoc counsel, with a significant reduction in cases assigned to ad hoc counsel. There was an 86% reduction in added ad hoc clients from first quarter FY 2002 to first quarter FY 2008. Ad hoc debentures received in FY 2007 totaled only $184,834, a reduction of 67% from FY 2001. The ad hoc program, however, has reached a level of "frictional ad hoc," that is, ad hoc that is created at the margins of what could be diverted to assigned counsel contractors. While FY 2008, FY 2009, and FY 2010 saw an increase in amount of debentures and number of added ad hoc

cases, the ODG believes that redeployment of assigned counsel contracts will maintain an essentially "frictional ad hoc" caseload.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	3,336,312	3,443,180	3,440,704	3,663,580
Operating Expenses	34,891	48,909	48,909	48,909
TOTAL	3,371,203	3,492,089	3,489,613	3,712,489
FUND TYPE				
General Fund	3,328,262	3,366,825	3,364,349	3,587,225
Special Fund	42,941	125,264	125,264	125,264
TOTAL	3,371,203	3,492,089	3,489,613	3,712,489

Department Mission Statement

Vermont Judicial Branch Mission Statement

The Vermont Judicial Branch of state government was established under the Vermont Constitution to protect the rights of all Vermonters by providing equal access to justice and to the courts, and to provide an opportunity for the merits of every legal dispute to be impartially heard and timely decided. The Judiciary, as a co-equal branch of government, is an important element in the constitutional balance of power between the Executive, the Legislative, and the Judicial Branches. The courts provide a forum for resolution of disputes involving the range of human conflict, including cases that address the protection of individual rights, public safety, and business and commercial concerns. The purpose of the Courts is identified in our constitution and is essential to the maintenance of an orderly society.

It is the mission of the Vermont Judicial Branch to provide a justice system that engenders public trust and confidence through impartial decision-making and accountability for the use of public resources. The general public and those who use the court system will refer to it as accessible, fair, consistent, responsive, free of discrimination, independent and well-managed.

Key Constitutional Concepts

Article 6 of Chapter I of the Vermont Constitution states that all power is "originally inherent in and consequently derived from the people, therefore, all officers of government, whether legislative or executive, are their trustees and servants" and are legally accountable to them at all times.

Article 1 of Chapter I of the Vermont Constitution states that all people have inalienable rights to be secure in their persons, homes, properties, and pursuits.

Article 4 of Chapter I of the Vermont Constitution endows the people with the remedy of "recourse to the laws, for all injuries or wrongs" and further endows the people with the right to obtain justice "freely . . . ; completely and without any denial; promptly and without delay".

Article 18 of Chapter I of the Vermont Constitution states that firm adherence to the fundamental principle of justice is "absolutely necessary to preserve the blessings of liberty, and keep government free".

Article 18 of Chapter I of the Vermont Constitution endows the people with the right "to exact . . . from their legislators and magistrates" a "due and constant regard" for justice "in making and executing such laws as are necessary for the good government of the State."

Article 4 of Chapter II of the Vermont Constitution states "The judicial power of the State shall be

vested in a unified judicial system which shall be composed of a Supreme Court, a Superior Court, and such other subordinate courts as the General Assembly may from time to time ordain and establish."

Principles for Administration of the Vermont Judiciary

- The Judicial Branch is an independent, co-equal branch of government; its judges are fair, impartial and competent, and it is composed of people of integrity who will interpret and apply the law that governs our society.
- The Supreme Court operates the state court system as a unified system, in accordance with the Vermont Constitution, Ch. II, Sec. 4, which provides that "the judicial power of the State shall be vested in a unified judicial system…."
- The Supreme Court manages, controls and is accountable for all resources and buildings that support state judicial services in Vermont in accordance with the Vermont Constitution, Ch. II, Sec. 30, which provides that "the Supreme Court shall have administrative control of all the courts of the state…."
- The Supreme Court deploys resources in a manner that is cost-efficient for the taxpayer while providing access to court services that is cost effective to litigants.
- Court services are provided in a system that is open, affordable, understandable, and with a level of service that is appropriate to the characteristics of the case.
- Court services are provided in a system that ensures access to justice and respect for all litigants and members of the bar.
- Case decisions are made by appropriately educated and well-trained judicial officers; trial court judges are capable of working in any court, hearing any case that needs to be heard on a particular day.
- Judicial officers issue timely decisions that do justice for the litigants, establish clear and ascertainable law, and apply the law correctly to the facts.
- The Judicial Branch is organized to minimize redundancies in court structure, procedures and personnel, and to provide an efficient balance of workload among courts.
- Funding authorities provide resources that are appropriate to the structure and provide long-term stability in the budgeting, funding and operations of the Judicial Branch.

Description of Appropriations, Divisions, & Programs

THE CURRENT ORGANIZATION OF THE VERMONT JUDICIARY

THE SUPREME COURT

The Chief Justice and the four Associate Justices constitute the Vermont **SUPREME COURT.**

Justices are appointed by the Governor from a list of qualified candidates submitted by the Judicial Nominating Board and confirmed by the Senate for six-year terms. When a justice's term expires, the General Assembly votes whether to retain the justice in office.

THE SUPREME COURT'S JUDICIAL DUTIES

The Supreme Court is the court of final appeal in Vermont. It hears cases primarily in Montpelier. The court hears appeals from the Superior, Family, District Court and Environmental Court, from certain administrative agency proceedings and from Probate Court when a question of law is involved. In special types of cases, the Supreme Court has original or exclusive jurisdiction. This is when a case is brought directly to the Supreme Court without having to be heard first in one of the lower courts.

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

THE SUPREME COURT'S ADMINISTRATIVE DUTIES

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

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

The **Administrative Judge** assigns the superior court judges, environmental judges, child support magistrates, judicial bureau hearing officers and assistant judges to the trial court divisions, resolves attorney conflicts, and in cooperation with the Court Administrator, assumes general administrative control of the work of the courts.

The Administrative Judge assigns each of the judges to sit in each of the trial courts for a specific length of time, generally for a year. (The environmental judges hear and dispose of most cases in the environmental court, which has statewide jurisdiction.) In the smaller counties, one judge may be assigned to sit in the Superior, District, and Family courts concurrently, especially when all three courts are located in the same building. In the larger counties, a different judge may sit in each of the trial courts.

The **Court Administrator** provides leadership and support to the judges and court staff to enable them to resolve disputes fairly, expeditiously and inexpensively. The Court Administrator is responsible for the overall management of the court system, including judicial and employee education, budgetary and personnel matters, computer services, recordkeeping and court security. The Court Administrator serves as liaison between the Supreme Court and its boards and committees and between the Judiciary and the

legislative and executive branches of government.

THE VERMONT SUPERIOR COURT
The Vermont Superior Court was created by Act 154 of the 2010 session of the General Assembly. The Act reorganized the trial courts as divisions of the new Superior Court. There is a unit of the Superior Court in every county, comprised of a civil, criminal, family and probate division. The former environmental court became a statewide environmental division on the Superior Court. The former district court judges were redesignated superior court judges under the act.

CRIMINAL DIVISION
Each unit has a **Criminal Division**. The Division is responsible for the 20,000 criminal and civil suspension cases that the State's Attorneys, Attorney General and Municipal Grand Jurors file each year:

- Through jury trials, court trials and the acceptance of guilty pleas, the Superior Court Judges determine the guilt or innocence of persons charged with crimes;

- Through sentencing decisions, the Superior Court Judges:
  punish persons who engage in acts not tolerated by society,
  protect the public by separating violent persons from society,
  protect the public by deterring others from violating the law, and
  attempt to rehabilitate criminals so that they will be productive members of society.

- Through determinations of probable cause and decisions on requests for arrest warrants, search warrants, and motions to suppress evidence, the Superior Court Judges protect the public from arbitrary use of government power.

FAMILY DIVISION
Each unit has a **Family Division**. The Division is responsible for the 2,900 divorce and annulment actions, 1,700 other domestic actions (primarily parentage) and the 4,200 post-judgment actions filed each year. Most of the post-judgment actions involve attempts by parents to modify or enforce child support, visitation or custody orders.

The Family Division is also responsible for 8,100 motions to establish, modify or enforce child support, 1,100 juvenile delinquency cases, 500 cases involving the abuse and neglect of children, 200 cases in which the state seeks to terminate parental rights, 250 cases involving children who may be unmanageable and 3,700 petitions for relief from domestic abuse and other family matters including how the state should care for persons with mental illness and developmental disabilities.

The Administrative Judge assigns superior court judges, child support magistrates and assistant judges to Family Division. These judicial officers and court staff attempt:

- to conduct timely hearings and issue timely decisions in order to resolve disputes, to provide support to

distressed litigants and to provide protection to victims of family violence and emotional abuse; and

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

CIVIL DIVISION
Each unit has a Civil Division. The Division is responsible for the 7,400 civil actions filed each year. Most of these actions involve businesses seeking the collection of unpaid debts, individuals seeking damages resulting from the negligence of others, or general lawsuits involving the failure to abide by the terms of a contract. State environmental, consumer protection and civil rights actions are filed in the Civil Division. People may go to the Civil Division to seek protection from those who have stalked or sexually assaulted them. The Division also hears appeals of some governmental actions.

There are 28 Assistant Judges in the state's Judiciary, two in each of Vermont's 14 counties. They are elected to four-year terms. Their duties are not only judicial in scope, but also include administrative and legislative functions. In their judicial capacity, the assistant judges serve in non-jury trials as members of a unique three-person panel of judges which determines disputed facts. In some counties, assistant judges sit alone to hear and decide small claims matters and traffic violations. In their administrative capacity, the assistant judges are the chief executive officers of the state's county government. In their legislative capacity, the assistant judges levy a tax on the towns in their respective counties to fund county government. The county budgets include funding for the county sheriff's departments, maintenance of a county courthouse and some expenses of Civil and Probate Divisions.

Through jury trials, court trials and pretrial conferences, the Superior Court Judges resolve disputes such as whether:

- one person should have to reimburse another for that person's actions or inaction;

- persons should start or stop acting in certain ways; and

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

The Civil Division also decides the 11,300 small claims filed each year. Citizens and businesses seeking up to $5,000 for unpaid debts, shoddy home improvement jobs and a return of their apartment security deposit, save the expense of hiring an attorney and look to the superior court to resolve their disputes.

ENVIRONMENTAL DIVISION
The **Environmental Division** has statewide jurisdiction and is responsible for hearing and deciding requests to enforce administrative orders issued by the Secretary of the Agency of Natural Resources and requests to review orders issued by the Secretary. The Division also hears appeals from municipal zoning boards and planning commissions and appeals from Act 250 district commissions. The Division is located in Washington County, however, cases are heard in the county where the action arises. Two

Environmental Judges hear most matters filed with the Division.

PROBATE DIVISION
On February 1, 2011, the Probate Court becomes the **Probate Division** of the Superior Court and each unit will havea division. The Probate Division is responsible for the 3,500 guardianships, adoptions, decedent estates and testamentary trusts that are filed each year.

The Probate Judges and Staff (called Registers) work to:

- assist persons and families to administer and settle estates and any resulting trusts, and if necessary, resolve any disputes over the distribution of the assets of the estates;

- determine whether guardianships need to be established for incompetent persons;

- assist persons wishing to relinquish parental rights for the purpose of placing a child up for adoption; and

- monitor the processing of the cases in the court to insure fiduciaries meet their responsibilities to the estates and guardianships.

THE JUDICIAL BUREAU
The **JUDICIAL BUREAU** is responsible for the approximately 115,000 traffic tickets issued by state and local law enforcement agencies each year. Many of the violations are speeding tickets. The Bureau is also responsible for the processing of approximately 1,250 violations of underage drinking laws, 2,700 municipal ordinance violations and 700 fish and wildlife violations each year.

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

- Through the assistance of court developed computer programs, Bureau staff accept $18,000,000 in civil penalties and surcharges from the 77,000 drivers who chose not to contest their traffic tickets or ordinance violations and from the 39,200 people who receive default judgments for failure to respond to their tickets.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Judiciary	356	359	359	37,639,869	39,348,918	38,986,741	37,020,316
TOTAL	356	359	359	37,639,869	39,348,918	38,986,741	37,020,316
FUND TYPE							
General Fund				30,790,681	31,331,211	30,959,715	30,980,271
Special Fund				4,044,075	4,215,413	4,215,413	3,007,378
Federal Revenue Fund				752,148	1,129,259	1,129,259	888,205
Interdepartmental Transfer				2,052,965	2,673,035	2,682,354	2,144,462
TOTAL				37,639,869	39,348,918	38,986,741	37,020,316

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	28,564,603	29,103,880	28,741,190	28,757,441
Operating Expenses	8,907,578	10,175,038	10,175,551	8,192,875
Grants	167,688	70,000	70,000	70,000
TOTAL	37,639,869	39,348,918	38,986,741	37,020,316
FUND TYPE				
General Fund	30,790,681	31,331,211	30,959,715	30,980,271
Special Fund	4,044,075	4,215,413	4,215,413	3,007,378
Federal Revenue Fund	752,148	1,129,259	1,129,259	888,205
Interdepartmental Transfer	2,052,965	2,673,035	2,682,354	2,144,462
TOTAL	37,639,869	39,348,918	38,986,741	37,020,316

Department Mission Statement

The core mission of the department is the prosecution of criminal cases. The public depends upon the State's Attorneys for justice since the State's Attorneys are the critical link between the police investigation of the complaint and the courts' ability to impose a sentence on a convicted person. This core mission is critical to Vermont being a state where people want to live, that businesses seek to thrive and where our children will remain to raise their families. Yet Vermont is seeing increases in serious crimes with the resulting impact on our society.

In addition to the core mission of prosecuting adult criminal cases in the criminal division of Superior court, State's Attorneys have additional responsibilities. In the Family Division of Superior Court, the State's Attorneys also present cases for Children in Need of Care or Supervision (CHINS), delinquency and permanency Planning hearings (reviewing DCF plans for Children): mental health cases at the request of families seeking court ordered examination and/or treatment of a family member believed to have a mental illness.

In Civil Division, the State's Attorney represents the State in Post Conviction Relief and Habeas Corpus actions where prisoners are challenging prior criminal convictions, such as alleging ineffective assistance of defense counsel (private or public).
he Department of State's Attorneys is responsible for the fair and effective prosecution of crime in Vermont. Through impartial investigation and prosecution of crime, the Department provides and promotes public safety. The Department works collaboratively with uniformed local, State, and Federal law enforcement. As the public's voice in court, the Department translates the work of the law enforcement community into appropriate and just outcomes supported by the law and evidence.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State's Attorneys

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
State's Attorneys	126	120	120	10,596,910	10,574,104	10,753,027	10,753,409
TOTAL	126	120	120	10,596,910	10,574,104	10,753,027	10,753,409
FUND TYPE							
General Fund				8,248,291	8,297,085	8,469,008	8,356,669
Special Fund				40,087	60,699	60,699	16,884
Federal Revenue Fund				17,858	31,000	31,000	31,000
Interdepartmental Transfer				2,290,674	2,185,320	2,192,320	2,348,856
TOTAL				10,596,910	10,574,104	10,753,027	10,753,409

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	9,454,233	9,433,100	9,317,023	9,339,417
Operating Expenses	1,142,677	1,141,004	1,436,004	1,413,992
TOTAL	10,596,910	10,574,104	10,753,027	10,753,409
FUND TYPE				
General Fund	8,248,291	8,297,085	8,469,008	8,356,669
Special Fund	40,087	60,699	60,699	16,884
Federal Revenue Fund	17,858	31,000	31,000	31,000
Interdepartmental Transfer	2,290,674	2,185,320	2,192,320	2,348,856
TOTAL	10,596,910	10,574,104	10,753,027	10,753,409

Department Mission Statement

The Sheriffs Department provides transport of prisoners to the courts throughout the State of Vermont. In doing so, the Sheriffs provide a real benefit to the State since the State does not bear the full cost of the program. This has been long recognized and reported to prior Administration and Legislatures as shown in the February 1994 reports of then Executive
Director Paul Hannon.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Sheriffs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Sheriffs	38	40	40	3,456,130	3,638,336	3,580,557	3,614,635
TOTAL	38	40	40	3,456,130	3,638,336	3,580,557	3,614,635
FUND TYPE							
General Fund				3,456,130	3,638,336	3,580,557	3,614,635
TOTAL				3,456,130	3,638,336	3,580,557	3,614,635

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Sheriffs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,178,187	3,361,419	3,303,640	3,339,862
Operating Expenses	277,943	276,917	276,917	274,773
TOTAL	3,456,130	3,638,336	3,580,557	3,614,635
FUND TYPE				
General Fund	3,456,130	3,638,336	3,580,557	3,614,635
TOTAL	3,456,130	3,638,336	3,580,557	3,614,635

Department Mission Statement

DEPARTMENT OF PUBLIC SAFETY
FISCAL YEAR 2013 BUDGET PRESENTATION

MISSION STATEMENT

The Department of Public Safety provides planning, prevention, and protection services through the work of its five Divisions, to ensure a safe and secure environment and enhanced quality of life for the Citizens of the State of Vermont.

CREATION OF THE DEPARTMENT

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

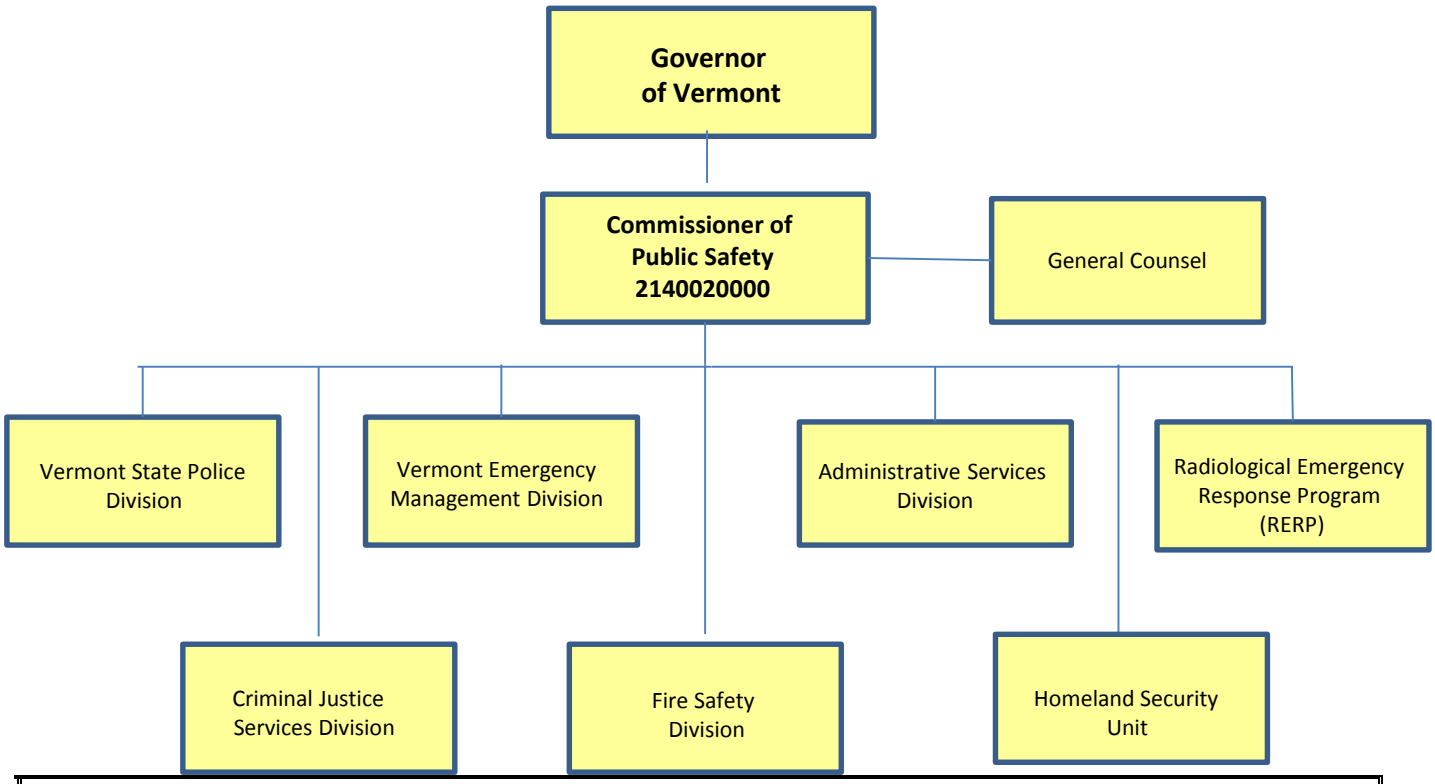
Message from Commissioner Keith W. Flynn:

The State of Vermont is one of the safest places in the country to live, work, and to raise a family. This state has unparalleled opportunities for economic development, cultural activities, and recreation, all consistent with the Vermont culture and spirit. The Department's mission of prevention, planning, and protection assists in making Vermont a special place for its citizens and visitors.

The Department of Public Safety is committed to a data driven approach to planning, and the information gleaned from that data will be utilized as a management tool focused on results and will drive meaningful and measurable improvements for the people we serve. This result-oriented effort is being incorporated into the management philosophy of this department, and will encourage strategic planning in all facets of our operation, promote innovation, and encourage interagency cooperation on high priority goals. Moreover, through this planning process and its' direct correlation to the budgeting process, the Department and the citizens of Vermont will see increased accountability, transparency, and measurable results that will place a greater emphasis on benefits and results rather than activities and workload.

Description of Appropriations, Divisions, & Programs

DEPARTMENT OF PUBLIC SAFETY ORGANIZATIONAL CHART



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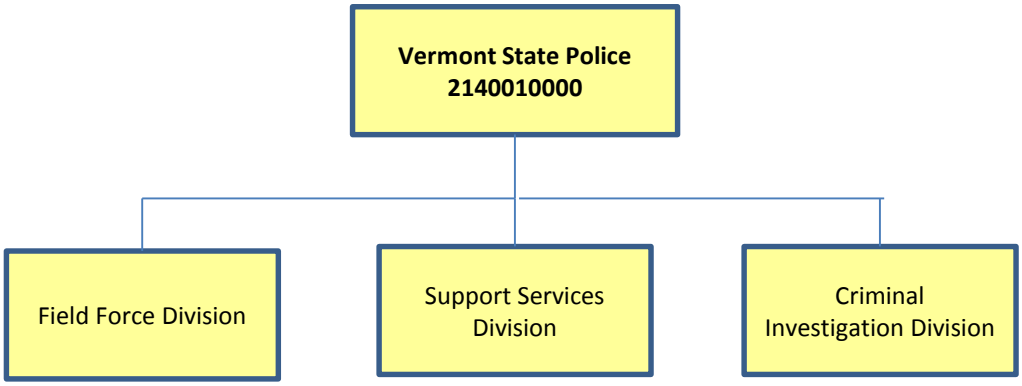
Labor and Industry and incorporation of the Fire Service Training Council within Public Safety. The Department of Public Safety is organized into five divisions: Vermont State Police (VSP), Criminal Justice Services (CJS), Vermont Emergency Management (VEM), Fire Safety (FS), and Administrative Services. However, there are seven separate appropriation units with the addition of Homeland Security (a separate unit of the VSP Division), and the Radiological Emergency Response Program (a separate unit of the VEM Division).

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
State Police	458	455	458	53,532,424	52,226,122	54,048,066	60,577,463
Criminal Justice Services	66	64	66	11,681,326	15,822,642	16,169,348	9,638,910
Emergency Management	13	12	12	3,941,010	4,177,278	4,688,220	3,533,249
Fire Safety	57	59	59	6,321,144	6,626,506	6,598,750	6,569,015
Administration	19	17	21	1,735,963	1,841,714	1,882,766	2,258,126
Homeland Security	8	9	9	13,397,316	12,722,561	13,488,229	12,736,364
Radiological Emergency Response Program	8	8	7	1,950,329	2,134,309	2,134,309	2,321,510
TOTAL	628	623	631	92,559,512	95,551,132	99,009,688	97,634,637
FUND TYPE							
General Fund				24,611,512	30,172,837	31,711,659	32,061,932
Transportation Fund				29,866,344	25,238,498	25,556,041	25,238,498
Special Fund				11,437,773	10,230,366	10,285,038	12,330,719
American Recovery & Reinvestment Act				1,810,995	702,727	812,104	0
Federal Revenue Fund				23,399,059	28,109,587	29,547,729	26,869,023
Interdepartmental Transfer				1,433,829	1,097,117	1,097,117	1,134,465
TOTAL				92,559,512	95,551,132	99,009,688	97,634,637

Appropriation Key Budget Issues

STATE POLICE



The Vermont State Police are the primary law enforcement agency in the state, providing 24 hour coverage to 212 of the state's 257 towns and villages or 46% of the state population on a full-time basis. In geographic terms, this accounts for 84% of the total land area in Vermont.

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

Field Force Division

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

The Uniform Division's mission is to fairly and aggressively enforce Vermont's laws and provide for the safety of the citizens of Vermont and its visitors. Troopers strive to perform their duties in an unbiased fashion reinforcing the public trust and inspiring public confidence. Our departmental resources provide services from conventional patrol and investigation to comprehensive responses to major incidents. Troopers utilize cooperative and data driven law enforcement strategies. Beyond conventional emergency calls, Troopers protect families against sexual predators, target domestic violence, combat substance abuse, and work with all communities for emergency preparedness.

The Vermont State Police have developed a variety of specialized teams and resources staffed by highly trained sworn and civilian members. These "Special Teams" include Critical Incident Dispatch Team, Search and Rescue, Tactical Services Unit, Hostage Negotiation Unit, Bomb Team, SCUBA Team,

Member Assistance Team, and Crash Reconstruction Team. The Vermont State Police have two Mobile Command Posts that respond with total dispatch capabilities (Critical Incident Dispatch Team). We stand ready to assist all our allied agencies in times of crisis both statewide and throughout New England.

The Field Force Division is responsible for operating four Public Safety Answering Points (PSAPs) staffed by professional civilian Emergency Communication Dispatchers (ECDs). Besides providing all primary radio communications for State Police, their duties include taking approximately 78%of E911 calls for service, emergency and non emergency calls for service ensuring that first responders have been dispatched to critical incidents.

Criminal Investigation Division

The Criminal Investigation Division consists of 67 sworn members, with 1 civilian member and is divided into two units, the Bureau of Criminal Investigation (BCI) and the Special Investigations Section (SIS). The Bureau of Criminal Investigation investigates all major crimes that are brought to their attention. Their primary focus is on death investigations, including homicides, fatal fires, untimely deaths and major crime cases. Secondary priorities include fire investigations, sex crimes, computer crimes, and drug investigations. This includes the investigation of criminal conduct allegations made against Vermont law enforcement officers. A significant commitment is also made to augment the efforts of other law enforcement agencies, including federal, state, county, and local departments with their major investigations to include the processing of major crime scenes with the Vermont State Police Crime Scene Search Team (CSST), and the Internet Crimes Against Children (ICAC) task force who are responsible for forensic examinations of computers and other electronic devices. They are also involved in proactive peer to peer child pornography investigations within Vermont.

- The **Special Investigations Section (SIS)** is comprised of three different sections:

- The **Vermont Drug Task Force** which is divided into two "undercover" units (North and South) along with a street level unit dedicated to combat heroin trafficking (Heroin Enforcement Action Team) "HEAT“, and a prescription fraud Diversion Unit.

- The **Polygraph Unit** provides both criminal and applicant polygraph examinations for all Vermont law enforcement agencies, States Attorneys, the Attorney General and the Defender General.

- The **Special Investigations Unit (SIU**) investigates crimes of a sexual nature and extreme cases of child abuse and neglect. Troopers assigned to this unit work in conjunction and cooperation with local police agencies in investigating these crimes as well as the Department of Children and Families, state prosecutors and victim advocacy organizations statewide in a multi-disciplinary team approach to the investigation and prosecution of these crimes. The unit is comprised of (14) Detective Troopers and (2) Detective Sergeants assigned to County SIU’s and supervised through their local barracks Criminal Division Lieutenant and a Detective Sergeant.

Support Services Division
The mission of the Support Services Division is to provide all civilian and sworn personnel of the Vermont State Police with the resources required to effectively perform their assigned duties and to enhance the capabilities of the Vermont State Police. Each section within the Support Services Division is an integral part of the planning and management of a broad range of services provided to the organization.
The Division is broken down into four sections, namely the Protective Services Unit, Staff Operations, Homeland Security, and Fleet Services.

Protective Services:
The Protective Services Unit provides personal security and transportation to the Governor. Members of the Protective Services Unit also evaluate threats that are made against the Governor and initiate threat investigations.

Staff Operations
The Office of Staff Operations is housed within the Support Services Division and is comprised of the Office of Professional Development, Office of Technology Services, the Vermont State Police Quartermaster and Public Information Officer.

The **Office of Professional Development/Training** supports the career and professional development of every sworn member, auxiliary trooper and emergency communications personnel and will work cooperatively with all stakeholders to:

- Establish outreach programs to recruit and hire individuals whose core values reflect those of the Vermont State Police.
- Promote individual development and advancement through continuing training and development programs designed to build and expand professional skills and knowledge.
- Endorse programs that foster the total health and well-being of our members.
- Retain talented individuals within the Vermont State Police.
- Engender a culture of mentorship throughout the department.
- Cultivate the next generation of public safety leaders.
- Engage members in the policy and procedure review and development process.

The **Office of Technology Services** enhances the productivity of our members and provides easy access to information technology services. The Office of

Technology Services is the foundation of user support and will:
- Provide a single point of contact for accessing technology based resources and services.
- Implement cost-effective technology solutions, including web-based technology support.
- Maintain the state police internet web page and the intranet resource page for VIBRS users.

- Significantly increase managerial oversight of technology purchases, inventory, and systems.
- Coordinate the technology requirements of the state police with Criminal Justice Services personnel.
- Provide oversight of building construction and renovation projects.
- Support the technology requirements of our emergency communication centers.
- Augment our ability to detect and apprehend those who exploit and victimize others through the use of technology.

The Vermont State Police **Public Information Officer** will respond to media inquiries and public relations requests as quickly, completely and accurately as possible.

The role of the **Quartermaster** is to provide supply support and field services to members of the department and will:

- Manage efficient and cost-effective equipment inventory and distribution systems
- Maintain positive relationships with department supply vendors
- Prepare and submit equipment purchase orders
- Participate in sworn staff inspection functions
- Provide Honor Guard services for special events

The **Office of Internal Affairs** was established by the legislature in 1979. The enacting legislation can be found at 20 V.S.A. §1923 <http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=20&Chapter=113&Section=01923>. The purpose of the Office of Internal Affairs is to investigate, or cause to be investigated, all complaints regarding conduct by members of the Vermont State Police.

Fleet Services is an integral part of the Support Services Division. The Unit's responsibilities include:

- Vehicle purchase/issuance
- Maintenance and repairs
- Installation of emergency equipment
- Fuel
- Vehicle crashes
- Surplus vehicles disposal

Fleet Services performs many of the large repairs and all of the outfitting and striping of State Police vehicles. The Unit works closely with local repair facilities for overflow maintenance, routine preventative maintenance and parts procurement. In addition, Fleet Services operates an intra-department wrecker service and is responsible for capturing vehicle usage data for trend analysis and the replacement cycle. Unit personnel also work closely with Driving Instructors to support the Emergency Vehicle Operation Course training cycle by ensuring vehicles are available and ready for training.

KEY ISSUES:

- Fleet management program. On-going process worked into every budget cycle to ensure a safe, well maintained fleet of patrol and detective vehicles.

- Grant management- there are a number of federal and state grants that support fulltime positions, as well as, the overall mission of the state police, drug task force, Homeland security and the Special Investigative Units.

- Continual hiring of full time, sworn personnel on a regular cycle to build and maintain a diverse workforce that is consistent with attrition.

- Working in conjunction with federal government and the VT DOH to develop a comprehensive approach to the abuses related to prescription drugs.

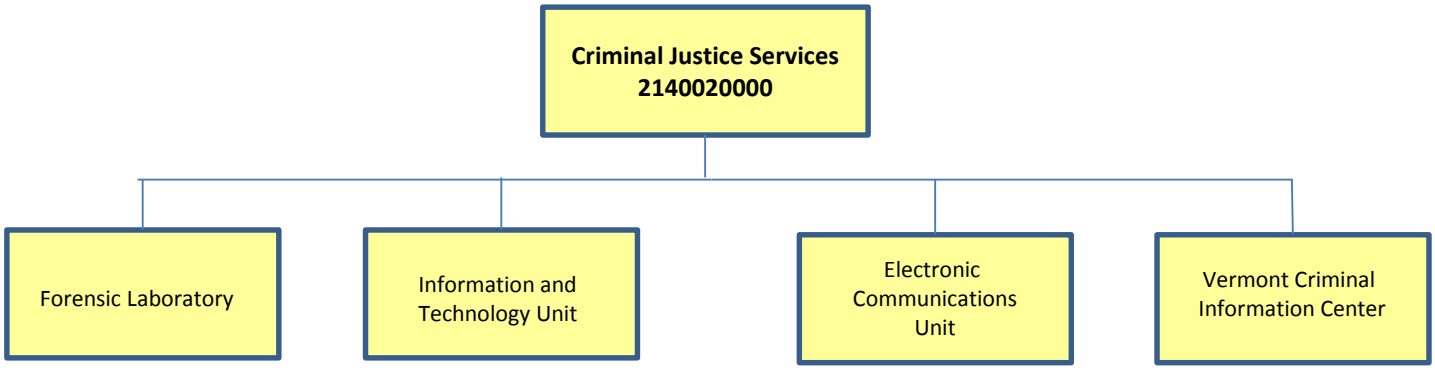
NUMBER OF APPROVED POSITIONS: **SWORN: 344 CIVILIAN: 113.5 TOTAL: 457.5**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	42,130,043	44,208,236	44,148,923	46,674,370
Operating Expenses	10,330,278	7,046,296	8,927,553	7,043,093
Grants	1,072,103	971,590	971,590	6,860,000
TOTAL	53,532,424	52,226,122	54,048,066	60,577,463
FUND TYPE				
General Fund	16,551,962	21,233,922	22,522,433	22,505,270
Transportation Fund	29,512,660	25,238,498	25,556,041	25,238,498
Special Fund	2,260,004	1,003,612	1,012,121	2,732,603
American Recovery & Reinvestment Act	1,354,752	296,107	405,484	0
Federal Revenue Fund	2,464,204	3,401,866	3,499,870	9,011,627
Interdepartmental Transfer	1,388,842	1,052,117	1,052,117	1,089,465
TOTAL	53,532,424	52,226,122	54,048,066	60,577,463

Appropriation Key Budget Issues

DIVISION OF CRIMINAL JUSTICE SERVICES



The Division has four sections along with a close coordination with the Vermont State Police Office of Technology Services, with the objective of providing information and technology solutions to the ongoing operations of the criminal justice system within the State.
The Division of Criminal Justice Services, headed by a civilian manager, exists to *support* the Departmental mission by providing its criminal justice, emergency service, governmental, public and private customers with *systems and services* through the Vermont Forensic Laboratory, Radio Technology Services, Information Technology Services and the Vermont Criminal Information Center.

Vermont Forensic Laboratory: provides the collection and examination of physical evidence collected form crime scenes and other sources. The Laboratory is comprised of four organizational units - chemistry, and fingerprint comparison, firearms/toolmark comparison, and photographic processing. It is staffed and equipped to conduct applicable technical analyses of evidence and subsequently prepare detailed information for court prosecution.

Radio Technology Services,: is responsible for the planning, design, installation and maintenance of the telecommunications systems and equipment used by the department and for all of the information management systems used by many criminal justice agencies in Vermont. It also provides services and expertise to other state agencies who utilize telecommunications. In addition to managing the two-way radio, it operates and maintains the State-owned microwave network which handles radio transmitter control function, data transmission, and emergency communications systems for the Department and other Agencies. Management of the Department's telephone system and requirements of commercial telephone circuits is another major function of this Section. Radio replacement within the Vermont State

Police vehicles is another function.

Information Technology Services (IT): this section also manages the VIBRS network which delivers a variety of electronic services and applications to all law enforcement and justice agencies within Vermont. This system of services includes but it not limited to:

- Spillman CAD/RMS
- Outlook exchange email and calendar
- Criminal history information and all of VCIC database information
- VLETS network and PsPortal applications.
- SPIN
- Disaster LAN
- VJISS
- Web CRASH

IT Services is also responsible for the Department's private network which includes all of the data circuits, routers and servers that allows for the distribution of information. Protecting privacy, reliability and security of the network are important tasks of information technology services.

Vermont Criminal Information Center (VCIC) is headed by an administrator and is the State repository for all criminal records. Complete criminal histories are kept from the moment of an offender's arraignment in the State Justice System. V.C.I.C. is the only entry point for the State of Vermont into the National Crime Information Center. Twenty-four hour access to criminal records is maintained through Headquarters Communications in Waterbury. V.C.I.C. is responsible for disseminating quality criminal history information for criminal justice and non-criminal justice purposes to a variety of agencies. VCIC is also provides database information for the sex offender registry, marijuana registry, relief from abuse orders and wanted persons.

KEY ISSUES :

- Instituting a protocol for the collection of DNA samples for all individuals arraigned for a felony. The implementation of this law passed in 2009 involves providing funding for 2 positions in the laboratory and funding for personnel to collect the samples statewide.

- Implementation of a justice information sharing system, including the support for basic information technology systems. Implementing document exchange capacities amongst the criminal justice system and providing crime analytical capacity at the local level of law enforcement. This initiative represents the coordination and connecting of all criminal justice databases throughout the state so that needed data can be shared and transferred and turned into useful information.

- Strengthening the sex offender registry so that data integrity is maintained.

- Implementation of the marijuana program, adding more registered patients and registering four

marijuana dispensaries for the purposes of providing symptom relief for persons with debilitating illnesses.

- Participate in the State of Vermont's telecommunication plan and work towards implementing the vision of broadband coverage throughout Vermont. We also need to ensure that public safety two-way radio coverage is not adversely impacted while supporting this initiative.

NUMBER OF APPROVED POSITIONS: 65.5 FTE

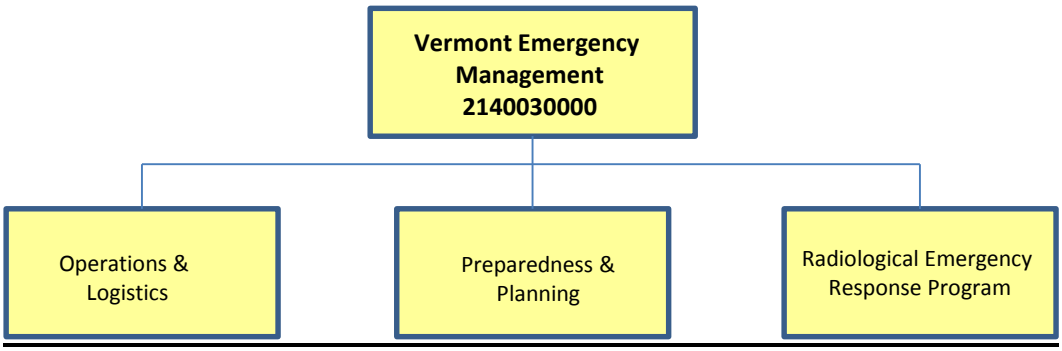
STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Criminal Justice Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	6,592,198	7,267,663	7,546,778	7,108,576
Operating Expenses	2,288,679	2,565,979	2,633,570	2,496,734
Grants	2,800,449	5,989,000	5,989,000	33,600
TOTAL	11,681,326	15,822,642	16,169,348	9,638,910
FUND TYPE				
General Fund	5,346,746	6,124,932	6,486,000	6,822,145
Transportation Fund	337,989	0	0	0
Special Fund	1,706,151	1,468,701	1,414,701	1,685,406
American Recovery & Reinvestment Act	96,649	338,466	338,466	0
Federal Revenue Fund	4,193,791	7,890,543	7,930,181	1,131,359
TOTAL	11,681,326	15,822,642	16,169,348	9,638,910

Appropriation Key Budget Issues

VERMONT EMERGENCY MANAGEMENT DIVISION



Vermont Emergency Management (VEM) is organized to ensure that Vermont is prepared to respond to emergencies, recover from them and mitigate their impacts. With authority derived from Title 20, VSA, VEM leads the coordination of federal, state and local resources in disaster response and recovery. With a professional staff of 18, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness (nuclear power plant), hazardous materials compliance, response and disaster prevention planning and mitigation. In addition, VEM provides staff to the state warning point that coordinates the assessment of response to the daily hazard incidents that occur in the state 24/7. VEM's success lies in the forging of partnerships with a wide range of federal, state, regional, local and private sector entities that augment the core mission of the agency. Sub-grants are awarded to the Local Emergency Planning Committees, Community Emergency Response Teams, Regional Planning Commissions, and municipalities for recovery, mitigation and preparedness activities.

KEY ISSUES :

1) The new EOC was completed in 2011. This is a state of the art facility within the Department of Public Safety. The EOC had to be evacuated during the floods from Tropical Storm Irene and steps are being taken with the building to assure that this will not happen again. This will be expensive and take some time to complete.

2) Vermont Yankee has been relicensed by the NRC but the state of VT is challenging that decision. This could be tied up in the court system for years. VEM is responsible for the offsite evacuation plans within the 10 mile emergency planning zone in VT around VY in Vernon. The drills and exercises are planned several years out for the facility. Coordination on plans with NH and MA is also necessary.

Significant funds from VY support the planning and exercising program. Without funding 4.5 FTE's will be eliminated.

3) VEM plans and prepares for all-hazards. All other state agencies are partners as subject matter experts to help respond in any event. In past years it has been a challenge to maintain support from other state agencies. 2011 saw VT receive four presidential disaster declarations including the devastating Tropical Storm Irene. Most state agencies stepped up and did tremendous work in responding to this disaster. The recovery process will take 2-3 years and require time and funding to assist the survivors return their lives to what is was before Irene.

4) The federal money brought to the state from the disaster declarations also brings millions in mitigation funds. Most of the money is predicted to be used for home buyouts. VEM will use the administrate portion of this money to hire two additional mitigation officers to assist towns with applications.

5) VEM is currently being operated with an interim director so that position will need to be filled this year.

- See the most recent VEM Annual Report for more information.

NUMBER OF APPROVED POSITIONS: 11.5 FTE

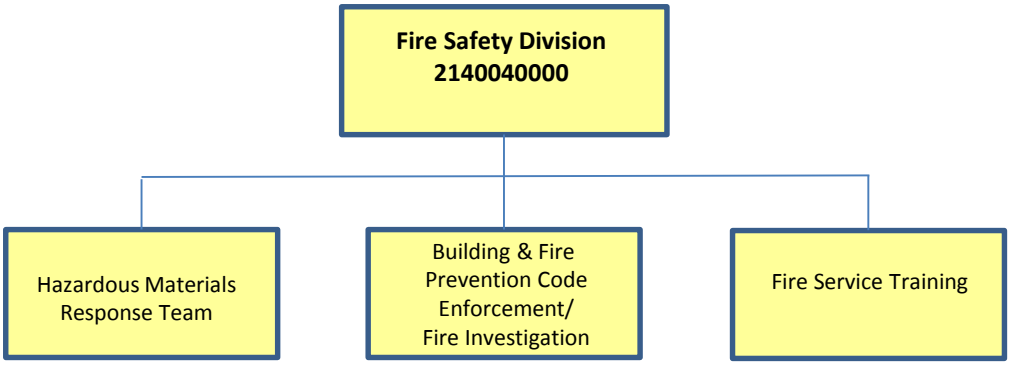
STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Emergency Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,198,530	1,826,537	1,816,537	1,324,091
Operating Expenses	537,535	970,828	1,491,770	693,266
Grants	2,204,845	1,379,913	1,379,913	1,515,892
Non Operating Exp Budget	100	0	0	0
TOTAL	3,941,010	4,177,278	4,688,220	3,533,249
FUND TYPE				
General Fund	7,094	10,000	0	0
Transportation Fund	15,695	0	0	0
Special Fund	174,622	0	0	0
Federal Revenue Fund	3,743,599	4,167,278	4,688,220	3,533,249
TOTAL	3,941,010	4,177,278	4,688,220	3,533,249

Appropriation Key Budget Issues

FIRE SAFETY DIVISION



The Fire Safety Division ensures the safety of the public through enforcement, education, firefighter training and certification programs. The Division, with 59 positions located in Berlin, Rutland, Springfield and Williston, has responsibility for the safety and accessibility of Vermont's 80,000 public buildings. The Division administers fire, electrical, boiler/pressure vessel and plumbing safety and licensing programs. The primary activities of the division are inspecting buildings and reviewing plans to make sure that fire code and safety requirements are met, and providing educational outreach programs to stakeholders and the general public. It provides regulatory and technical assistance in the provision of barrier-free access to buildings for persons with disabilities. The Division continually works with the historic preservation community to ensure the safety of older buildings while assisting with preservation. The division provides administrative support for the Elevator Safety program. The Division has entered into cooperative inspection agreements with municipalities around the state. These agreements allow cities and towns to enforce codes and standards on the State's behalf and increase the total number of inspections conducted in the State.

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

- **Fire Service Training** was originally created as the Vermont Fire Service Training Council on May 3, 1988, when Governor Madeleine Kunin signed into law Senate Bill - S-83. The 11 member VFSTC was formed to conduct and administer training schools and courses for the

firefighters of the State of Vermont, a program which continues in its present configuration within the Fire Safety Division of the Department of Public Safety. The Training Council continues to develop training and certification programs for all Vermont firefighters. The chief training officer is appointed by and reports to the Director of the Fire Safety Division.

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

KEY ISSUES:

- **We are looking at a re-organization within the division. We hope to become more efficient while reducing infrastructure and providing enhanced technologies and equipment.**

- **We have been operating with a 1988 DOS database, which we are currently updating. We hope to have the project completed by year end.**

NUMBER OF APPROVED POSITIONS : 59 FTE

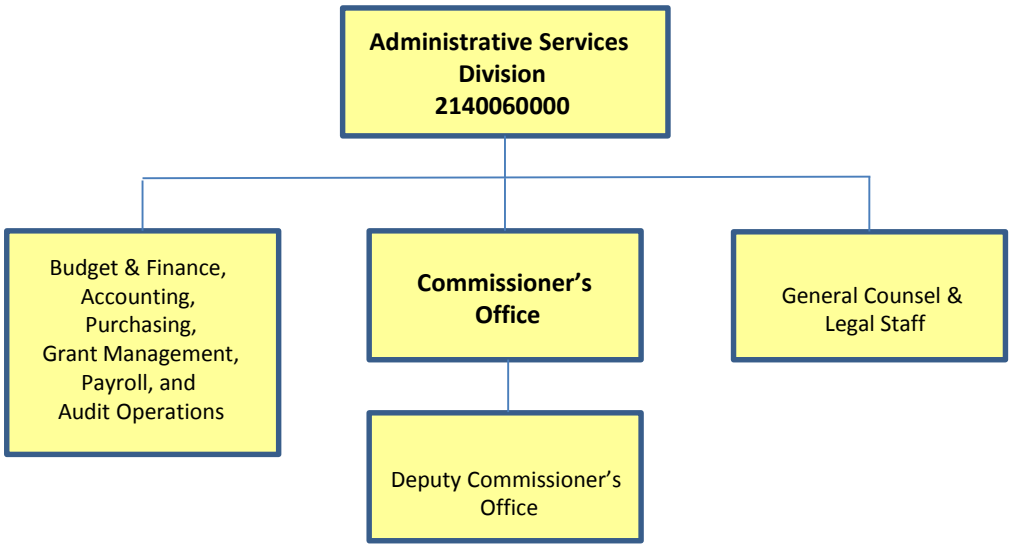
STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Fire Safety

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	4,596,710	5,027,821	4,899,902	4,927,464
Operating Expenses	1,669,434	1,441,685	1,541,848	1,435,551
Grants	55,000	157,000	157,000	206,000
TOTAL	6,321,144	6,626,506	6,598,750	6,569,015
FUND TYPE				
General Fund	618,702	718,790	590,871	600,735
Special Fund	5,346,667	5,623,744	5,723,907	5,591,200
Federal Revenue Fund	310,788	238,972	238,972	332,080
Interdepartmental Transfer	44,987	45,000	45,000	45,000
TOTAL	6,321,144	6,626,506	6,598,750	6,569,015

Appropriation Key Budget Issues

ADMINISTRATIVE SERVICES DIVISION



The Administrative Services Division includes the Commissioner's Office and the DPS General Counsel and legal staff. It also provides a full range of financial services, payroll administration, grants management, auditing, purchasing and contract administration for all Public Safety divisions. Budget preparation and monitoring, accounts payable and receivable, purchasing administration, payroll, grant management, and internal compliance auditing activities are all managed through a central office operation consisting of 17 positions at the department headquarters in Waterbury. The Accounting Operations Unit is responsible for the daily accounting operations activities including invoice payments and accounts receivable processing. The Payroll Coordinator manages bi-weekly payroll processing for all DPS staff. The Purchasing Administrator oversees contract development and approval, purchasing of general supplies, asset management, and the DPS Purchasing Card program. The Programs and Reporting Unit is responsible for developing, tracking, and monitoring budgets for both federal and state funded programs. The Grant Management Unit works with all the DPS Divisions to handle the administration of all State and Federal funded grant programs. The Audit Unit is responsible for working with both DPS staff and its' sub-grantees to ensure compliance with all federal and state regulations and guidelines for financial management, and to ensure that risk is controlled proactively with appropriate internal accounting and process controls.

KEY ISSUES :

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1) Reviewing all key administrative policies and procedures to maximize efficiency and effectiveness. Will focus in FY2013 on procurement processes to maximize the use of resources

2) DPS centralized all grant management under the Administrative Division in FY12. In FY13, we will continue to develop and enhance the new Grant Unit's policies and procedures and expect to implement the State's Enterprise electronic grants management system within DPS to enhance our controls and improve efficiency for both internal staff and subrecipients.

3) Continuing to refine DPS budget development and monitoring processes to better support Division leadership, and to enhance budgetary control

4) Reviewing and enhancing internal accounting controls in key areas to minimize exposure in areas of greatest risk.

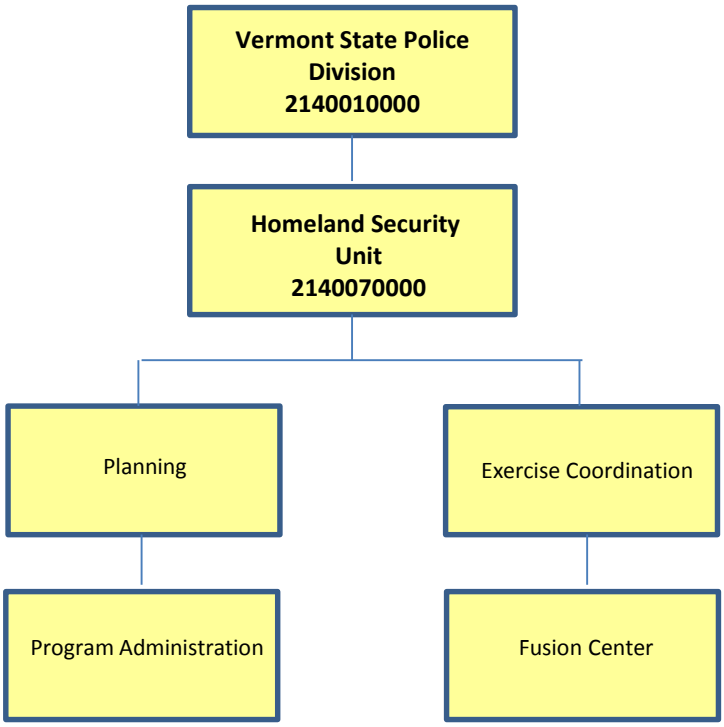
NUMBER OF APPROVED POSITIONS: 21 FTE

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,384,255	1,434,666	1,358,327	1,788,617
Operating Expenses	351,708	407,048	524,439	469,509
TOTAL	1,735,963	1,841,714	1,882,766	2,258,126
FUND TYPE				
General Fund	1,678,056	1,658,186	1,699,238	1,706,775
Federal Revenue Fund	57,907	183,528	183,528	551,351
TOTAL	1,735,963	1,841,714	1,882,766	2,258,126

Appropriation Key Budget Issues

HOMELAND SECURITY UNIT



Homeland Security
Based on the recommendation of Governor Douglas and State Legislative approval, the Homeland Security Unit (HSU) was established within the Department of Public Safety in July 2002. The primary mission of the HSU is to provide coordination and support to all local and state response organizations to ensure that the state is adequately prepared for and respond to a terrorist incident. . The HSU coordinates Homeland Security Grants to provide funding for terrorist or all-hazard preparedness efforts in the areas of planning, training, organizing, exercises, and equipment. The Homeland Security Unit encompasses three specific sections and they include the Homeland Security Unit, The Vermont Fusion Center and the Joint Terrorism Task Force. The Homeland Security Unit has the responsibility to administer the Homeland Security Grant Program. This array of grants amounts to over $7 million dollars a year for Vermont. This responsibility includes programmatic monitoring to ensure that the state builds capabilities within the eight National Priorities. The Vermont Fusion Center is the single criminal information center in the state. The mission of the Vermont Fusion Center is to collect,

analyze, and disseminate information in an effort to identify, investigate, and prevent criminal activity and protect the citizens and critical infrastructures vital to our society. The Joint Terrorism Task Force is a collaborative effort between the Vermont State Police and the Federal Bureau of Investigation that is dedicated to investigating all terrorist activities within and around the state of Vermont. Currently we have one Trooper assigned to the Task Force.

KEY ISSUES:

1) The Homeland Security Unit has a number of initiatives in progress in which millions of dollars will be spent to build national capabilities. These include the Interoperable communications project that has an estimated build out time of two years.

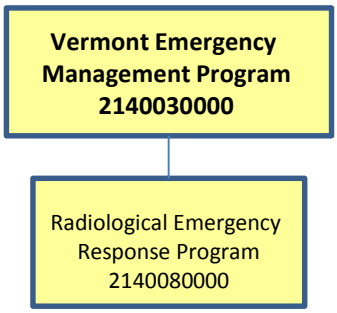
NUMBER OF APPROVED POSITIONS: **9** FTE

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	8,971,888	9,501,852	9,487,962	9,514,027
Operating Expenses	467,670	220,709	1,000,267	222,337
Grants	3,957,758	3,000,000	3,000,000	3,000,000
TOTAL	13,397,316	12,722,561	13,488,229	12,736,364
FUND TYPE				
General Fund	408,952	427,007	413,117	427,007
American Recovery & Reinvestment Act	359,594	68,154	68,154	0
Federal Revenue Fund	12,628,770	12,227,400	13,006,958	12,309,357
TOTAL	13,397,316	12,722,561	13,488,229	12,736,364

Appropriation Key Budget Issues

RADIOLOGICAL EMERGENCY RESPONSE PROGRAM (RERP)



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

Planning: Review, revise and distribute more than 100 state and local emergency response plans for a potential incident at Vermont Yankee Nuclear Power Station in Vernon, Vermont.

Training: The staff coordinates, develops, and conducts training for staff and emergency workers at various facilities and teams. A variety of different level drills and radiological exercises are held quarterly, annually, biannually and every 6 years. The biannual and 6 year exercises are graded by FEMA and the NRC.

Coordination: Ensure that plans and training enable the various facilities and teams to work as a cohesive system.

Resource Allocation: Provide funding for communities, organizations, and state agencies to assist in being prepared for an incident.

Preparedness: Conduct tests, drills, inventories, readiness checks, etc., to ensure that facilities and equipment are prepared for an incident, including evacuation. Maintain communication structure to support the emergency planning zone within the 10-mile zone around VY.

Administration: Provide financial management, support services and logistics to participant

organizations.

KEY ISSUES:

- The VY power plant relicensing issue is up in the air. This means that while the program, planning and exercising continue, the long term investment in the 10-mile EPZ is in flux. If VY closes, 5.5 FTE will be eliminated. This includes 2 staff in Waterbury and the entire Brattleboro field office (3.5).

- The number of state agencies and their staff that support the exercises required for VY are in transition which requires additional training to keep qualified responders prepared in the event there is a serious incident at VY.

- Incidents at VY are increasing as evidenced by the number reported in the last 1.5 years. The owners are not making significant improvements due to lack of a clear 20 year permit extension. The tritium issue, misstatements by management, a recent Unusual Event, an automatic shutdown, storage of fuel rods, etc., have raised concerns.

- There are many volunteers that help support the VY offsite emergency response program. It is difficult keeping trained volunteers engaged in drills and exercises, especially when many are aging, relocating, and/or moving on to other interests.

- A significant VY incident will require the Governor, his Administration and many state agencies to respond. VEM coordinates this response and can brief the Governor and his Administration when requested.

NUMBER OF APPROVED POSITIONS : 7 FTE

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	762,493	729,645	729,645	662,736
Operating Expenses	194,009	184,314	184,314	374,180
Grants	993,827	1,220,350	1,220,350	1,284,594
TOTAL	1,950,329	2,134,309	2,134,309	2,321,510
FUND TYPE				
Special Fund	1,950,329	2,134,309	2,134,309	2,321,510
TOTAL	1,950,329	2,134,309	2,134,309	2,321,510

Department Mission Statement

The state mission of the Vermont National Guard is "Soldiers and Airmen of the Vermont National Guard serve, protect, and defend the citizens of our Communities, State and Nation; ensuring our security and preserving our freedoms." The State of Vermont Military Department commands and supports the National Guard as mandated by state and federal constitutions. The department is also required by State law to provide support to Vermont Veterans. The Department is administered by the Adjutant General and includes the Vermont Army and Air National Guard as well as a State work force integrated into these organizations. The Vermont National Guard serves as a military force available to the governor in the event of state emergencies which exceed the capability of civil authorities; which was demonstrated in 2011 with the response to Tropical Storm Irene and as a federal force, providing an immediate operational force for both the US Army and US Air Force in times of national emergency or war.

Description of Appropriations, Divisions, & Programs

COMPONENTS: As a State force, the Military Department has provided relief services to citizens of Vermont and other states on numerous occasions. This support ranges from providing water storage units in time of drought, helping to bring power and services to storm ravaged areas, to road repair and evacuation in time of flood and other natural disasters. During 2011, response to flooding was provided in April and May to include high water evacuations. An overwhelming response ocurred 28 August 2011 due to Tropical Storm Irene.

During the last 6 years, the Military Department has also been tasked with providing support to over 2,500 deployed Vermont Army and Air National Guard members during their participation in combat operations in Afghanistan and Iraq, as well as other operations worldwide. This support includes maintenance support for the armories throughout the State, assisting with implementing additional security measures as required at Camp Johnson, VTANG and the Aviation Flight Facility; and providing facilities for the feeding and housing of soldiers called to duty for homeland security missions throughout the country. By 2011, the majority of our soldiers are home; but not all. There are still ongoing deployments to various areas.

ADMINISTRATIVE COMPONENT (5 Emp)
Essential Services:

1. Support the Adjutant General's Mission
2. Financial services for the Military Department, through the budgeting process, securing funding for employees' salary and benefits; along with operating funds to maintain the Vermont National Guard and state owned buildings.
3. Human Resources for the Military Department's employees has been consolidated to Department of Human Resources.

4. Coordinate State Active Duty when called to order by the Governor for a state or national emergency.

AIR SERVICE COMPONENT (64 Emp)

Air Fire Department Section

1.Provide fire protection and medical services to the Vermont Air National Guard, Burlington International Airport and their tenants, and mutual aid services to Chittenden County.

2. Fire prevention services for the Vermont Air National Guard, to include code enforcement, inspection, and building code enforcement.
3. Provide heavy rescue services for the city of Winooski and first response for the Northeast area of the City of South Burlington.
4. Respond when called to order by the Governor for a state or national emergency.

Vermont Starbase Youth Program

1. Support the Vermont National Guard's community service mission.
2. Provide hand's on education for at-risk, disadvantaged youth and their schools in Vermont.
3. Inspire greater student interest, knowledge and skills in STEM (science, technology, engineering and math) to address educational standards and economic security for our state and nation.
4. Teach children to work cooperatively, resist drugs and alcohol, and achieve their potential.
5. Develop and maintain successful educational partnerships with Vermont schools, giving highest priority to schools with the greatest need (Title I status).
6. Starbase is 100% federally funded by the Department of Defense.
7. Please visit www.starbasevt.org <http://www.starbasevt.org> for more details.

Air Environmental Management Section

1. Support the Adjutant Generals' and Air Force Mission
2. Maintain the VT Air National Guard's compliance with the following:
   a. All federal, state and local environmental regulations
   b. All National Guard Bureau and Air Force environmental instructions and policies
   c. Executive Order 13423
3. Provide outreach to the local community regarding environmental issues on base.

Air Security Guard Section

1. Staffing levels mandated by Department of Defense for the Security of the Vermont Air National Guard Base.
2. Vehicle and personal identification checks prior entry to VTANG Base.
3. 24 hour perimeter and buildings checks.
4. Respond to alarms and incidents when required.

Air Real Property Management Section

1. Real Property technician tracks capital improvements and all real property located at the Vermont Air National Guard. Tracks energy consumption and trends. Administers the acquisition, management, and disposal of property and equipment for the Vermont Military Department at the Vermont Air National Guard Base.
2. Federal Programs Administrator supports facility maintenance and operations at the Vermont Air National Guard by coordinating federal/state funding sources. Ensures expenditures are made in accordance with governing state and federal requirements.

Air Facility Operations and Maintenance Section

1. Support of the Master Cooperative Agreement created between the National Guard Bureau and the State of Vermont under the direction of the Adjutant General.
2. Operation and Maintenance support on approximately 450,000 sq ft of VTANG Facilities and infrastructure in accordance with mandated and inspected standards.
3. Maintaining Facility systems to have the ability to complete federal flying missions.
4. 24 hour mission for snow removal on F-16 taxiways to be able to complete federal flying missions.
5. Maintenance at Air Force and Industry standards of buildings that house specialized equipment.
6. Provide resources to sustain utilities at all VTANG facilities that houses over 300 full-time Guard staff and over 1,000 part-time guard staff.
7. Airfield mowing to dissuade bird habitat in order to prevent bird strikes in moving aircrafts; impacts flight safety.
8. Life cycle day to day maintenance and repair of facilities at base.

ARMY SERVICE CONTRACT COMPONENT (39 Employees)

Army Logistical Facilities Section

Army Training Site Facilities Section

Army Facility Maintenance and Environmental Section

Army Automated Targetry System Section

Army Construction Projects Section

Army Security Guard Division Section

1. Provide access control for Camp Johnson and the Army Aviation Support Facility (AASF)
   a. Deny access to unauthorized personnel
   b. Log in visitors and issue visitor badges when required
   c. Conduct vehicle searches
   d. Inspect all deliveries to Camp Johnson and the AASF
   e. Report suspicious activity to the JOC and DOMS for follow-up
2. Conduct patrols of Camp Johnson Property to include motor pools and the Ammo Supply Point
3. Conduct building checks at Camp Johnson and the AASF
4. Write incident reports when necessary

5. Respond to alarms and incidents when required.

BUILDING MAINTENANCE COMPONENT(14 Employees)
Building Maintenance Section
Armory Caretaker Section
ARMY SERVICE CONTRACT AND BUILDING MAINTENANCE ESSENTIAL SERVICES:

1. Construction and maintenance of all facilities and land at over 30 locations throughout the state; to include 22 armories, 1 Army Aviation Support Facility, 6 Field Maintenance Shops, Ethan Allen Firing Range, Camp Johnson and Ethan Allen Air Force Base in support of the Vermont Army National Guard (2900+/- soldiers) and their mission for readiness, operations and training, as well as state emergency response capabilities.
2. Provide resources to sustain utilities at all facilities and to employ approximately 42 state employees (with a combination of State and Federal funds) to accomplish the mission.
3. Maintain community based installations with favorable demographics for the Construction Facilities Maintenance Office mission, geographically disbursed, sufficient land areas, good access and good proximity to training areas, adequate infrastructure, and the capability for expansion.
4. Provide accessibility of armories to community organizations for various functions such as: law enforcement agencies for training, wedding receptions, auctions, tool shows, Red Cross, etc. Also for use as polling places and shelters in times of emergency situations.
5. See attached spreadsheet which details the total square footage of all facilities (State & Federal) to include their value.

VETERANS AFFAIRS COMPONENT(7 Employees)

1. Advocacy for Veterans Seeking Federal Benefits - Takes power of attorney to legally represent veterans seeking benefits from the U.S. Department of Veterans Affairs, primarily Disability Compensation. As a result of advocacy work, program annually generates approximately $3M in new benefits to veterans each year, which benefits the veteran as well as ensuring disabled veterans are supported by federal programs instead of state programs.
2. Vermont Veterans Memorial Cemetery - The state is responsible for maintaining the cemetery for perpetuity. Failure to meet minimum standards would not only result in loss of confidence of the veteran community but would result in the removal of our veteran cemetery status, requiring the state to return construction grant funds to the U.S. Department of Veterans Affairs.
3. Vermont Military Records Repository - Maintains over 160,000 military discharge records used to verify eligibility for state and federal benefits. As a result of a fire in 1973 at the national archives, many of these records are unique. Receipt of new records are the driving force behind marketing of federal benefits.
4. Recognition Programs for Veterans - Operates various programs to express the state's appreciation for the service of veterans, including the Vermont Medals Program, High School Diplomas, Veteran License Plate verifications, coordinating the state's annual Memorial Day Ceremony, etc.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Military

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration	6	5	5	866,642	945,206	945,206	977,734
Air Service Contract	58	64	64	5,571,859	6,362,803	6,362,803	6,421,548
Army Service Contract	38	39	39	11,041,743	12,903,989	12,903,989	12,947,720
Building Maintenance	15	15	15	1,345,271	1,366,033	1,366,033	1,376,269
Veterans' Affairs	7	7	7	698,878	798,263	798,263	821,255
TOTAL	124	130	130	19,524,393	22,376,294	22,376,294	22,544,526
FUND TYPE							
General Fund				3,343,742	3,522,791	3,522,791	3,619,390
Special Fund				87,839	84,049	84,049	71,041
Federal Revenue Fund				16,092,812	18,769,454	18,769,454	18,854,095
TOTAL				19,524,393	22,376,294	22,376,294	22,544,526

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	577,888	468,699	468,699	472,318
Operating Expenses	288,754	376,507	376,507	405,416
Grants	0	100,000	100,000	100,000
TOTAL	866,642	945,206	945,206	977,734
FUND TYPE				
General Fund	866,642	945,206	945,206	977,734
TOTAL	866,642	945,206	945,206	977,734

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Air Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	4,408,816	5,148,174	5,148,174	5,206,919
Operating Expenses	1,163,043	1,214,629	1,214,629	1,214,629
TOTAL	5,571,859	6,362,803	6,362,803	6,421,548
FUND TYPE				
General Fund	428,103	467,309	467,309	471,703
Federal Revenue Fund	5,143,756	5,895,494	5,895,494	5,949,845
TOTAL	5,571,859	6,362,803	6,362,803	6,421,548

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Army Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	5,256,523	3,718,269	3,718,269	3,762,000
Operating Expenses	5,785,220	9,185,720	9,185,720	9,185,720
TOTAL	11,041,743	12,903,989	12,903,989	12,947,720
FUND TYPE				
General Fund	129,231	112,435	112,435	125,876
Federal Revenue Fund	10,912,512	12,791,554	12,791,554	12,821,844
TOTAL	11,041,743	12,903,989	12,903,989	12,947,720

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Building Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	803,203	979,453	979,453	938,770
Operating Expenses	542,068	386,580	386,580	437,499
TOTAL	1,345,271	1,366,033	1,366,033	1,376,269
FUND TYPE				
General Fund	1,340,961	1,366,033	1,366,033	1,376,269
Special Fund	4,310	0	0	0
TOTAL	1,345,271	1,366,033	1,366,033	1,376,269

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Veterans' Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	576,972	478,017	478,017	501,009
Operating Expenses	115,145	146,431	146,431	125,246
Grants	6,761	173,815	173,815	195,000
TOTAL	698,878	798,263	798,263	821,255
FUND TYPE				
General Fund	578,805	631,808	631,808	667,808
Special Fund	83,529	84,049	84,049	71,041
Federal Revenue Fund	36,544	82,406	82,406	82,406
TOTAL	698,878	798,263	798,263	821,255

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

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

are also specialized Victim Advocates who work exclusively with victims of domestic violence, child abuse or sexual assault in order to respond to the unique needs of these crime victims. Currently, there are five Victim Advocates who are part of these special prosecution units. A full-time Coordinator position on the Center's staff is charged with providing the supervision and technical assistance necessary to ensure that the advocates continue to perform their duties effectively.
The Restitution Unit, established by Act 57 and passed by the Legislature in FY 2003, was charged with improving the system of ordering and collecting restitution owed to victims by criminal offenders. A 15% surcharge was added to court fines and traffic tickets beginning on July 1, 2003 in order to capitalize a Restitution Fund. A Restitution Unit was created at the Center and became operational on July 1, 2004. Restitution Judgment Orders ordered by the Court are sent to the Unit and payment to the victim is made out of the Restitution Fund up to a $10,000 cap. The Unit then collects from the offender to reimburse the fund (or the victim for orders over $10,000). The Unit also took over the collection of restitution ordered prior to July 1, 2004 from the Department of Corrections.

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

Federal Grant Programs:
VOCA (Victims of Crime Act) federal funds provide "core" services to crime victims, including victims of domestic or sexual violence, child sexual abuse, and elder abuse victims and to the families of homicide victims. These services are provided by Advocates at the Attorney General's Office, SafeSpace of Burlington, Vermont Center for the Deaf & Hard of Hearing, the Victim Assistance Program and the fifteen member programs of the Vermont Network Against Domestic and Sexual Violence.
STOP Violence Against Women Formula Grant supports multi-disciplinary domestic and sexual violence prosecution units in numerous counties across the state, whose work is to ensure the timely disposition of sexual assault, stalking and domestic violence cases while reducing the trauma experienced by victims.
FVPSA (Family Violence Prevention and Services Act) monies provide immediate shelter and related assistance to victims of family violence and their dependents. The grant also funds public awareness activities related to domestic violence.
Rural Domestic Violence and Child Victimization Grant federal funds are aimed at reducing the obstacles that prevent battered women and their children in isolated rural areas from accessing needed services. In Vermont, this grant program funds a Domestic Violence Unit at the Department of Children and Families and children's services at local domestic violence programs.

Community Defined Solutions to Violence Against Women Program (formerly Grants to Encourage Arrest) federal dollars are used to keep domestic violence victims safer and hold batterers more accountable by funding law enforcement, the Domestic Violence Council, and legal services for victims in Family Court matters.
Sexual Assault Services Program formula grant funds are used to provide direct services to victims of sexual assault.
State Grant Programs:
State Domestic Violence and Sexual Assault Funds are passed through to the 15 member programs of the Vermont Network Against Domestic and Sexual Violence to enable them to provide direct service to victims of domestic and sexual violence.
The Supervised Visitation Grant program funds ten Supervised Visitation Centers that provide a neutral place for children to visit their non-residential parent when domestic violence or child abuse is present in the family.

Child Advocacy Center Grant program funds eight nationally accredited Child Advocacy Centers that coordinate the investigation, prosecution and clinical treatment of children who have been sexually abused.
Act 174 provides funding for prevention programs and services to break the generational cycle of domestic violence and support the victims of domestic and sexual violence. The programs included in this act are the fifteen member programs of the Vermont Network Against Domestic and Sexual Violence, Project Safe Choices and SafeSpace of Burlington, Deaf Victim's Advocacy Services, and a domestic Violence Trainer at the Police Academy.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Center for Crime Victims' Services	0	0	0	10,531,804	11,055,389	11,055,389	11,201,662
TOTAL	0	0	0	10,531,804	11,055,389	11,055,389	11,201,662
FUND TYPE							
General Fund				1,101,498	1,154,480	1,154,480	1,164,892
Special Fund				5,093,462	5,931,945	5,931,945	5,996,342
American Recovery & Reinvestment Act				596,723	0	0	0
Federal Revenue Fund				3,740,121	3,968,964	3,968,964	4,040,428
TOTAL				10,531,804	11,055,389	11,055,389	11,201,662

Appropriation Key Budget Issues

The Center's General Fund appropriation was increased by $10,413 to offset increased costs in VISION and DII fees. The Vermont Network Against Domestic and Sexual Violence general fund grant award and the Supervised Visitation Programs general fund grant awards are level-funded in FY 13.

The Center's Special Fund appropriation was increased by $64,397 to cover the cost of step increases, a 2% cost-of-living increase and the rising cost of benefits in FY 13 for Center employees. Salary increases were frozen in FY 10, 11 and 12.

The Center's federal funds were increased by $71,464 due to an increase in our federal Victim Compensation grant award.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,321,467	1,271,163	1,271,163	1,590,567
Operating Expenses	292,115	284,975	284,975	321,278
Grants	8,918,222	9,499,251	9,499,251	9,289,817
TOTAL	10,531,804	11,055,389	11,055,389	11,201,662
FUND TYPE				
General Fund	1,101,498	1,154,480	1,154,480	1,164,892
Special Fund	5,093,462	5,931,945	5,931,945	5,996,342
American Recovery & Reinvestment Act	596,723	0	0	0
Federal Revenue Fund	3,740,121	3,968,964	3,968,964	4,040,428
TOTAL	10,531,804	11,055,389	11,055,389	11,201,662

Department Mission Statement

"The mission of the Vermont Criminal Justice Training Council is to enhance public safety and promote law enforcement excellence by establishing policies, certification standards, training, and resources that embrace best practices in criminal justice to meet the needs of the communities we serve."

The Vermont Criminal Justice Training Council (VCJTC) identifies and offers the most current scientific and defensible training to all police officers in the State of Vermont. The VCJTC also provides technical assistance to the communities, counties and state agencies. To that end, the VCJTC, through the Vermont Police Academy (VPA), conducts full-time basic training, part-time basic training, and in-service training designed to allow officers to achieve and maintain certification in the State of Vermont.

Additionally, canine training and certification and dispatcher training to all departments who wish to enter the program are held at the VPA. The VPA has also been designated as one of the two primary delivery points for homeland security training for emergency responders throughout the State.

Description of Appropriations, Divisions, & Programs

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

The VPA operates two full-time classes each year, consisting of a total of eighteen weeks each including the two-week post-basic training for those graduates without prior certification in such topics as DUI Enforcement, RADAR, etc. The VPA also operates five part-time certification schools. The part-time program consists of three Phases. Phase I is 58 hours of classroom, Phase II is 50 hours of additional classroom training and Phase III consists of 60 hours of on the road, supervised training. While phase II and III are being completed, the officer must work under the direction of a fully certified police officer. The Council certifies approximately 100 part-time officers and 60-70 full-time officers each year plus approximately 25 waiver students from other states. Additionally, an average of 40-50 people attend the VPA each day for in-service education and re-certification training.

The Vermont Police Canine Program currently consists of 39 certified teams from all types of departments including State Police, Municipal Police, Sheriff's Deputies, Fish and Wildlife Wardens and Department of Motor Vehicle Inspectors. These teams are required to train each month and demonstrate their skills during a proficiency test each year. These teams are trained in one or more of the following areas: patrol, tracking, drug detection, black powder detection and bomb detection.

The Council also cooperates with various community organizations by offering the facility for student seminars, recreation events and leadership classes. Additionally, the VPA houses several youth programs

geared to a future in law enforcement and/or firefighting.

Appropriations, Programs: The VCJTC is funded through the general fund and interdepartmental transfers (sub-grants). In addition, federal, state, county and local departments are donating nearly a half million dollars in time and equipment through adjunct faculty. The VCJTC is the recipient of additional sub-grant (interdepartmental transfer) funding in the areas of homeland security, workforce education and development, and underage drinking enforcement.

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

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Criminal Justice Training Council	11	11	11	2,259,189	2,577,308	2,468,838	2,472,871
TOTAL	11	11	11	2,259,189	2,577,308	2,468,838	2,472,871
FUND TYPE							
General Fund				1,587,039	2,324,636	2,217,580	2,221,393
Special Fund				398,387	0	0	0
Interdepartmental Transfer				273,763	252,672	251,258	251,478
TOTAL				2,259,189	2,577,308	2,468,838	2,472,871

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,033,931	1,291,238	1,190,086	1,277,366
Operating Expenses	1,225,258	1,286,070	1,278,752	1,195,505
TOTAL	2,259,189	2,577,308	2,468,838	2,472,871
FUND TYPE				
General Fund	1,587,039	2,324,636	2,217,580	2,221,393
Special Fund	398,387	0	0	0
Interdepartmental Transfer	273,763	252,672	251,258	251,478
TOTAL	2,259,189	2,577,308	2,468,838	2,472,871

Department Mission Statement

The mission of the Vermont Agency of Agriculture, Food and Markets is to facilitate, support and encourage the growth and viability of agriculture while protecting the working landscape, human health, animal health, plant health, consumers, and the environment.

Description of Appropriations, Divisions, & Programs

The Agency continues its role in the Governor's Clean and Clear initiative to improve and protect Vermont's water quality. Clean and Clear tackles the problem of phosphorus runoff through a comprehensive and accelerated cleanup program. The Agency of Agriculture and the Agency of Natural Resources administer this multi-million dollar project.

The Administration Division provides oversight and direction for the entire Agency. The Administration also develops the biennial report, manages legal functions, and provides business services for the Agency. The Agency is currently undertaking an upgrade to its computer database systems to be able to move toward web based licensing, registration and permitting. The Mosquito Control Program provides assistance to mosquito control districts, oversees larviciding and provides related training.

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

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

The Agricultural Resource Management and Environmental Stewardship Division:

Assures Vermont crops are free of injurious pests by providing technical assistance, quarantine activities, field and shipping point inspections and crop and pest monitoring activities.

Protects public health and the environment from the adverse affects of pesticide products through

training, licensing, monitoring, disposal grants, enforcement, education and product registration for pesticide applicators, dealers, manufacturers, and the general public.

Provides mosquito districts or municipalities with financial and technical assistance, such as, adult and larval surveys and assistance for control programs in order to reduce mosquito populations below nuisance population levels or levels capable of vectoring disease.

Registers, inspects and analyzes commercial feed and pet food products, commercial feed facilities, commercial and specialty fertilizer products and facilities, and seed products to assure they meet standards and their stated guarantees.

Provides serological, microbiological and chemical analysis of Vermont's agricultural products, agricultural inputs and environmental samples in support of the Agency's regulatory and technical assistance programs

The Food Safety and Consumer Assurance Division serves to:

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

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

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

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

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

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

Assure that species, such as rabbits and game birds that are not normally inspected are processed in a

sanitary facility when they are to be sold to restaurants in Vermont. This is done in conjunction with the Department of Health.

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

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

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

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

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

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

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

The Agricultural Development Division
The Agricultural Development Division supports and assists Vermont's agricultural industry by providing leadership, technical and business expertise by:

Analyzing key agricultural sectors to determine appropriate investment and focus of Vermont's development resources. Sectors include: organic dairy, artisanal cheese and livestock for meat.

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

Promoting the development of innovative agricultural energy and nutrient management business through leadership and recruitment.

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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration	8	8	10	1,611,533	1,591,033	1,690,919	1,622,169
Food Safety and Consumer Protection	34	36	36	6,169,743	5,989,131	5,966,794	5,701,207
Agricultural Development	7	8	10	2,751,761	2,950,014	3,037,378	2,986,439
Labs, Agri Resource Mgmt & Envir Stewardship	34	34	37	4,289,400	4,425,121	5,676,190	4,699,221
TOTAL	83	86	93	14,822,437	14,955,299	16,371,281	15,009,036
FUND TYPE							
General Fund				5,082,162	5,481,788	6,564,039	5,782,823
Special Fund				7,070,615	6,825,848	6,928,837	6,553,595
Federal Revenue Fund				2,257,595	2,006,057	2,215,799	2,234,425
Global Commitment Fund				0	90,278	90,278	90,278
Interdepartmental Transfer				412,065	551,328	572,328	347,915
TOTAL				14,822,437	14,955,299	16,371,281	15,009,036

Appropriation Key Budget Issues

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

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

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	873,806	774,589	761,929	876,873
Operating Expenses	254,930	367,534	440,296	378,386
Grants	482,797	448,910	488,694	366,910
TOTAL	1,611,533	1,591,033	1,690,919	1,622,169
FUND TYPE				
General Fund	1,059,000	1,091,802	1,191,688	1,108,085
Special Fund	450,183	250,031	250,031	254,851
Federal Revenue Fund	60,350	150,928	150,928	160,961
Global Commitment Fund	0	56,272	56,272	56,272
Interdepartmental Transfer	42,000	42,000	42,000	42,000
TOTAL	1,611,533	1,591,033	1,690,919	1,622,169

Appropriation Key Budget Issues

Food Safety and Consumer Protection - Ensuring infrastructure for Vermont's meat industry while providing State inspection services to slaughter facilities and processors.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	2,743,345	2,786,723	2,752,125	2,733,957
Operating Expenses	792,726	759,173	771,434	567,250
Grants	2,633,672	2,443,235	2,443,235	2,400,000
TOTAL	6,169,743	5,989,131	5,966,794	5,701,207
FUND TYPE				
General Fund	2,147,642	2,212,524	2,157,373	2,173,755
Special Fund	3,296,744	3,139,114	3,150,928	2,912,594
Federal Revenue Fund	718,435	596,487	596,487	573,852
Global Commitment Fund	0	34,006	34,006	34,006
Interdepartmental Transfer	6,922	7,000	28,000	7,000
TOTAL	6,169,743	5,989,131	5,966,794	5,701,207

Appropriation Key Budget Issues

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

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Agricultural Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,029,989	943,019	999,480	1,090,891
Operating Expenses	335,571	305,995	309,098	534,548
Grants	1,386,201	1,701,000	1,728,800	1,361,000
TOTAL	2,751,761	2,950,014	3,037,378	2,986,439
FUND TYPE				
General Fund	292,304	521,897	518,086	756,937
Special Fund	1,411,428	1,438,588	1,529,763	1,438,908
Federal Revenue Fund	938,549	689,529	689,529	745,143
Interdepartmental Transfer	109,480	300,000	300,000	45,451
TOTAL	2,751,761	2,950,014	3,037,378	2,986,439

Appropriation Key Budget Issues

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

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	2,908,769	2,912,179	3,025,416	3,114,267
Operating Expenses	625,890	761,268	761,798	751,280
Grants	754,741	751,674	1,888,976	833,674
TOTAL	4,289,400	4,425,121	5,676,190	4,699,221
FUND TYPE				
General Fund	1,583,216	1,655,565	2,696,892	1,744,046
Special Fund	1,912,260	1,998,115	1,998,115	1,947,242
Federal Revenue Fund	540,261	569,113	778,855	754,469
Interdepartmental Transfer	253,663	202,328	202,328	253,464
TOTAL	4,289,400	4,425,121	5,676,190	4,699,221

Department Mission Statement

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

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

Description of Appropriations, Divisions, & Programs

Banking Division

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

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

□□□□□Training for Examiners

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

1) Supervision which includes issuing charters and licenses as well as conducting examinations and investigations of all regulated entities in such areas as safety and soundness, trust, electronic data processing, e-banking, business practices, and compliance. These organizations are supervised by the Commissioner in a manner to assure the solvency, liquidity, stability and efficiency of all such organizations to assure reasonable and orderly competition thereby encouraging the availability of financial services to the public.

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

3) Education that centers on providing the public with valuable information through public speaking engagements, brochures, and surveys which can be used when making a decision regarding choice of institution or product. Survey results and other information about chartered and licensed entities are available on the Department's web site www.bishca.state.vt.us.

Insurance Division

The **Insurance Division**'s mission is to keep insurance affordable and available to Vermont policyholders through orderly competition, ensure that insurers are able to meet their contractual obligations, and to protect consumers against unfair and unlawful business practices. The Division accomplishes this mission by:

- Licensing and overseeing the financial stability of the insurance companies doing business in Vermont;
- Licensing individuals involved in Vermont's insurance industry;
- Providing consumer protection, education and outreach;
- Overseeing rates and forms used by insurers;
- Monitoring the competitiveness of Vermont's insurance markets; and
- Participating at a national level of state regulation as a member of the National Association of Insurance Commissioners.

The Insurance Division's activities are organization around six broad program areas:

1) *The Financial Examination and Company Licensing Section* monitors insurers for solvency and capital adequacy through rigorous licensing requirements, on-going financial analysis, on-site

financial examinations and the approval of insurance company transactionsagents by various licensed companies. Licenses are issued to insurance producers, adjusters, appraisers, consultants, public adjusters, managing general agents, reinsurance intermediaries, surplus lines brokers and life settlement brokers. Producer licenses and company appointments are granted on a biennial basis in odd numbered years. Adjusters and all other individual license types renew in even numbered years.

2) *The Producer Licensing Section* licenses insurance professionals and administers their appointments as agents by various licensed companies. Licenses are issued to insurance producers, adjusters, appraisers, consultants, public adjusters, managing general agents, reinsurance intermediaries, surplus lines brokers and life settlement brokers. Producer licenses and company appointments are granted on a biennial basis in odd numbered years. Adjusters and all other individual license types renew in even numbered years.

3) *The Consumer Services Section* resolves consumer complaints as well as provides consumer education and guidance across all lines of insurance. The staff regularly attends the ***50+ Expo*** held at the Sheraton in Burlington each January as well as the ***Barre Home Show*** in April and distributes flyers and brochures and answers individual consumer questions. In 2011, the staff handled significant consumer contacts relating to damage caused by three severe weather events including Tropical Storm Irene. Over 150 consumer contacts were generated by Irene alone and the staff assisted the public with information about flood insurance coverage, federal disaster assistance, claims, and intervention with FEMA's National Flood Insurance Program personnel.

4) *The Rate & Forms Section* reviews and approves filed insurance policy forms and certain filed premium rates for insurance companies licensed to do business in Vermont. As part of Vermont's health care reform initiative, the Section will implement guidelines starting in January 2012 for enhanced rate review of health insurance premiums in conjunction with the new Green Mountain Care Board's oversight of health and long term care insurance rate increases.

5) *The Market Conduct Function* is the investigative and enforcement arm of the Division that ensures that insurance companies are in compliance with Vermont law and regulations. Examiners conduct periodic investigations to identify non-compliant activities resulting in enforcement actions by the Department's Legal Department to recover appropriate restitution for policyholders.

6) *Various Health Insurance-Related Functions* that were formerly housed at the Division of Health Care Administration are now assigned to the Division of Insurance. Health rates and forms and health consumer services were integrated into the relevant above-mentioned sections. Additional health reform tasks are being housed in the Insurance Division including Health Care Quality Improvement, Grants Administration and the insurance-related aspects of the new Health Exchange program financed by federal grant money.

Captive Insurance

The mission of the **Captive Insurance Division** is to maintain a regulatory system that ensures the

solvency of captive insurers while recognizing the special purpose for which they were created. The Division pursues this mission by:

- Performing thorough, skeptical review of applications for admission
- Performing ongoing financial surveillance
- Performing periodic financial examinations
- Implementing and enforcing laws and regulations
- Developing effective and reasonable policies and procedures
- Advancing the growth of Vermont's captive industry

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

Currently there are approximately 570 active captive insurance companies licensed in this state. Vermont remains the country's premier domicile for captive insurance. The Captive Insurance Division is charged with licensing and examining these insurers to ensure their financial solvency. The Division collects fees for its licensing and examination activities which offset the cost of staffing the examination section. Captive insurers create an estimated 1,400 jobs in Vermont and generate premium taxes for the state; in FY2010, 42 new licenses were issued to Captive insurers and the Captive insurance industry paid approximately $23,400,000 in Vermont premium taxes.

Securities Division

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

- Registering securities broker/dealers, investment advisors, and their representatives
- Examining/auditing the above for compliance with the law
- Investigating violations of the securities laws
- Responding to investor complaints
- Reviewing and approving securities offered to Vermont investors
- Bringing administrative or civil actions against violators of the securities laws
- Educating investors and industry participants about the securities laws
- Granting exceptions from registration, where appropriate, and
- Creating policy and regulations that further the mission

In FY2010, the Division's revenue from all sources was $20.74 million. In FY 2011, the Division's revenue from all sources, including fines and licensing fees, was $20.78 million. The Divisions receipts declined in the area of fines, which had been seen material increases resulting from multi-state

enforcement actions. This was offset by increases in securities registrations and individual registrations.

As stated earlier, the Securities Division's dual mission is to protect consumers while facilitating the legitimate formation of capital. As the 2008 financial crisis passes, complaint activity has decreased. However, the nature of the complaints has required a deeper analysis of the issues alleged. Further, the Division continues to ramp up is examination process. These additional efforts have been undertaken without reducing the level of consumer protections.

One of the Division's core functions is consumer outreach and education. The Division engages in many investor education efforts each year. Many of these activities are specifically designed and implemented to reach seniors. The Division conducted 18 outreach events for calendar year 2011 reaching over 800 Vermonters with our fraud awareness message. This message is designed to instruct investors to verify licensing/registration status prior to engaging in business.

Health Care Administration Division:

The mission of **Health Care Administration (HCA)** is to achieve an accessible, affordable, high quality health care system for all Vermonters. To that end, HCA will provide support to the Governor's Director of Health Care Reform and work with other state agencies to achieve Governor Shumlin's goal of universal, high quality health care for Vermonters at a sustainable cost.

HCA accomplishes its mission by:

- Providing information and data analysis.
- Advancing effective public policies.
- Containing costs.

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The vision of the Division of Health Care Administration (HCA) is that Vermont will have the highest quality, most affordable, most accessible health care system in the country.

<u>Division Overview</u>

HCA strives to carry out its regulatory responsibilities and respond to inquiries from the Governor, the Legislature and the public in a timely, efficient and effective manner. The Division implements the Certificate of Need processes to contain health care costs, conducts data research and analysis, develops information to inform policymakers and oversees the independent external review of health care service decisions. The following describes HCA's major functions by unit.

CONSUMER PROTECTION PROGRAMS

External Appeals Program: In 2011, as a result of the Federal Affordable Care Act, the Legislature merged the volunteer Independent Panel of Mental Health Providers into the independent external review program for health care service denials. The program contracts with Independent Review Organizations (IROs) to perform reviews. This program ensure that Vermonters can obtain independent review based on objective clinical evidence when their health insurers deny claims for lack of medical necessity or other specified medically based grounds. The responsible Division staff member is on call 24-hours a day/7 days per week to ensure access to independent review for denials of emergency and urgently needed care.

DATA, INFORMATION AND ANALYSIS

Under the provisions of 18 V.S.A. § 9410, HCA is charged with maintaining a unified health care database to support research about the financing, availability, delivery, cost and quality of health care services offered to Vermonters and in Vermont. HCA administers data collection and reporting programs related to health insurance coverage and financial access to care as measured by the 2012 Vermont Household Health Insurance Surveys; health insurance market financial and enrollment statistics submitted by insurers on the Annual Statement Supplement Reports and reported by BISHCA annually; public and private health insurance enrollment, expenditures, and utilization of covered services as supported by claims data collection and reporting by the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES); and utilization of hospital services in Vermont hospitals by residents and non-residents (Uniform Discharge Data Set) and by Vermonters receiving hospital services in bordering states. VHCURES is a key tool for planning and evaluating the impacts of health care reform initiatives and programs. All of these activities are fundamental to supporting health care reform activities under the Governor's plan.

CERTIFICATE OF NEED (CON)

The CON program continues to refine the hospital and health care facility delivery system in order to enhance cost containment and health care quality. It is hoped through the consistent regulation of large health care system investments, Vermont's health care resources will be delivered in a rational, efficient fashion, providing all Vermonters with high quality health care in the most cost effective manner. Until July 1, 2012, the Commissioner reviews and approves or denies CON applications.

BISHCA Administration and General Counsel Division:

The Administration Division, including the General Counsel's Office, supports the other five divisions

of BISHCA. Specifically the Administration Division provides for internal budgeting and business management services, consumer education and public information services including, consumer outreach and assistance, media liaison, internal and external communications, including in-house website design, content management and publishing. The administration division also provides IT support and executive and administrative assistant services throughout the department. The General Counsel's office provides for the legal services to all divisions of BISHCA. Additionally, the General Counsel's office provides legal analysis and drafting for legislative proposals.

The Administration Division's mission is to provide the best possible tools, infrastructure and operations expertise to all BISHCA divisions. This is achieved through organizational management, financial and technological support and effective, professional communications.

The General Counsel's Office mission is to maintain high quality legal and enforcement services to BISHCA, characterized as: timely, competent, clearly communicated, independent, and effective as an advocate for the client. The General Counsel's Office, within the Administration Division, consists of all of the Department's attorneys. The Office is responsible for providing legal services and enforcement support for each of the Divisions, and for the Department as a whole.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Banking	15	15	15	1,592,331	1,584,534	1,584,534	1,597,584
Insurance	24	26	36	2,863,415	3,465,280	3,465,280	6,110,353
Captive	28	28	32	3,509,965	3,691,442	3,880,479	4,030,502
Securities	5	5	6	542,083	591,959	591,959	682,787
Health Care Administration	19	24	5	4,463,073	5,924,401	5,389,769	2,798,564
Administration	21	18	17	2,092,660	1,989,647	1,912,645	1,893,031
TOTAL	112	116	111	15,063,527	17,247,263	16,824,666	17,112,821
FUND TYPE							
Special Fund				12,982,627	14,820,737	14,586,536	14,334,872
Federal Revenue Fund				182,557	527,702	472,554	1,504,283
Global Commitment Fund				1,898,343	1,898,824	1,765,576	1,048,666
Interdepartmental Transfer				0	0	0	225,000
TOTAL				15,063,527	17,247,263	16,824,666	17,112,821

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Banking

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,347,426	1,343,681	1,343,681	1,344,820
Operating Expenses	244,905	240,853	240,853	252,764
TOTAL	1,592,331	1,584,534	1,584,534	1,597,584
FUND TYPE				
Special Fund	1,592,331	1,584,534	1,584,534	1,597,584
TOTAL	1,592,331	1,584,534	1,584,534	1,597,584

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	2,499,300	3,027,935	3,027,935	5,663,896
Operating Expenses	364,115	437,345	437,345	446,457
TOTAL	2,863,415	3,465,280	3,465,280	6,110,353
FUND TYPE				
Special Fund	2,863,415	3,465,280	3,465,280	4,101,506
Federal Revenue Fund	0	0	0	1,268,147
Global Commitment Fund	0	0	0	615,700
Interdepartmental Transfer	0	0	0	125,000
TOTAL	2,863,415	3,465,280	3,465,280	6,110,353

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	3,053,446	3,262,719	3,451,756	3,600,947
Operating Expenses	456,519	428,723	428,723	429,555
TOTAL	3,509,965	3,691,442	3,880,479	4,030,502
FUND TYPE				
Special Fund	3,509,965	3,691,442	3,880,479	4,030,502
TOTAL	3,509,965	3,691,442	3,880,479	4,030,502

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Securities

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	425,670	442,445	442,445	529,156
Operating Expenses	116,413	149,514	149,514	153,631
TOTAL	542,083	591,959	591,959	682,787
FUND TYPE				
Special Fund	542,083	591,959	591,959	682,787
TOTAL	542,083	591,959	591,959	682,787

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	4,192,134	5,581,274	5,046,642	2,695,600
Operating Expenses	270,939	343,127	343,127	102,964
TOTAL	4,463,073	5,924,401	5,389,769	2,798,564
FUND TYPE				
Special Fund	2,382,173	3,497,875	3,151,639	2,029,462
Federal Revenue Fund	182,557	527,702	472,554	236,136
Global Commitment Fund	1,898,343	1,898,824	1,765,576	432,966
Interdepartmental Transfer	0	0	0	100,000
TOTAL	4,463,073	5,924,401	5,389,769	2,798,564

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,948,280	1,808,446	1,731,444	1,700,967
Operating Expenses	144,380	181,201	181,201	192,064
TOTAL	2,092,660	1,989,647	1,912,645	1,893,031
FUND TYPE				
Special Fund	2,092,660	1,989,647	1,912,645	1,893,031
TOTAL	2,092,660	1,989,647	1,912,645	1,893,031

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Office is comprised of the divisions of Vermont State Archives and Records Administration, Elections, Corporations, and Professional Regulation, as well as the Safe at Home address confidentiality program.

VERMONT STATE ARCHIVES AND RECORDS ADMINISTRATION
The Vermont State Archives and Records Administration (VSARA) division within the Office of the Secretary of State advises and guides public agencies in records and information management; appraises and schedules public records so they are preserved only as long as they have a legal or administrative value; preserves and enhances access to the State government's archival records; and operates a secure record center for non-permanent and inactive agency records.

VSARA cooperates with other public agencies in identifying technical and legal guidelines for managing public records, including digital records, and may offer advice on questions associated with the statutory provisions governing access to public records. The primary statutory authority for VSARA is found in 3 V.S.A. §117 and 3 V.S.A. §218 and in the broader requirements of Article VI, Chapter I, of the Vermont Constitution for the accountability of government officials to the public.

ELECTIONS
The Elections division of the Office of the Secretary of State protects the integrity of campaigning and elections in Vermont; facilitates the access of all citizens to elections, governmental activities, and public issues; provides administration and support for the orderly conduct of elections, including making recommendations for improvements to the process (both technological and policy); provides advice and direction to 246 town clerks and Boards of Civil Authority (the local elections boards) to promote compliance with all requirements of federal and state election laws; provides materials and direction to public assistance agencies and the Department of Motor Vehicles to promote compliance with the requirements of federal law for voter registration; provides responsive and accurate information and advice to citizens, candidates, public officials, and the press on elections, campaign finance, lobbyist disclosure, open meeting, public records, and municipal questions; administers the campaign finance and lobbyist disclosure laws; continues to increase the availability of information through its web site and publications; and provides public education to encourage the participation of all citizens of voting

age in the Vermont elections process.

As of the 2010 census, there were 499,582 citizens of voting age and, as of November 2010, there were 453,181 registered voters in Vermont. The Elections division serves citizens, voters, candidates, political parties, political committees, public officials (elected and appointed), members of the press, lobbyists, lobbyist employers, students, public interest groups and a wide variety of researchers and academicians.

CORPORATIONS
The Corporations division within the Office of the Secretary of State strives to provide a business friendly environment and to facilitate commerce by administering state law related to records identifying foreign and domestic corporations, partnerships, limited liability companies, and sole proprietorships doing business in Vermont; by registering trademarks and trade names; and by acting as the central filing office for Uniform Commercial Code liens. Through its web pages, the office seeks to increase opportunities for business to register and file, and for the public to search for information.

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

OFFICE OF PROFESSIONAL REGULATION
The Office of Professional Regulation within the Office of the Secretary of State serves 45 professions and approximately 55,000 licensees by providing administrative, investigative and legal assistance to the regulatory programs for these professions. The mission of the Office of Professional Regulation is to protect the public from unethical, incompetent or otherwise unprofessional behavior by licensed practitioners in the professions and occupations that are regulated through the Office; to protect the public from practitioners in these fields who are unauthorized to practice; and to ensure equity in licensing, regulation and discipline by fairly and responsibly administering the rules and statutes pertaining to these professions and occupations.

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Secretary of State

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Secretary of State	65	66	68	7,785,612	8,737,583	8,732,440	8,832,835
TOTAL	65	66	68	7,785,612	8,737,583	8,732,440	8,832,835
FUND TYPE							
General Fund				1,662,027	1,529,127	1,477,995	1,518,552
Special Fund				5,259,697	5,133,456	5,133,456	5,239,283
Federal Revenue Fund				787,048	2,000,000	2,045,989	2,000,000
Interdepartmental Transfer				76,840	75,000	75,000	75,000
TOTAL				7,785,612	8,737,583	8,732,440	8,832,835

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	5,884,115	5,698,916	5,756,063	6,029,934
Operating Expenses	1,824,071	2,038,667	2,038,667	1,857,787
Grants	77,426	1,000,000	937,710	945,114
TOTAL	7,785,612	8,737,583	8,732,440	8,832,835
FUND TYPE				
General Fund	1,662,027	1,529,127	1,477,995	1,518,552
Special Fund	5,259,697	5,133,456	5,133,456	5,239,283
Federal Revenue Fund	787,048	2,000,000	2,045,989	2,000,000
Interdepartmental Transfer	76,840	75,000	75,000	75,000
TOTAL	7,785,612	8,737,583	8,732,440	8,832,835

Department Mission Statement

The Department of Public Service serves all citizens of Vermont through public advocacy, planning, policy development, and programs carried out by the Consumer Affairs and Public Information, Energy Efficiency, Engineering, Planning, Telecommunications and Economics Divisions, to meet the public's need for least cost, environmentally sound, efficient, reliable, secure, sustainable, and safe energy services, telecommunications services, and regulated utility systems.

Description of Appropriations, Divisions, & Programs

The DPS is predominantly funded by the gross receipts tax on utility bills, pursuant to 30 V.S.A § 22, with some programs funded through federal grants.

Divisions and Programs

Public Advocacy. DPS serves as the ratepayers' Public Advocate, through the Public Advocacy Division, before the Public Service Board, other State and federal agencies and courts on issues related to electricity, natural gas, telephone, cable TV, and to some extent for water and wastewater services. The DPS enforces statutes and rules related to transactions between utilities and their customers, and upholds established rules of service when a consumer is not satisfied with service received from a regulated utility company.

Consumer Protection. The Consumer Affairs & Public Information Division provides information and educational programs for consumers of the state's utility-type services, focusing primarily on residential consumers of electric and telecommunications services. DPS has procedures for dispute resolution and disconnection prevention. The Division also provides educational and self-advocacy information, promotes the passage of laws and rules to protect consumers, monitors the implementation and effectiveness of the law, rule or policy, and provides expert support to public advocacy functions.

Energy Efficiency. The Division reviews and evaluates Efficiency Vermont's energy efficiency programs; proposes and promotes strategies and programs to enhance energy savings for customers, the Vermont economy and environment; and works in public/private partnerships to develop renewable energy resources in the state. The Division writes and manages grants to support innovative energy efficiency strategies and to build on its successful efforts promoting renewable and sustainable energy technologies in Vermont.

Regulated Utility Planning. The Planning Division reviews the State's current and long term needs for electric energy and for a least cost portfolio of options to meet the State's future demand. The Planning Division reviews utility power supply and cost information, monitoring for consistency with policy

recommendations in the Vermont Comprehensive Energy and Electric Plan, regularly reviews fossil fuel price forecasts, and provides expert support to public advocacy functions. The Planning Division also prepares statewide planning documents and publishes general and technical reports.

Utility Finance and Economics. The Utility Finance and Economics Division provides financial and economic analysis to all divisions including providing expert support to the DPS public advocacy functions. The Division also collects and organizes regulated utility annual report information, collects and accounts for the gross receipts tax that finances State utility regulation functions, and manages the DPS Purchase and Sale of Power Program.

Administration. The Department carries out administrative functions for the Commissioner's Office, personnel, and business management.

Purchase and Sale of Power. The Department contracts on behalf of the state for the purchase of cost effective power for sale, from time to time, at retail to residential customers and at wholesale to the state's electric companies. DPS currently sells a small amount of wholesale power and hasn't had any retail sales since 1996.

Utility Safety. DPS has a significant role in utility systems oversight, gas safety programs, and utility accident prevention and investigation.

Telecommunications. The Telecommunications Division provides policy development and regulatory enforcement related to local exchange telephone services, toll services, internet and other high-speed data services, cable television, and federal telecommunications issues. It also provides policy guidance and expert support to the DPS public advocacy function.

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

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

Energy Emergency Planning. The Department has developed and documented a procedure that defines steps that must be taken in the event of a serious energy shortage, including energy monitoring activities, responsibility assignment, and specific directions to be carried out under various energy emergency conditions.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Regulation & Energy	47	52	52	23,423,720	29,372,953	30,791,682	16,163,445
TOTAL	47	52	52	23,423,720	29,372,953	30,791,682	16,163,445
FUND TYPE							
Special Fund				10,668,969	12,341,218	13,759,947	10,345,714
American Recovery & Reinvestment Act				12,007,573	15,873,935	15,873,935	4,909,080
Federal Revenue Fund				747,178	1,157,800	1,157,800	843,755
Enterprise Fund				0	0	0	37,696
Interdepartmental Transfer				0	0	0	27,200
TOTAL				23,423,720	29,372,953	30,791,682	16,163,445

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	11,192,389	7,428,529	8,847,258	9,693,417
Operating Expenses	679,493	847,636	847,636	2,041,069
Grants	11,551,838	21,096,788	21,096,788	4,428,959
TOTAL	23,423,720	29,372,953	30,791,682	16,163,445
FUND TYPE				
Special Fund	10,668,969	12,341,218	13,759,947	10,345,714
American Recovery & Reinvestment Act	12,007,573	15,873,935	15,873,935	4,909,080
Federal Revenue Fund	747,178	1,157,800	1,157,800	843,755
Enterprise Fund	0	0	0	37,696
Interdepartmental Transfer	0	0	0	27,200
TOTAL	23,423,720	29,372,953	30,791,682	16,163,445

Department Mission Statement

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Public Service Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Public Service Board	27	27	27	2,854,276	3,247,365	3,247,365	3,075,581
TOTAL	27	27	27	2,854,276	3,247,365	3,247,365	3,075,581
FUND TYPE							
Special Fund				2,684,083	3,001,980	3,001,980	2,823,980
American Recovery & Reinvestment Act				170,193	245,385	245,385	251,601
TOTAL				2,854,276	3,247,365	3,247,365	3,075,581

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Public Service Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	2,595,126	2,860,205	2,860,205	2,682,650
Operating Expenses	259,150	387,160	387,160	392,931
TOTAL	2,854,276	3,247,365	3,247,365	3,075,581
FUND TYPE				
Special Fund	2,684,083	3,001,980	3,001,980	2,823,980
American Recovery & Reinvestment Act	170,193	245,385	245,385	251,601
TOTAL	2,854,276	3,247,365	3,247,365	3,075,581

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Enhanced 911 Board has statutory responsibility for the design, installation and operation of state wide enhanced 9-1-1. The Board establishes standards for system performance based on nationally accepted industry standards and best practices. The Board undertakes a variety of activities to ensure that performance standards are met and that the public receives the highest quality service possible, in a uniform manner state wide.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Enhanced 9-1-1 Board	11	11	11	4,493,459	5,845,256	5,845,256	4,987,418
TOTAL	11	11	11	4,493,459	5,845,256	5,845,256	4,987,418
FUND TYPE							
Special Fund				4,493,459	5,845,256	5,845,256	4,987,418
TOTAL				4,493,459	5,845,256	5,845,256	4,987,418

Appropriation Key Budget Issues

Enhanced 9-1-1 Operating System Costs

FY11 is a transition year for Vermont's 9-1-1 operating system as we move to a new vendor. We will be cutting over to the new operating system in the middle of May, 2011 and it should be fully functional on 07/01/11. In 2012 we will experience a one-time cost spike for transitional expenses. The one-time costs were anticipated in the new contract, and aired fully with the administration and in past budget testimony.

Statutory Amendments

The legislation that created the Enhanced 911 Board and system was passed in 1994. We are reviewing the legislation to determine whether to do some housekeeping, and if the Board determines it appropriate to do so, we will discuss those ideas with the key legislative committees at that time.

Rulemaking

Rulemaking is a priority in FY12. The current Standards speak to the telco-based system envisioned in 1996 and used until 2007, rather than the next generation IP-based system we currently have. The E9-1-1 Board has rulemaking authority and a responsibility to ensure the safety and reliability of Vermont's E9-1-1 system. The Board will need to retain legal and other expertise necessary to promulgate new Rules that bear on the complex, evolving telecommunications market.

Public Education

The Enhanced 9-1-1 Board relies on the emergency service community to make the public aware of E9-1-1, including presentations in the elementary schools. Due to budget pressures, we have not been able to provide adequate training materials. Early training around the proper use of E911 system enhances public safety and provides major benefits to emergency service providers and citizens alike. We need to restore the investment in elementary school awareness training.

Long-Term Pressure on the Universal Service Fund Tax Base

The E9-1-1 Board relies completely on the state's Universal Service Fund (USF) for its funding. Many subscribers are shifting to Voice over IP (VoIP) or voice service which is not presently captured in the USF tax base. In turn, this is pressuring traditional telephone providers to reduce what they charge. Many Vermonters are subscribing for wireless service only. In other states, 9-1-1 fees are experiencing annual reductions of approximately 8% due to these trends. We expect to see similar reductions as broadband, cable, and wireless coverage expands in Vermont.

Moreover, a recent decision by the Eight Circuit Court of Appeals, now on further appeal, in the matter of Vonage Holdings Corp. vs. the Nebraska Public Service Commission found that Vonage, and presumably other VoIP providers, do not have to pay into the local Universal Service Funds because such payment interferes with interstate commerce. If ultimately successful, there is some concern that the precedent could then be applied to landline and wireless services shrinking USF contributions further. While we expect that the current funding model to be sufficient for FY 12, it may not be reliable indefinitely.

Performance Program Information

Enhanced 9-1-1 Board
Program & Performance Measures
FY '13
David Tucker
Executive Director

Overview

- **Programs Administered**: The Enhanced 9-1-1 Board ("Board") administers the emergency 9-1-1 system for the State of Vermont. This statewide system enables an individual to access the appropriate emergency services (ambulance, fire, and police) with one phone call to 911, and aids in directing those responders to the individual's location. The system is entirely funded through appropriation of a portion of the Universal Service Fund, which is assessed against certain telecommunication services.

- **Performance Outcomes and Measures**: We have largely completed the migration to a new system to support E9-1-1 call-taking functions. With this new system, hosted by Intrado ("Contractor"), we will be managing the performance of Contractor with several contractually required performance measures:

1. A9-1-1 Routing System Availability
The A9-1-1 Routing system will be 99.999% available to deliver 9-1-1 voice calls to Power 9-1-1 workstations at State's PSAPs, as measured by the cumulative number of minutes of downtime when the system is unable to deliver 9-1-1 voice calls. This equates to a cumulative system downtime not to exceed 5.26 minutes per year averaged over the Initial Term.
Measurement Method: Downtime starts when 9-1-1 voice calls cannot be delivered to any of State's PSAPs. The duration of the A9-1-1 routing system downtime will be determined by data contained in the A9-1-1 routing log files.
Excused Downtime: Downtime will be excused for scheduled maintenance and upgrades provided that the Contractor has given the State twenty-four (24) hours notice of such maintenance, and for causes beyond Contractor's control, including network failures for any network element not

provided by Contractor, power outages, environmental causes and force majeure.
Metrics Reporting*:* Contractor will provide State with a Clear View monthly metrics report showing the number of minutes of system downtime that month, the cumulative system downtime over the contract period to date, and the A-1-1 routing system percent availability for the contract period to date.
Penalty*:* In any given month, in the event that the system downtime for any given event exceeds five (5) minutes, or the cumulative system downtime from multiple events in the same month exceeds five (5) minutes, then a $2,500.00 penalty shall be accrued for that month. If there are multiple system outages which exceed five (5) minutes in any given month, then a $2,500.00 penalty shall be accrued that month for each of these events. In addition, in the event that the cumulative system downtime exceeds 21.04 minutes during the Initial Term, then a $10,000.00 penalty shall be credited on the last invoice of the Initial Term.

2. A9-1-1 ALI System Availability
The A9-1-1 ALI system will be 99.999% available to respond to ALI bids from Power 9-1-1 workstations at State's PSAPs, as measured by the cumulative number of minutes of downtime when the system is unavailable to respond to ALI bids. This equates to a cumulative system downtime not to exceed 5.26 minutes per year averaged over the Initial Term.
Measurement Method: Downtime starts when ALI cannot be delivered to any of State's PSAPs. The duration of the A9-1-1 ALI system downtime will be determined by data contained in the A9-1-1 ALI system log files.
Excused Downtime: Downtime will be excused for scheduled maintenance and upgrades provided that Contractor has given the State twenty-four (24) hours notice of such
maintenance, and for causes beyond Contractor's control, including network failures for any network element not provided by Contractor, power outages, environmental causes and force majeure.
Metrics Reporting*:* Contractor will provide State with a monthly Clear View metrics report showing the number of minutes of system downtime that month, the cumulative system downtime over the contract period to date, and the A9-1-1 ALI system percent availability for the contract period to date.
Penalty*:* In any given month, in the event that the system downtime for any given event exceeds five (5) minutes, or the cumulative system downtime from multiple events in the same month exceeds five (5) minutes, then a $2,500.00 penalty shall be accrued for that month. If there are multiple system outages which exceed five (5) minutes in any given month, then a $2,500.00 penalty shall be accrued that month for each of these events. In addition, in the event that the cumulative system downtime exceeds 21.04 minutes during the Initial Term, then a $10,000.00 penalty shall be credited on the last invoice of the Initial Term.

3. Elapsed Time to Post TN Record Updates
Eighty-five percent (85%) of TN record updates submitted electronically by a Telephone Service Provider (TSP) for service order processing, which do not contain errors, will be validated and loaded into the A9-1-1 ALI system within three (3) hours.
Measurement Method*:* Contractor will assign a transaction ID to each service order record.

Contractor will record the time when the service order was received (Initial Receive Time) and the time when the record is posted to ALI (ALI Post Time).
Metrics Reporting*:* Contractor will provide State with a monthly Clear View metrics report showing Elapsed Time to Post TN Record Updates for that month.
Penalty*:* Specific Metric 3 will vary from month to month due to both scheduled events (e.g. maintenance activities and release upgrades) and unscheduled events (e.g. network outages). Consequently, there are no specific penalties tied to Specific Metric 3. Guaranteed performance and associated penalties are covered by Specific Metric 4.

4. Service Order Processing Time
Ninety-eight percent (98%) of TN record updates submitted electronically by a TSP for service order processing will be validated and either loaded into the A9-1-1 ALI system or sent to an error database within one (1) calendar day.
Measurement Method*:* Statistics obtained from metric 3—Elapsed Time to Post Service Orders on a daily basis—will be used to determine if this metric was met each day for the whole month. This metric is calculated by dividing the number of records processed by the number of records received.
Metrics Reporting*:* Contractor will provide State with a monthly Clear View metrics report showing the Service Order Processing Time for that Month.
Penalty*:* In the event that Contractor's performance is not in compliance in any given month, then a $1,000.00 penalty shall accrue.

5. Unresolved Daily Errors at End of Month
This metric is defined as the unresolved errors at the end of the month as a percentage of the total number of TNs in the database at the end of the month. The number of unresolved errors for any month at month's end will not exceed seven-tenths of one percent (.07%) of the total number of TNs in the database at the end of the month. This metric will begin six (6) months after the first State PSAP Production turn-up date.
Exceptions**:** This metric measures the accuracy of records processed by Contractor from normal daily Servers Order activity submitted by the TSPs in the State of Vermont on a monthly basis. If Contractor is not in compliance with this metric due to a TSP submitting mass TN record updates that do not fall within normal daily Service Order activity, a special exemption will apply. Specifically, these instances include, but are not limited to, State initiated projects, such as TAR code changes or data clean-up work initiated by State. Under these circumstances, Contractor will exclude these errors from the monthly metric calculation. All special project errors must be corrected or referred within ten (10) business days of the receipt of the special project Service Order activity. Contractor will follow established referral and escalation procedures to bring resolution to the special project errors as expediently as possible.
Metrics Reporting*:* Contractor will provide State with a monthly Clear View metrics report showing the Unresolved Daily Errors at the End of that Month.
Penalty*:* Contractor does not have an automated method for separating out performance times for Contractor's responsibilities versus each TSP's responsibilities. Consequently, there are no specific penalties tied to Specific Metric 5.

6. ALI Records Found

This metric is defined as the percentage of wireline ALI records found relative to the number of wireline ALI bids made over the period of one (1) month. The total number of ALI records found cannot drop below ninety-nine and three-tenths percent (99.3 %) of the total ALI retrieval requests each month.

Exceptions: Wireless and VoIP ALI bids will be excluded from the metrics calculation.

Metrics Reporting*:* Contractor will provide State with a monthly metrics report showing the ALI Record Found percentage for that month.

Penalty*:* In the event that Contractor's performance is not in compliance for any given month, then a $1,000.00 penalty shall accrue.

7. Call Delivery Time

The A9-1-1 Routing system will deliver 99% of all calls to the A9-1-1 VIPER System within 5 seconds. The A9-1-1 Routing system will deliver 99.9% of all calls to the A9-1-1 VIPER System within 12 seconds.

Measurement Method*:* This metric can be derived by combining the Clear View A9-1-1 Routing average call time report.

Exceptions**:** Downtime will be excused for scheduled maintenance and upgrades, providing that Contractor has provided State with twenty-four (24) hours notice in advance of such maintenance, and for causes beyond Contractor's control, including network failures for any network element not provided by Contractor, power outages, environmental causes and force majeure.

Metrics Reporting*:* Contractor will provide State with a monthly Clear View metrics report showing the average A9-1-1 Routing system call delivery time.

Penalty: In the event that Contractor's performance is not in compliance with this metric in any given month, then a $2,500 penalty shall be accrued.

In addition, we are continuing to work on how we measure call-taker performance. We recently changed the system so that calls are selected for review on a random basis. The next step is to change the call review form to collect specific information about the calls under review so we can then measure performance more objectively and track trends statistically. The call reviews will be automated so that data entry is minimized. We plan to use this information to help identify specific training needs. We expect to have these changes in place in FY '12 and should have data to report at this time next year.

Funding Implications

- **Impact on Vermonters**: FY '12 saw an increase in funding related to the implementation of the new system, including a net increase in annual contract costs of $493,807 and $865,000 in one-time costs payable in FY '12. The annual cost of the new contract remains the same for FY 13, but the one-time project costs are not included in the FY 13 request. The net increase in annual costs for the new

contract takes into account a reduction in other costs (maintenance, circuits and tariffs) that were payable directly by E9-1-1 under the previous contract, but are now bundled into the new contract. In addition, the $300K line item in FY 12 for Equipment Revolving Loan fund was used to pay off the loan, so the FY 13 budget was further reduced by that amount. The FY 13 budget proposal includes a new line item that would enable the 911 Board to set aside funding to be used for system enhancements, upgrades and Geographic Information System improvements, so that the money is available as needed and also to help stabilize the USF rate, which has seen wide up and down swings in the past three years.

Moving to the new system provided by Contractor has improved the service delivery of the overall system by providing:

1. *Rapid scalability* – The new system includes a well thought out plan that will allow the Board to configure its 9-1-1 system to rapidly scale in size to address state or regional emergencies. This has already proven to be an effective strategy. During Tropical Storm Irene, the Rutland PSAP had to be taken off line due to an evacuation, but there was no degradation of service as the calls that would have gone to Rutland were answered in another PSAP.
2. *Flexible locations* – Besides meeting the rapid scalability goal, the option to have connected standby laptops meets the goal to operate from flexible locations. This feature is still to be implemented but is already enabled by the new system.
3. *Cost reductions* – While we will not see cost reductions in the initial term of the contract, using a hosted system opens the door for multiple jurisdictions to share the same infrastructure and even share call-taking responsibilities. While there are currently no plans to expand the system to provide service beyond the existing eight (8) PSAPs, the ability to do so, should that be deemed to be appropriate in the future, is an advantage.
4. *Accommodate the transition from wireline service* – Contractor is a leader in providing location information on wireless callers to PSAPs. The call volume statistics for calendar year 2010 showed that approximately 60% of all calls to 9-1-1 came from wireless devices and we expect that number to grow. Contractor is well positioned to help ensure that Vermont's 9-1-1 capabilities are not compromised as easily locatable wireline phones are replaced with wireless and VoIP service.
5. *Technological compatibility* – Contractor has vast resources, a state-of-the-art lab, and a commitment to innovation that will help ensure Vermont's 9-1-1 system will evolve as technology changes.
6. *Long-term viability* – As a wholly owned subsidiary of a $1B/year company, Contractor has the financial backing to meet Vermont's needs well into the future. For over a quarter century, Contractor has been providing information technology solutions to the public safety and telecommunication communities.
7. *Turn-key solution* – Contractor was the only bidder who proposed a complete solution, to include

data circuits and 9-1-1 trunks. Having a single company assume responsibility for every aspect of the system will ensure reliability and reduce finger pointing when problems arise.

8. *Ensure system reliability* – Contractor clearly understands the need to provide reliable systems when working in the realm of public safety. They model industry best practices in everything they do, earning ISO9001 (ISO is a standards setting organization) certification in the process. Through attention to detail, a process-oriented culture, and highly capable employees, Contractor exceeds all expectations for system reliability.

This system covers all of Vermont and since the funding comes from the Universal Service Fund, there is no direct impact on any other service provided by the State of Vermont.

Status of Universal Service Fund - As noted last year, the long term viability of the Universal Service Fund is in question given the increasing use of certain types of phone services, which has resulted in a degradation of the base revenue against which USF fees may be assessed. The study authorized in the E911 amendments passed during the last session has shown this concern to be both valid and more immediate than originally expected. Landline and wireless phone companies (such as FairPoint, AT&T, and Verizon) are paying into the fund, as are some large Voice over Internet Protocol (VoIP) services like Vonage; although, to the best of our knowledge, Vonage is doing it on a voluntary basis only. There had been a legal question about whether VoIP companies, like Vonage, are required to pay into the State's USF, but that question was resolved by a ruling from the FCC which in brief stated that states could impose the USF rate on 35% of the revenue for a VoIP provider, which represents that portion of their business deemed to be intra-state. States have no legal authority to apply USF fees against the inter-state portion of VoIP service providers. Pre-paid wireless companies like Tracfone (and there are many others), from which one buys a phone with pre-paid minutes on it, do not pay into the state USF. While those companies had initially refused to pay and had consistently fought efforts in other states to require them do so, several states are now collecting USF fees from pre-paid wireless companies.

- **Position Reductions and Vacancy Savings**: No reductions or savings are anticipated so there should be no impact on services.

- **Federal Funding**: There are no federal funds used to support Enhanced 9-1-1.

- **Grants and Other Contracts**: The Enhanced 9-1-1 system provides funding for a total of twenty-six (26) front line call-taker positions in eight (8) Public Safety Answering Points (PSAPs). Effective with the FY 12 budget, the Enhanced 9-1-1 Board has equalized the funding provided for each of the call-taker positions and is proposing to continue to fund all 26 seats at $45,000 each, for a total of $1,170,000; DPS PSAPs will receive $810,000 and local/regional PSAPs will receive $360,000. The payments to DPS remain as grants, but the payments to the four local and regional PSAPs are now paid under contract between the 911 Board and those entities.

- **Carry Forward Funds** – our carry forward from FY 11, in the amount of $1.9 million was used for

close out expenses related to the previous contract and to pay some of the expenses from the new contract with Intrado. Because we implemented the new system on schedule, we saved just under $300,000 in costs that otherwise would have been payable to MicroData. At this time, some of the budgeted costs of the new contract have not been paid as the vendor completes otherwise scheduled portions of the work. In addition, we imposed just over $70,000 in penalties against the contract and received other concessions from Intrado that reduced the first quarterly payment on the contract. We are accelerating some deferred work in the Geographic Information Service programs so that the final carry in from FY 12 will be in the $300,000 range.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	2,483,269	4,181,478	4,181,478	3,668,108
Operating Expenses	1,098,469	853,778	853,778	509,310
Grants	911,721	810,000	810,000	810,000
TOTAL	4,493,459	5,845,256	5,845,256	4,987,418
FUND TYPE				
Special Fund	4,493,459	5,845,256	5,845,256	4,987,418
TOTAL	4,493,459	5,845,256	5,845,256	4,987,418

Department Mission Statement

The Vermont Human Rights Commission is the state agency having jurisdiction over claims of unlawful discrimination in housing, state employment, and the provision of goods and services by businesses. The Commission has three statutorily mandated roles: enforcement, education and policy development.

Description of Appropriations, Divisions, & Programs

The Commission investigates allegations of discrimination and determines whether there are reasonable grounds to believe that unlawful discrimination occurred in a case. The Commission receives approximately 1500 inquiries and processes roughly 100 complaints received annually (a relatively stable number of charges over the past three years). The Commission's staff seeks to resolve charges through mediation, and if necessary, conciliation if there is a finding of reasonable grounds. The Commission has instituted a pre-filing resolution process that has proven to be successful. If the Commission finds that there was discrimination in a case and the case cannot be settled, the Commission may file suit in court to obtain remedies for violations of the state's civil rights laws.
The Commission continues to focus its efforts to ensure that all students feel welcome and safe in Vermont schools. The strategies utilized to achieve this objective include processing complaints of student harassment and providing anti-harassment training to educators to the extent that current resources allow. School harassment continues to be an enforcement priority for the Commission as well as racial profiling and discrimination against persons with psychiatric disabilities.
The Commission is funded by a combination of: **State general funds t**he Governor is recommending a significant increase in the Commission's GF appropriation –from $332,882 for FY12 as passed by the Legislature to $391,093 for FY 13. This new GF level is roughly equivalent to the total of salary and benefit costs of the Commission's five FTE staff members; **Federal funds** resulting from an on-going contractual relationship with the U.S. Department of Housing and Urban Development's Fair Housing and Equal Opportunity Office (HUD) to investigate housing discrimination complaints in Vermont that allege violations of both state and federal fair housing law. Based on the number of cases processed, HUD awarded the Commission $84,250 for use in SFY13. In FY12, the Commission requested that its federal fund appropriation be reduced from $170,739 (FY11and prior years) to $145,000 which matches actual expenditures in recent years. Previously, the Commission has used a reserve in the federal receipts fund to fill the difference between HUD grant awards and FF expenditures. However, this reserve will be fully exhausted by the end of FY12.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Human Rights Commission

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Human Rights Commission	5	5	5	448,896	477,882	433,365	472,304
TOTAL	5	5	5	448,896	477,882	433,365	472,304
FUND TYPE							
General Fund				305,730	332,882	349,115	391,093
Federal Revenue Fund				143,166	145,000	84,250	81,211
TOTAL				448,896	477,882	433,365	472,304

Appropriation Key Budget Issues

The primary presenting problem has been decreasing federal support to allow the Human Rights Commission to pursue its important mission. The FHAP award has varied widely in the past number of years depending on the number of complaints investigated —from a low of $68,280 for FFY08 to a high of $113,440 for FFY09 but has never been sufficient to fully cover present expenditures. However, if this increase in GF support is accepted and then sustained in future years, the Commission will be well positioned to continue to serve as valuable resource to persons who believe they have been victims of unlawful discrimination. As Vermont's population becomes increasingly diverse, the Commission will be enabled to respond to discrimination complaints in a timely and effective manner.

Performance Program Information

The number of complaints processed to completion has remained relatively constant in recent years. During FY08, monetary recoveries by complainants in 14 separate complaints totaled over $93,000. During FY09, the Commission had twenty-one (21) complaints which resulted in resolutions with tangible benefits to the complainants. The work of the Commission contributed directly to nearly $400,000 in cash awards to persons subjected to discrimination, and more than $100,000 in non-monetary relief including an employee who was allowed to return to work after being terminated, changes in policies and practices in schools and housing complexes, installation of accessible features in places of public accommodations and the like.

Recently, HRC staff initiated a new process which complainants are asked whether they wished Commission staff to attempt to resolve their grievances without resort to the formal filing of a complaint and a full investigation. Forty two (42) such informal resolutions were attempted during FY09, with more than half (20 or 56%) resolved, another 45% (16) were unsuccessful. (Six were still pending at year end.) The informal attempts failed in only four cases which resulted in the filing of a formal charge. This change in practice results in faster resolution and conservation of finite staff resources.

FY04 - FY09 Total Charges and Informals

	Housing	PA	Emp	Total	Informals	Total charges & informals
FY04	50	31	13	94	X	94
FY05	45	37	7	89	X	89
FY06	33	28	20	81	X	81
FY07	40	23	9	72	X	72
FY08	30	21	11	62	53	115
FY09	33	15	15	63	42	105

The Commission continues to focus its efforts to ensure that all students feel welcome and safe in Vermont schools. The strategies utilized to achieve this objective include processing complaints of

student harassment and providing anti-harassment training to educators. School harassment continues to be an enforcement priority for the Commission as well as racial profiling and discrimination against persons with psychiatric disabilities. The demands on our services will only continue to increase given that one of four new Vermonters is non-Caucasian and over one in four Vermonters have one or more disabilities.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Human Rights Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	390,368	412,199	372,097	408,510
Operating Expenses	58,528	65,683	61,268	63,794
TOTAL	448,896	477,882	433,365	472,304
FUND TYPE				
General Fund	305,730	332,882	349,115	391,093
Federal Revenue Fund	143,166	145,000	84,250	81,211
TOTAL	448,896	477,882	433,365	472,304

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

Administration Appropriation:

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

The Administrative division of the department is responsible for business and retail functions. The department's objectives are to provide a controlled distribution system that removes alcoholic beverages from the private marketplace and to promote moderate consumption while maximizing the revenues generated for the state.

The Retail Operations division provides for the sale of alcoholic beverages to the public and licensed establishments throughout the state.

The Liquor Control Board, Commissioner, and support personnel supervise and manage the sale of spirituous liquors as well as enforce laws and regulations under V.S.A. Title 7. Supervisory staff provides support to outlets with training, audits, product knowledge, inventory control, and other supportive measures as needed. Accounting is responsible for all financial transactions related to the operations of the department. Purchasing oversees control of inventory of alcoholic beverages from liquor vendor to resale. Information Technology supports all divisions of the department.

Warehousing, Distribution, & Recycling Appropriation:

Warehousing, Distribution, & Recycling receive and store alcoholic beverages from vendors and distribute inventory throughout the state to liquor outlets for resale. This division coordinates pickup of all refunded empty liquor bottles at more than 132 outlets and redemption centers throughout Vermont and transfers recyclable material to recycling centers for further processing.

Enforcement, Licensing, and Education Appropriation:

The Enforcement, Licensing, and Education division's mission is to provide a safe and healthy environment by fostering respect for, and adherence to, the laws of the State of Vermont. Its goals are:

to provide meaningful liquor control education to licensees, schools and the general public; apply strict but fair enforcement of the Vermont liquor laws and regulations; and permit only responsible persons to engage in alcohol beverage sales and service.

The regulatory side of the department enforces Vermont's Alcohol Beverage statutes, regulations, and certain tobacco laws. This division also provides mandatory alcohol and tobacco education for all licensees and their employees.

Enforcement and Licensing investigates license applicants and premises. They conduct inspections for detection, correction, and intervention in instances where laws and regulations are not adhered to. In addition, this division investigates complaints from the general public and fellow law enforcement, and conducts evidentiary hearings. They enforce the laws concerning illegal importation and laws restricting youth access to tobacco and alcohol products.

Enforcement approves, processes, and issues more than 4900 licenses annually, handles cases, and enforces decisions made by the Liquor Control Board.

The Education unit provides licensee server training for business owners and their employees. A training schedule and calendar can be found on DLC's website: http//liquorcontrol.vermont.gov/. They also process statistical seminar activity. Their primary function is to provide mandatory server/seller training as mandated by 7 V.S.A. Sec. 236(c). Tobacco compliance testing also has been mandated by the legislature (2001-2002). The Tobacco Settlement Fund is used to cover the Education Unit as well as monthly tobacco compliance test costs.

In 1999, the role of the Alcohol Server Education unit increased greatly as a result of the legislature's passage of a mandatory server/seller education law. The Education section became a more defined part of the division. In the Education section, there are now two Education Investigators and a Training Specialist working together to improve the department's educational programs. The section has been developing updated programs for licensees, as well as working collaboratively with Enforcement, has increased alcohol and tobacco compliance, limited access to retail establishments for minors seeking to purchase alcohol and tobacco, and fostered cooperation between licensees and the department.

In December 2010 the department went live with an on-line education program for off-premise managers and employees. In 2011, on-premise licenses were also able to use the on-line education program. Additional modules will be added this year for other permit holders. The program was paid for with a grant from the National Alcohol Beverage Association. The department education staff wrote the content. It will be another option for licensees to use along with face to face server education currently offered.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Enforcement & Licensing	21	21	21	2,249,596	2,262,936	2,262,936	2,377,133
Administration	17	17	17	2,132,369	2,215,045	2,175,045	3,325,797
Warehousing and Distribution	14	14	14	1,151,183	1,111,108	1,111,108	1,166,663
TOTAL	52	52	52	5,533,148	5,589,089	5,549,089	6,869,593
FUND TYPE							
Special Fund				350,187	291,945	291,945	291,945
Enterprise Fund				4,811,702	5,047,144	5,007,144	6,377,648
Interdepartmental Transfer				371,259	250,000	250,000	200,000
TOTAL				5,533,148	5,589,089	5,549,089	6,869,593

Appropriation Key Budget Issues

The total budget for this division was increased by $114,197. Most of the increase is due to personal services. Tobacco Settlement funds are level funded to $285,284. They fund the education program for tobacco and alcohol licensees and their employees. It also funds the tobacco compliance program under which DLC conducts monthly tobacco compliance tests. These funds are means to the carrying out of DLC's mandatory educational programs, which significantly influence the success of the compliance programs.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,913,061	1,875,103	1,875,103	1,968,858
Operating Expenses	336,535	387,833	387,833	408,275
TOTAL	2,249,596	2,262,936	2,262,936	2,377,133
FUND TYPE				
Special Fund	302,590	285,284	285,284	285,284
Enterprise Fund	1,851,719	1,977,652	1,977,652	2,091,849
Interdepartmental Transfer	95,287	0	0	0
TOTAL	2,249,596	2,262,936	2,262,936	2,377,133

Appropriation Key Budget Issues

There is an increase for this division of $1,110,752. The majority of this increase is to start the POS/ERP project to replace Liquor Control's point of sale systems in agency stores along with the department's whole financial system. Both systems are quite old and run on platforms that are no longer supported. Personal services have increased slightly due to benefits increases.

The revenue stream from sale of spirits has increased dramatically since 1996, when DLC introduced its Prime Focus sales program. The program's main objective was to promote local purchases of spirits by providing Vermonters with excellent product value while diminishing the loss of revenue due to cross-border purchasing. The strategy has succeeded, with sales increasing from $34.9 million in 1996 to $61.4 million in FY2011. Sales for the first 5 months of FY2012 are looking promising with anticipated sales of $63-64 million. Tax revenue to the General Fund has increased due to the upward sales trends that are prevailing in all categories of spirits sales. Despite a difficult economy, sales of spirits continue to increase.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,555,307	1,619,092	1,579,092	2,761,272
Operating Expenses	577,062	595,953	595,953	564,525
TOTAL	2,132,369	2,215,045	2,175,045	3,325,797
FUND TYPE				
Special Fund	47,597	6,661	6,661	6,661
Enterprise Fund	1,808,800	1,958,384	1,918,384	3,119,136
Interdepartmental Transfer	275,972	250,000	250,000	200,000
TOTAL	2,132,369	2,215,045	2,175,045	3,325,797

Appropriation Key Budget Issues

The Warehouse budget is increased by $55,555. Most of the increase is from personal services.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Warehousing and Distribution

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	779,211	766,123	766,123	804,429
Operating Expenses	371,972	344,985	344,985	362,234
TOTAL	1,151,183	1,111,108	1,111,108	1,166,663
FUND TYPE				
Enterprise Fund	1,151,183	1,111,108	1,111,108	1,166,663
TOTAL	1,151,183	1,111,108	1,111,108	1,166,663

Agency Mission Statement

The mission of the AHS Office of the Secretary is to:

* provide leadership and set Agency priorities across the six departments of AHS;
* promote integrated planning, delivery, and evaluation of resources and services; and
* ensure that Agency resources (personnel, fiscal, technology, and space) are managed effectively.

Description of Departments in Agency

Office of the Secretary: The Office includes the Division of Administrative Services that provides Agency planning and oversight functions for the Secretary. It also provides support for the Division of Rate Setting, the Human Services Board, and the Developmental Disabilities Council. The VT Commission on National & Community Service joined the Agency in fiscal year 2010.

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

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

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

Department of Mental Health (DMH): DMH promotes the health and well being of Vermonters in coordination with community organizations, such as Designated agencies, Specialty Services agencies, and schools, as they provide statewide mental health services for children, families, adults and the

elderly. These services include psychiatry, case management, employment, crisis, and residential care. The Department also works in collaboration with advocacy and consumer organizations to ensure that educational, support, and peer-directed services occur statewide.

Department for Children and Family Services (DCF): DCF administers many programs that address the basic needs of Vermonters. These programs promote the well-being of families and individuals through welfare-to-work services, in-kind benefits, and cash assistance. DCF also helps families and individuals lead healthy and independent lives by providing support services and offering educational, information, and prevention services to communities. Social services seek to break the cycle of abuse, neglect, and delinquency. Child care services play a lead role in developing quality child care services in Vermont. The Division of Child Support enforces state and federal statutes to ensure that children receive financial support from non-custodial parents. Child Support improves financial security for children by obtaining child support obligations and payments.

Department of Vermont Health Access (DVHA): DVHA promotes the well-being of families and individuals through the provision of health care coverage. DVHA is the state office responsible for the management of Medicaid, the State Children's Health Insurance Program, and other publicly funded health insurance programs in Vermont. Additionally, in FY’08, DVHA became the lead agency in implementation of the state’s new health care plan. As such, it is the largest insurer in Vermont with regard to dollars spent and the second largest insurer with regard to covered lives.

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Mental Health	272	269	269	151,656,515	153,591,408	165,467,061	173,901,311
Human Services Central Office	109	103	111	1,073,943,156	1,104,106,939	1,132,258,895	1,193,226,052
Office of VT Health Access	104	120	167	867,767,102	1,011,993,849	1,003,664,895	1,075,071,986
Health	473	476	495	110,215,301	113,182,306	111,435,960	112,190,443
Children and Family Services	924	973	987	358,175,916	340,170,867	343,283,188	336,609,569
DAIL	261	273	281	207,811,150	212,953,715	212,244,950	221,503,913
Corrections	1,042	1,053	1,070	143,433,397	140,559,006	142,008,830	143,480,113
TOTAL	3,185	3,267	3,380	2,913,002,537	3,076,558,090	3,110,363,779	3,255,983,387
FUND TYPE							
General Fund				465,240,486	551,623,438	535,259,700	579,760,000
Education Fund				0	4,321,425	4,307,984	4,337,051
Special Fund				298,003,784	352,141,651	366,156,835	367,350,255
American Recovery & Reinvestment Act				140,940,907	6,592,649	6,592,649	221,790
Federal Revenue Fund				996,658,066	1,045,261,246	1,058,628,248	1,111,711,223
Permanent Trust Fund				10,000	10,000	10,000	10,000
Global Commitment Fund				990,272,079	1,095,443,226	1,119,532,223	1,169,433,960
Internal Service Fund				1,114,548	1,463,890	1,463,890	1,460,617
Interdepartmental Transfer				20,762,667	19,700,565	18,412,250	21,698,491
TOTAL				2,913,002,537	3,076,558,090	3,110,363,779	3,255,983,387

Department Mission Statement

VISION

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

MISSION

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

VALUES

The Agency of Human Services values respect, integrity, and commitment to excellence expressed as follows:

Excellence in Customer Service

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

Holistic approach to our clients

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

Strength Based Relationships

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

Results Orientation

- Strong leadership, active partnerships and innovation are vital strategies to achieve our mission.
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The **Department of Mental Health** provides services to adults with severe mental illness and adults with less severe emotional or behavioral problems that still disrupt their lives; children and adolescents experiencing a serious emotional disturbance and their families; and anyone who is experiencing an acute mental-health crisis. All mental health services to individuals are provided through contracts with ten private non-profit designated agencies and one specialized service agency located throughout the state.

Adults receive mental health services for the following reasons, including but not limited to: suicidal or homicidal behavior, extreme self-injurious behavior, severe psychoses which diminish or destroy one's ability to care for oneself in ordinary life situations, homelessness, substance abuse, marital and family distress, medical management of symptoms of mental illness, and /or need for rehabilitation and supports to restore the ability to function in the community and avoid hospitalization. Approximately 9,556 clients received these community-based mental health services in FY2009.

In addition, approximately 9,731 children and adolescents and their families received community-based mental health services in FY2009. These children and adolescents either experience a severe emotional disturbance or are at substantial risk for developing a severe disturbance. They include youth who exhibit behavioral, emotional, or social impairment that disrupts academic or developmental progress or family or interpersonal relationships. They fall into at least one of three categories: (1) exhibit seriously impaired contact with reality and severely impaired social, academic and self-care functioning; (2) classified as management or conduct disordered because they manifest long-term behavior problems (e.g., aggressiveness, anti-social acts, suicidal behavior, substance abuse); (3) suffer serious discomfort from anxiety, depression, or irrational fears whose symptoms may be exhibited as serious eating and sleeping disturbance, or persistent refusal to attend school.

The contracted designated agencies also operate mental health Emergency Services programs which are available 24 hours a day, seven days a week, responding to any individual experiencing a mental health crisis and to communities following natural disasters, accidental deaths, suicides, and other traumatic events. Emergency programs also screen situations to determine if there is a need for admission into involuntary and/ or acute-care arrangements. Approximately 3,767 Vermonters were served through these Emergency programs in 2009.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Mental Health	49	50	50	128,941,209	130,973,573	146,004,996	173,901,311
Vermont State Hospital	223	219	219	22,715,306	22,617,835	19,462,065	0
TOTAL	272	269	269	151,656,515	153,591,408	165,467,061	173,901,311
FUND TYPE							
General Fund				23,081,624	17,827,362	4,679,033	1,577,732
Special Fund				23,035	842,322	6,836	6,836
Federal Revenue Fund				5,384,762	6,769,535	6,645,271	6,713,296
Global Commitment Fund				122,848,128	127,832,189	154,115,921	165,583,447
Interdepartmental Transfer				318,966	320,000	20,000	20,000
TOTAL				151,656,515	153,591,408	165,467,061	173,901,311

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	5,339,083	5,486,339	5,535,367	7,560,273
Operating Expenses	714,625	1,117,984	985,984	1,028,785
Grants	122,887,501	124,369,250	139,483,645	165,312,253
TOTAL	128,941,209	130,973,573	146,004,996	173,901,311
FUND TYPE				
General Fund	679,910	811,295	959,029	1,577,732
Special Fund	11,375	6,836	6,836	6,836
Federal Revenue Fund	5,382,830	6,555,971	6,552,154	6,713,296
Global Commitment Fund	122,848,128	123,579,471	138,466,977	165,583,447
Interdepartmental Transfer	18,966	20,000	20,000	20,000
TOTAL	128,941,209	130,973,573	146,004,996	173,901,311

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont State Hospital

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	20,310,200	20,479,188	18,835,730	0
Operating Expenses	2,305,640	2,056,312	599,486	0
Grants	99,466	82,335	26,849	0
TOTAL	22,715,306	22,617,835	19,462,065	0
FUND TYPE				
General Fund	22,401,714	17,016,067	3,720,004	0
Special Fund	11,660	835,486	0	0
Federal Revenue Fund	1,932	213,564	93,117	0
Global Commitment Fund	0	4,252,718	15,648,944	0
Interdepartmental Transfer	300,000	300,000	0	0
TOTAL	22,715,306	22,617,835	19,462,065	0

Department Mission Statement

The mission of the AHS Office of the Secretary is to:

· ensure that citizens, policy makers, and service providers are knowledgeable about the well being of Vermonters;
· promote integrated planning, delivery, and evaluation of resources and services; and
· ensure that Agency resources (personnel, fiscal, technology, and space) are managed effectively.

Description of Appropriations, Divisions, & Programs

Secretary's Office Administration Appropriation:

The Secretary's Office is responsible for the central support functions of the Agency of Human Services. As such it houses several units and associated programs that cut across departments or are independent of departments. In FY 2013 they include:

- Field Services
- Housing and Transportation Coordination,
- Health Care Operations, Compliance and Improvement
- Refugee Resettlement Coordination
- Fiscal Unit
- Information Technology Unit
- Committee for National and Community Services

Two independent boards are also housed within the Agency and receive some support from the Secretary's Office. These are the Vermont Developmental Disabilities Council and the Tobacco Evaluation & Review Board. A third independent Board, The Human Services Board, is included under the umbrella and receives basic administrative support from AHS.

Hurricane Irene has placed an extra demand on resources, both money and staff, cooridinating services across the entire Agency. The long term effect of this storm is expected to continue into State Fiscal 2013 and beyond.

Field Services

This division has broad responsibility for the operations of all Agency of Human Services functions within each region. Regional Field Directors are charged with assuring the optimal functioning of the Agency, oversight of district offices and mobilization of the local community to design and implement a

human services system which contributes to the health and well-being of all Vermonters.

Field Directors work with local state managers, private sector managers, community partnerships, education, the community, and with individuals participating in services to develop and implement effective service delivery systems. To achieve that end, they utilize the following specific programmatic strategies in addition to their ongoing connections and participation in larger community initiatives:

Fiscal Unit**:**

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

The fiscal unit includes the Division of Rate Setting. Rate setting audits and establishes Medicaid payment rates for nursing facilities for the Department of Vermont Health Access (DVHA), intermediate care facilities for people with developmental disabilities for the Department of Disabilities, Aging and Independent Living (DAIL) and private non-medical institutions for the Department for Children and Family (DCF). Through the application of its rules, the unit evaluates the reasonableness and allowability of program budgets and expenditures to ensure both cost containment and quality of care.

Office of the Chief Information Officer and Network Systems:

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

Vermont Developmental Disabilities Council:

Vermont Developmental Disabilities Council (VTDDC) is a state-wide board that works to increase public awareness about critical issues affecting people with developmental disabilities and their families. 60% of its members are self-advocates and family members. The mission of VTDDC is to facilitate connections and to promote supports that bring people with developmental disabilities into the heart of Vermont communities. Each year VTDDC uses its federal funds to engage in advocacy, capacity

building, and systems change activities, including projects in public education, leadership training, and advocacy aimed at enhancing services and supports, community participation and choice.

Tobacco Evaluation & Review Board:

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

VT Commission on National & Community Service

The Commission administers several federal grants to support community based initiatives throughout the state. The programs include Neighbor to Neighbor, the Dream mentoring initiative, the Northeast Kingdom Initiative, the Vermont Youth Development Corps, and Vermont Community Stewardship program.

DUALS

The purpose of this grant is to study the feasibility of coordinating Medicare and Medicaid payment and services for dual eligible recipients.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Human Services Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Secretary's Office Admin Costs	93	87	95	16,859,554	16,494,902	17,887,276	17,320,321
Global Commitment	0	0	0	1,050,983,305	1,080,785,264	1,107,604,567	1,169,112,438
Rate Setting	9	9	9	828,622	932,938	874,306	901,538
Develop Disabilities Council	3	3	3	509,039	542,643	542,643	542,717
Human Services Board	4	4	4	318,522	351,192	350,103	349,038
Administrative Management Fund	0	0	0	4,444,114	5,000,000	5,000,000	5,000,000
TOTAL	109	103	111	1,073,943,156	1,104,106,939	1,132,258,895	1,193,226,052
FUND TYPE							
General Fund				80,657,535	144,294,759	143,520,323	184,313,550
Special Fund				248,153,768	301,435,021	313,348,851	317,469,527
American Recovery & Reinvestment Act				98,799,592	0	0	0
Federal Revenue Fund				637,839,220	648,138,723	666,178,721	682,002,468
Global Commitment Fund				1,243,622	1,347,938	1,289,306	1,316,538
Interdepartmental Transfer				7,249,419	8,890,498	7,921,694	8,123,969
TOTAL				1,073,943,156	1,104,106,939	1,132,258,895	1,193,226,052

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Secretary's Office Admin Costs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	7,710,282	8,161,616	8,929,475	8,968,380
Operating Expenses	3,647,290	3,097,481	2,821,996	3,216,136
Grants	4,744,722	5,235,805	6,135,805	5,135,805
Other Financing Uses Budget	757,260	0	0	0
TOTAL	16,859,554	16,494,902	17,887,276	17,320,321
FUND TYPE				
General Fund	5,136,746	4,913,133	5,049,074	4,998,148
Special Fund	254,149	297,847	295,514	298,847
American Recovery & Reinvestment Act	101,069	0	0	0
Federal Revenue Fund	8,225,449	7,752,402	9,979,972	9,257,818
Global Commitment Fund	415,000	415,000	415,000	415,000
Interdepartmental Transfer	2,727,141	3,116,520	2,147,716	2,350,508
TOTAL	16,859,554	16,494,902	17,887,276	17,320,321

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	1,050,983,305	1,080,785,264	1,107,604,567	1,169,112,438
TOTAL	1,050,983,305	1,080,785,264	1,107,604,567	1,169,112,438
FUND TYPE				
General Fund	75,400,827	139,267,121	138,357,833	179,201,405
Special Fund	247,892,290	301,137,174	313,053,337	317,170,680
American Recovery & Reinvestment Act	98,698,523	0	0	0
Federal Revenue Fund	628,991,665	639,692,834	655,505,262	672,052,218
Interdepartmental Transfer	0	688,135	688,135	688,135
TOTAL	1,050,983,305	1,080,785,264	1,107,604,567	1,169,112,438

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Rate Setting

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	776,513	852,330	820,620	819,376
Operating Expenses	52,109	80,608	53,686	82,162
TOTAL	828,622	932,938	874,306	901,538
FUND TYPE				
Global Commitment Fund	828,622	932,938	874,306	901,538
TOTAL	828,622	932,938	874,306	901,538

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Develop Disabilities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	223,245	236,037	236,037	235,696
Operating Expenses	60,566	58,218	58,218	58,633
Grants	225,228	248,388	248,388	248,388
TOTAL	509,039	542,643	542,643	542,717
FUND TYPE				
Federal Revenue Fund	509,039	542,643	542,643	542,717
TOTAL	509,039	542,643	542,643	542,717

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	291,682	301,586	300,497	301,131
Operating Expenses	26,840	49,606	49,606	47,907
TOTAL	318,522	351,192	350,103	349,038
FUND TYPE				
General Fund	119,962	114,505	113,416	113,997
Federal Revenue Fund	113,067	150,844	150,844	149,715
Interdepartmental Transfer	85,493	85,843	85,843	85,326
TOTAL	318,522	351,192	350,103	349,038

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Administrative Management Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	213,292	350,000	350,000	350,000
Operating Expenses	4,230,822	4,650,000	4,650,000	4,650,000
TOTAL	4,444,114	5,000,000	5,000,000	5,000,000
FUND TYPE				
Special Fund	7,329	0	0	0
Interdepartmental Transfer	4,436,785	5,000,000	5,000,000	5,000,000
TOTAL	4,444,114	5,000,000	5,000,000	5,000,000

Department Mission Statement

1. DVHA's Mission Statement:

DVHA Overview:

The Department of Vermont Health Access (DVHA) is the state department responsible for the management of Medicaid, the State Children's Health Insurance Program (SCHIP), and other publicly funded health insurance programs in Vermont. DVHA is Vermont's largest insurer in terms of dollars spent and the second largest in terms of covered lives. As of 2009, DVHA also provides state oversight and coordination of Vermont's expansive Health Care Reform initiatives, which are designed to increase access, improve quality, and contain the cost of health care for all Vermonters. As such, DVHA also is responsible for Vermont's *Blueprint for Health* and for health information technology strategic planning, coordination and oversight. In accordance with Act 48 of 2011, DVHA has also become responsible for the development and implementation of the health benefits exchange required by the Patient Protection and Affordable Care Act.

DVHA's Mission Statement:

- Provide leadership for Vermont stakeholders to improve access, quality and cost effectiveness in health care reform.
- Assist Medicaid beneficiaries in accessing clinically appropriate health services.
- Administer Vermont's public health insurance system efficiently and effectively.
- Collaborate with other health care system entities in bringing evidence-based practices to Vermont Medicaid beneficiaries.

Description of Appropriations, Divisions, & Programs

2. Description of Appropriation, Programs and Division:

DVHA Leadership & Organization

The DVHA leadership team is comprised of the Commissioner, four Deputy Commissioners, the Director of the *Blueprint for Health*, and the Medicaid Medical Director. The DVHA Commissioner is responsible for all DVHA's operations, has led state and federal health care reform implementation, and is a member of the Governor's health care leadership team. The Deputy Commissioner for DVHA's Medicaid Health Services and Managed Care Division oversees the following units: Quality Improvement and Clinical Integrity; Program Integrity; Managed Care Operations (Clinical Operations and the Vermont Chronic Care Initiative); Pharmacy; and Provider and Member Services. The Deputy

Commissioner for Medicaid Policy, Fiscal and Support Services Division oversees the following units: Program Policy; Coordination of Benefits; Data Integrity and Reimbursement; and Fiscal and Administrative Operations. The Deputy Commissioner for the Health Care Reform Division is lead coordinator for health care reform activities across multiple state stakeholders, and has primary responsibility for statewide Health Information Technology planning and implementation. The Deputy Commissioner of the Health Insurance Exchange is responsible for development and implementation of the health insurance exchange required by the Patient Protection and Affordable Care Act. The Director of the *Blueprint for Health* oversees the statewide multi-insurer program designed to integrate a system of health care for patients, improve the health of the overall population, and improve control over health care costs by promoting health maintenance, prevention, and care coordination and management at the provider level.

Program Descriptions with Enrollment Information

GreenMountainCare
A HEALTHIER STATE OF LIVING

Green Mountain Care is the umbrella name for the state-sponsored family of low-cost and free health coverage programs for uninsured Vermonters, which are described in detail below.

Dr. Dynasaur
Dr. Dynasaur encompasses all health care programs available for children up to age 18 (SCHIP, Underinsured Children) or up to age 21 [Blind or Disabled (BD) and/or Medically Needy Children and General Medicaid].

Benefits include doctor visits, prescription medicines, dental care, skin care, hospital visits, vision care, mental health care, immunizations and special services for pregnant women such as lab work and tests, prenatal vitamins and more.

Blind or Disabled (BD) and/or Medically Needy Children
The general eligibility requirements for BD and/or Medically Needy Children are: under age 21; categorized as blind or disabled; generally includes Supplemental Security Income (SSI) cash assistance recipients; hospice patients; those eligible under "Katie Beckett" rules; and medically needy Vermonters [i.e., eligible because their income is greater than the cash assistance level but less than the protected income level (PIL)]. Medically needy children may or may not be blind or disabled.

General Children
The general eligibility requirements for General Children are: under age 21 and below the protected income level (PIL), categorized as those eligible for cash assistance including Reach Up (Title V) and foster care payments (Title IV-E).

State Children's Health Insurance Program (SCHIP)
The general eligibility requirements for the State Children's Health Insurance Program (SCHIP) are: up to age 18, uninsured, and up to 300% Federal Poverty Limit (FPL), and eligible under the SCHIP eligibility rules in Title XXI of the Social Security Act.

Underinsured Children
The general eligibility requirements for Underinsured Children are: up to age 18 and up to 300% FPL. This program was designed as part of the original 1115 waiver to Title XIX of the Social Security Act to provide health care coverage for children who would otherwise be underinsured

Medicaid for Adults
Medicaid programs for adults provide low-cost or free coverage for low-income parents, pregnant women, caretaker relatives, people who are blind or disabled, and those age 65 or older. Eligibility is based on income and resources (e.g., cash, bank accounts, etc.).

Medicaid programs cover most physical and mental health care services such as doctor visits, hospital care, prescription medicines, vision and dental care, long-term care, physical therapy, medically-necessary transportation and more. Services such as dentures or eyeglasses are not covered, and other services may have limitations.

Dual Eligibles
Dual eligibles are eligible for both Medicare and Medicaid. Medicare eligibility is either due to being at least 65 years of age or categorized as blind, or disabled, and below the protected income level (PIL).

Aged, Blind, or Disabled (ABD) and/or Medically Needy Adults
The general eligibility requirements for the ABD and/or Medically Needy Adults are:
age 18 and older; categorized as aged, blind, or disabled (ABD) but ineligible for Medicare; generally includes Supplemental Security Income (SSI) cash assistance recipients, working disabled, hospice patients, Breast and Cervical Cancer Treatment (BCCT) participants, or Medicaid/Qualified Medicare Beneficiaries (QMB); and medically needy [i.e., eligible because their income is greater than the cash assistance level but less than the protected income level (PIL)]. Medically needy adults may be ABD or the parents/caretaker relatives of minor children.

Choices for Care Waiver
Long-Term Care Waiver participants are a subset of the Aged, Blind, and Disabled population. These individuals participate in the Choices for Care 1115 demonstration waiver managed by the Department of Disabilities, Aging, and Independent Living (DAIL), in conjunction with the Department of Vermont Health Access (DVHA) and the Department for Children and Families (DCF). The purpose of this waiver is to equalize the entitlement to both home and community based services and nursing home services for all those eligible. The general eligibility requirements for the

waiver are: Vermonters in nursing homes, home-based settings under home and community based services (HCBS) waiver programs, enhanced residential care (ERC), and program for all-inclusive care for the elderly (PACE).

General Adults
The general eligibility requirements for General Adults are: parents/caretaker relatives of minor children including cash assistance recipients and those receiving transitional Medicaid after the receipt of cash assistance.

Vermont Health Access Plan (VHAP)
VHAP was created by an 1115 waiver to provide low cost, comprehensive health care benefits to adults without children who have a household income below 150% of the federal poverty level (FPL), and adults with children who have a household income below 185% of the federal poverty level.

Other VHAP eligibility requirements include: age 18 and older; currently have health insurance that covers only hospital care or only doctor visits; have not had health insurance for the past 12 months, or within the past 12 months have lost their insurance because they (1) lost their job, their employer reduced their work hours or their job ended, (2) got divorced or their civil union dissolved, (3) experienced domestic violence or abuse, (4) had insurance through someone who passed away, (5) no longer continue their health insurance through Consolidated Omnibus Budget Reconciliation Act (COBRA) or state continuation coverage ("VIPER"), (6) are no longer a dependent on their parent's or caretaker's health insurance; or (7) were getting their insurance through college and can no longer do so because they graduated, took a leave of absence, reduced their credits or stopped going to college.

VHAP covers most physical and mental health care services such as doctor visits, hospital care, prescription medicines, physical therapy, and more. It does not cover services such as dental/dentures, eyeglasses or transportation, and other services may have limitations.

Catamount Health and Premium Assistance
Catamount Health is a health insurance plan offered in cooperation with Blue Cross Blue Shield of Vermont and MVP Health Care. It provides comprehensive, quality health coverage. Assistance also may be available based on income for paying premiums; premium subsidies are available to those who fall at or below 300% of FPL.

Catamount Health is designed for Vermont residents who meet the following qualifications: age 18 or older; families who are not eligible for existing state-sponsored coverage programs such as Medicaid or Vermont Health Access Plan (VHAP); do not have access to insurance through their employer; have been uninsured for 12 months or more, or within the past 12 months have lost their insurance because they (1) lost their job, their employer reduced their work hours or their job ended, (2) got divorced or their civil union dissolved, (3) experienced domestic violence or abuse, (4) had insurance through someone who passed away, (5) no longer continue their health insurance through Consolidated Omnibus Budget Reconciliation Act (COBRA) or state continuation coverage ("VIPER"), (6) are no longer a

dependent on their parent's or caretaker's health insurance; or (7) were getting their insurance through college and can no longer do so because they graduated, took a leave of absence, reduced their credits or stopped going to college.

Depending on income, uninsured Vermonters may receive assistance paying their premiums when: access is not available to comprehensive health insurance through their employer as determined by the state; the employer's plan offers comprehensive benefits, but it is more cost-effective for the state to provide premium assistance to enroll in Catamount Health or VHAP than to provide premium assistance to enroll in the employer's plan; or the individual is waiting for the open enrollment period to enroll in their employer's plan.

Employer-Sponsored Insurance (ESIA) Premium Assistance
The state provides premium assistance to eligible uninsured employees to help them enroll in their employer-sponsored health insurance plan if all of the following criteria are met: the employee meets the eligibility criteria to enroll in Catamount Health or the Vermont Health Access Plan (VHAP); the employee's household income is under 300% FPL for one person; the employer's plan has comprehensive benefits; and the cost of providing premium assistance to enroll in an employer's plan is less than the cost of providing premium assistance to enroll in Catamount Health or the VHAP.

Prescription Assistance Pharmacy (PAP) Only Programs
Vermont provides prescription assistance programs to help Vermonters pay for prescription medicines based on income, disability status and age. There is a monthly premium based on income and co-pays based on the cost of the prescription.

VPharm assists Vermonters enrolled in Medicare Part D with paying for prescription medicines. Those eligible include people age 65 and older and Vermonters of all ages with disabilities with household incomes up to 225% FPL.

VHAP-Pharmacy **assist**s Vermonters age 65 and older and people with disabilities who are not enrolled in Medicare and who have household incomes up to 150% FPL pay for eye exams and prescription medicines for short-term and long-term medical problems.

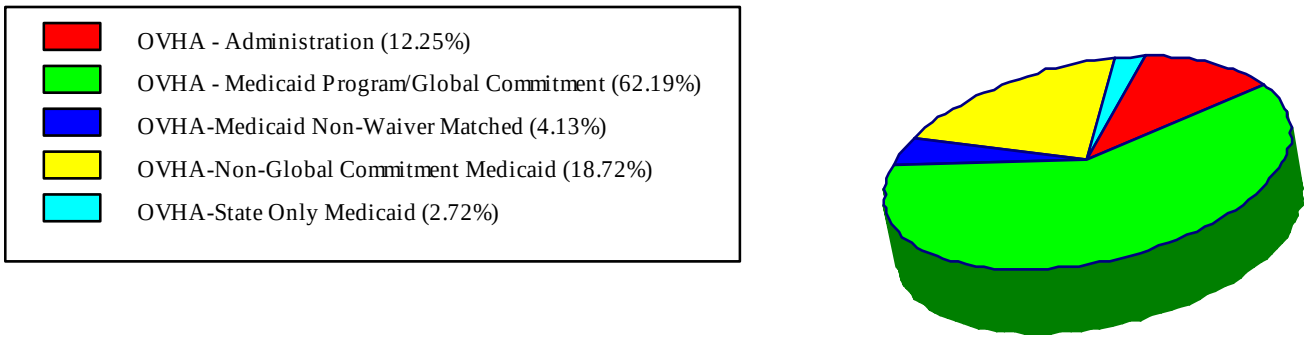
VScript assists Vermonters age 65 and older and people of all ages with disabilities who are not enrolled in Medicare and who have household incomes between 150% and 225% FPL pay for prescription medicines for long-term medical problems.

Healthy Vermonters provides a discount on short-term and long-term prescription medicines for individuals not eligible for other PAPs with household incomes up to 350% and 400% FPL if they are aged or disabled. There is no cost to the state for this program.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Department of VT Health Access

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
DVHA - Administration	104	120	167	42,595,086	96,191,996	91,897,348	131,663,893
DVHA - Medicaid Program/G. Comm	0	0	0	569,725,463	640,777,596	638,970,335	668,535,452
DVHA-Non-G. Comm.- Medicaid	0	0	0	191,968,805	205,491,171	202,316,817	201,240,298
DVHA-State Only Medicaid	0	0	0	20,632,303	26,979,994	26,616,777	29,191,562
DVHA-Medicaid Non-Waiver Matched	0	0	0	42,845,445	42,553,092	43,863,618	44,440,781
TOTAL	104	120	167	867,767,102	1,011,993,849	1,003,664,895	1,075,071,986
FUND TYPE							
General Fund				101,287,731	131,366,794	127,576,406	134,974,456
Special Fund				325,031	1,579,123	1,579,123	1,552,963
American Recovery & Reinvestment Act				18,775,678	2,505,044	2,505,044	76,790
Federal Revenue Fund				142,647,247	186,688,612	183,620,873	219,212,143
Global Commitment Fund				604,213,015	685,777,159	684,306,332	715,178,517
Interdepartmental Transfer				518,400	4,077,117	4,077,117	4,077,117
TOTAL				867,767,102	1,011,993,849	1,003,664,895	1,075,071,986



3. Appropriation Key Budget Issues:

As both the Public Managed Care Entity (MCE) and the largest insurer in Vermont, DVHA is a catalyst for comprehensive health care system reform. System transformation to achieve universal health care coverage and improved healthcare for all Vermonters requires an unprecedented commitment on the part of state government and its workforce.

As the MCE, DVHA collaborates closely with the other AHS departments to eliminate service fragmentation and establish a seamless system of care that integrates physical, mental health and substance abuse services within the *Blueprint for Health.* Key initiatives proposed by DVHA in support of these efforts include the following:

DVHA Substance Abuse Initiative

Team Care Program

Description. When DVHA identifies a beneficiary who has received Medicaid services at a frequency or amount not considered medically necessary as determined by established criteria, the beneficiary is enrolled in *Team Care* (formerly called the lock-in program). *Team Care* limits the beneficiary to designated providers for Medicaid services and is designed to improve coordination of care by minimizing duplicate and inappropriate drug utilization.

Planned Enhancements. DVHA has proposed expanding both the size and scope of the *Team Care* program to promote a comprehensive approach to substance abuse care. The enhanced program will employ dedicated clinicians and audit personnel to identify and manage additional cases, work closely with the Medicaid Medical Director on reconsiderations and appeals for all controlled substances, and collaborate with Vermont Chronic Care Initiative (VCCI) care coordinators and DVHA's Pharmacy unit to provide beneficiary oversight and outreach to providers to assure practices are consistent with established medical guidelines.

DVHA Care Coordination and Utilization Management Initiatives

VCCI Care Coordination

Description. DVHA registered nurses and social workers provide care coordination and case management services to high risk beneficiaries through a holistic approach that addresses physical, mental, substance abuse, and socioeconomic barriers to health improvement. DVHA care coordinators are fully integrated core members of existing *Blueprint for Health* Community Health Teams and are co-located in provider practices and medical facilities in several communities. They are knowledgeable about coordinating community resources to best serve beneficiaries and also provide a familiar presence for provider collaboration and referral of high risk Medicaid beneficiaries.

VCCI Pharmacy Management. DVHA recently refocused its care coordination contract with APS Healthcare, the vendor that supports DVHA's VCCI. One enhancement is the addition of a pharmacist to the care coordination team. Integrating pharmacy expertise and interventions within the VCCI will result in improved beneficiary health while helping control overall healthcare costs. A high priority initiative is supporting DVHA and VDH/ADAP in managing the Medication Assisted Therapy Program (Buprenorphine). The pharmacist also will assist with other planned opiate management programs under the guidance of the Drug Utilization Review Board; activities include but are not limited to reviewing medication profiles of high risk patients for inappropriate patterns of use, alerting providers to possible adverse effects and/or drug interactions, and identifying possible compliance, diversion, and abuse issues.

Planned Enhancements. One of DVHA's *Challenges for Change* (C4C) initiatives is expanding direct VCCI care coordination services to improve health outcomes while reducing costs. The C4C expansion coupled with an enhanced care coordination decision support system provided through the refocused APS contract are projected to achieve significant savings in SFY 2013. DVHA is proposing to expand this model to additional locations and broaden program eligibility to include high risk pregnant women.

- *VCCI Expansion*. The VCCI already successfully addresses traditional healthcare service coordination. As implementation of the *Blueprint for Health* continues, the need for similar significant improvements in the substance abuse and mental health areas has become apparent. To effectively manage the VCCI initiative, continue program expansion and integrate with other statewide health care reforms, additional program staff is needed, which will be co-located in high volume primary care offices, specialty practices, and hospitals to assure high quality, integrated, and cost effective health care.

- *High Risk Pregnancy*. DVHA's VCCI, Children's Integrated Services (CIS) within the Department for Children and Families [which is part of Integrated Family Services (IFS) in the Agency of Human Services (AHS) Secretary's Office], and the Maternal and Child Health (MCH) Services at the Vermont Department of Health [MCH Coordinators, WIC, and the Nurse Family Partnership (NFP) Home Visiting Program] have developed systems and processes for stronger collaboration in providing health promotion, prevention, and early intervention to pregnant women to improve birth outcomes. Goals include decreasing the incidence of premature births, infant mortality, low birth weight and other complications related to pregnancy and birth. VCCI staff will target special populations such as low-income pregnant women, pregnant teens, pregnant women addicted to substances such as tobacco or opiates, and pregnant women with mental health co-occurring disorders.

Utilization Review

Concurrent Review. DVHA is charged with evaluating the medical necessity, appropriateness, and efficiency of inpatient healthcare services. One mechanism for performing this function is concurrent utilization review and discharge planning for adults hospitalized for detoxification and

children hospitalized for psychiatric care. The goals of concurrent review are to assure services are provided in the most cost effective and clinically appropriate setting.

Planned Enhancements. DVHA will expand utilization review functions for adults individuals hospitalized for mental health conditions. To ensure appropriate resource use that does not increase state expenditures, DVHA will hire a licensed clinical professional to perform concurrent review and discharge planning and to track utilization trends in existing programs as well as two new partial hospitalization programs. This position will work closely with DVHA's VCCI Care Coordinators, its Substance Abuse Health Care Services Director, *Blueprint for Health* Community Health Teams (CHTs), AHS Field Services Directors and Integrated Family Services staff, Department of Mental Health and VDH/ADAP to develop a more coordinated and cohesive system of care for individuals with co-occurring conditions.

Performance Program Information

4. Performance Program Information:

DVHA's Strategic Plan is the result of the collective input of all DVHA staff and the Medicaid Advisory Board, and is informed by the Governor's statewide priorities and the State Health Care Strategic Plan. The plan also is guided by the Legislative Act 48, which creates Green Mountain Health Care to contain costs and provide comprehensive, affordable, high-quality, publicly financed health care coverage for all Vermont residents. DVHA's Strategic Plan will help maintain focus on key priorities and assist in performance improvement.

After participating in an AHS-wide strategic planning session in early SFY 2012, DVHA's strategic planning committee assessed the department's mission for consistency with the Governor's statewide priorities, considered current driving forces in Vermont as well as the department's strengths, weaknesses and opportunities, and identified the following six (6) strategic goals.

- Reduce health care costs and cost growth;
- Assure that all Vermonters have access to and coverage for high-quality health care (health care includes mental health, physical health and substance abuse treatment);
- Reduce the complexities of health care interactions and transactions;
- Support improvement in the health of Vermont's population;
- Improve customer and provider satisfaction;
- Establish an infrastructure that assures professional workforce competency and staff satisfaction.

Strategies, action steps and measures have been developed for each goal, targeting areas such as reduced administrative costs, improved coordination of care, increased efficiency, greater innovation in payment structures, improved access to healthcare, and workforce competency and satisfaction.

Despite challenging financial times, the number of Vermonters lacking health insurance decreased from

9.8 percent in the fall of 2005 (61,056) to 7.6 percent (47,460) in the fall of 2009. A major contributor to this success is the extensive marketing and ongoing outreach by the state and its partners that began in the fall of 2007 to inform Vermonters about Green Mountain Care, which includes all of the state supported health coverage programs (Medicaid, Dr. Dynasaur, VHAP, Catamount Health and the premium assistance programs). In fact, since the launch of Green Mountain Care, enrollment in these programs has increased by almost 36,000 Vermonters.

The payment reforms and quality improvement programs of the Vermont *Blueprint for Health* are now implemented in all Health Service Areas of the state, currently affecting approximately 350,000 of the state's 625,000 patients. In moving from pilot phase to statewide expansion phase by October of 2013, the way care is delivered is being changed at the local level. In 2012, the impact of the *Blueprint* on the expected growth in health care costs will be understood. All Vermont's major commercial and public payers are contributing to the financial support of the *Blueprint*, with Medicare starting to fully fund the program as of July 2011 as part of the CMS Multi-payer Advanced Primary Care Demonstration. Vermont also is collaborating with nine other states (with support from the Milbank Memorial Fund) to develop a nationwide Learning Health System.

DVHA continues to coordinate Vermont's Health Information Technology (HIT) initiatives to support health delivery system transformation. In 2011, through a combination of federal resources from the Office of the National Coordinator for HIT (ONC), CMS, and the state's Health Information Technology Fund, the statewide Vermont Health Information Exchange (VHIE) network operated for the State by Vermont Information Technology Leaders (VITL) underwent a major upgrade to its infrastructure, including transition to a new vendor platform. State and federal grant resources were provided to hospitals and physician practices to support their Electronic Health Record (EHR) interface upgrades required by the VHIE transition. While addition of new practices to the VHIE network slowed temporarily due to the transition, VITL is on track to add 56 additional practices by June 2012, for a total 103 of the state's primary care practice sites connected to the Exchange. DVHA launched the Medicaid EHR Incentive Program (EHRIP) in October 2011, administering 100% federal funding to physicians and hospitals for adoption and meaningful use of EHR systems. By year end 2011, $3.6 million in incentive payments were made to providers, with a projected total of $32.3 million in EHRIP payments expected through SFY13.

CMS approved reimbursement provisions for the 340B Pharmacy program launched in 2011 after extensive negotiations related to the terms of Vermont's State Plan Amendment for 340B. The program has participation from a growing number of hospitals and health centers around the state to decrease the pharmaceutical cost for Medicaid beneficiaries who are patients of eligible covered entities.

DVHA continues to implement initiatives to help improve the quality of health care services for Vermont's most vulnerable citizens and also contain costs of these publicly-supported programs. DVHA's Vermont Chronic Care Initiative (VCCI) is providing care coordination for beneficiaries with the most significant needs, including those who are prescribed buprenorphine. DVHA care coordinators are fully integrated core members of existing *Blueprint for Health* Community Health Teams and are co-

located in provider practices and medical facilities in several communities. In addition, as one of the four major insurance carriers in the state, DVHA directly supports the *Blueprint for Health* Multi-payer Medical Homes Pilot by making provider incentive payments and funding its share of the Community Health Teams.

In addition, as required per Section E 306(b) of Act 156 (2010), DVHA added six (6) additional full-time positions to its Program Integrity (PI) unit to maximize efforts to control fraud, waste, and abuse in the Medicaid system. The PI unit has exceeded its legislative savings targets, with the majority of savings being achieved through two sources: direct reporting by other state departments, providers, and beneficiaries to the PI unit of potential fraud, waste and abuse, and; DVHA's partnership with the Medicaid Fraud and Residential Abuse Unit (MFRAU). Additional savings have been achieved through data mining activities conducted in collaboration with DVHA's contractor, Optum (formerly named Ingenix), to identify potential overpayments.

DVHA's Coordination of Benefits (COB) unit also continues to successfully focus on ensuring that the appropriate insurer covers the costs of care when a DVHA beneficiary has dual coverage (e.g., Medicare, private insurance), and by pursuing casualty or estate recovery of Medicaid costs. In SFY11, the COB unit recovered $8.6 million that supports the Green Mountain Care programs, and is on track to recover a similar amount in SFY12.

In combination, all of these efforts will help our current programs be sustainable as we transition to the new programs that will emerge under federal health care reform.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DVHA - Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	36,322,508	85,804,852	81,492,879	104,339,779
Operating Expenses	2,291,426	2,761,571	2,800,396	3,063,851
Grants	3,981,152	7,625,573	7,604,073	24,260,263
TOTAL	42,595,086	96,191,996	91,897,348	131,663,893
FUND TYPE				
General Fund	684,883	945,014	485,837	941,059
Special Fund	325,031	1,579,123	1,579,123	1,552,963
American Recovery & Reinvestment Act	1,196,473	2,505,044	2,505,044	76,790
Federal Revenue Fund	6,507,724	43,169,600	39,064,279	79,787,828
Global Commitment Fund	33,362,575	43,916,098	44,185,948	45,228,136
Interdepartmental Transfer	518,400	4,077,117	4,077,117	4,077,117
TOTAL	42,595,086	96,191,996	91,897,348	131,663,893

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DVHA - Medicaid Program/Global Commitment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	569,725,463	640,777,596	638,970,335	668,535,452
TOTAL	569,725,463	640,777,596	638,970,335	668,535,452
FUND TYPE				
Global Commitment Fund	569,725,463	640,777,596	638,970,335	668,535,452
TOTAL	569,725,463	640,777,596	638,970,335	668,535,452

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DVHA-Non-Global Commitment Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	191,968,805	205,491,171	202,316,817	201,240,298
TOTAL	191,968,805	205,491,171	202,316,817	201,240,298
FUND TYPE				
General Fund	63,784,043	86,593,979	83,786,237	87,683,279
American Recovery & Reinvestment Act	17,579,205	0	0	0
Federal Revenue Fund	110,605,557	118,897,192	118,530,580	113,557,019
TOTAL	191,968,805	205,491,171	202,316,817	201,240,298

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DVHA-State Only Medicaid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	20,632,303	26,979,994	26,616,777	29,191,562
TOTAL	20,632,303	26,979,994	26,616,777	29,191,562
FUND TYPE				
General Fund	19,507,326	25,896,529	25,466,728	27,776,633
Global Commitment Fund	1,124,977	1,083,465	1,150,049	1,414,929
TOTAL	20,632,303	26,979,994	26,616,777	29,191,562

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DVHA-Medicaid Non-Waiver Matched

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	42,845,445	42,553,092	43,863,618	44,440,781
TOTAL	42,845,445	42,553,092	43,863,618	44,440,781
FUND TYPE				
General Fund	17,311,479	17,931,272	17,837,604	18,573,485
Federal Revenue Fund	25,533,966	24,621,820	26,026,014	25,867,296
TOTAL	42,845,445	42,553,092	43,863,618	44,440,781

Department Mission Statement

VISION:
Healthy Vermonters living in healthy communities.

MISSION:
To protect and promote optimal health for all Vermonters.

Description of Appropriations, Divisions, & Programs

The Health Department's budget is divided into three appropriations:

Administration and Support

- Commissioner's Office
- Information Technology
- Business Office
- Facilities and Operations
- Communication
- Rural Health and Primary Care Programs
- Performance Management

Public Health

- Health Surveillance
- Maternal and Child Health
- Health Promotion and Disease Prevention
- Office of Public Health Preparedness
- Office of Local Health
- Board of Medical Practice

Alcohol and Drug Abuse Programs

- Administration and Planning
- Prevention
- Treatment

Working with partners throughout Vermont, regionally and nationally, the Vermont Department of Health works to protect and promote optimal health for all Vermonters. The work of the department is guided by its vision and mission, by goals and objectives laid out in Healthy Vermonters 2020, by a Strategic Plan and by coordinating with the Blueprint for Health - the state's initiative to improve health care and prevent serious complications for people who have chronic health conditions.

One of the essential functions of public health is to continually analyze data and trends and apply what we can learn to improving the health of the population. The Health Department regularly reports on the health status of the population. The last such report was in 2008 and will be updated and reissued in 2012.

ADMINISTRATION AND SUPPORT

- Commissioner's Office
- Information Technology
- Business Office
- Facilities and Operations
- Communication
- Rural Health and Primary Care Programs
- Performance Management

Commissioner's Office provides public health leadership, policy development, direction and management guidance to staff and programs throughout the Department. Functions carried out by the Commissioner's Office include operations, legal counsel, planning, policy and public health communication; health risk communication, media relations, social marketing, and the department's website. In addition to the divisions of Public Health and the Alcohol and Drug Abuse Program, other programs with direct leadership from the commissioner and deputy commissioners are: Office of Rural Health and Primary Care (see below); Minority Health; Performance Management (see below); and Patient Safety.

Information Technology develops and maintains multiple and diverse custom software applications serving department programs. The unit has developed registries for births, deaths, immunizations and hearing screenings. The unit has implemented solutions provided by CDC or purchased from vendors such as electronic disease surveillance and reporting system and a laboratory information management system. Staff is also responsible for electronic data transfers such as electronic laboratory reporting.

Business Office provides financial and logistical support for all departmental operations. It works to ensure that program financial management is reliable, timely, and in accordance with state and federal compliance requirements. It implements internal controls as needed, and provides periodic reporting to partners. Budget and grants staff manages the department's overall budget and spending for 70-75 federal and foundation funding sources that comprise nearly three-quarters of the Health Department's budget.

Facilities and Operations is responsible for the efficient use of all of the department's resources; human, financial and physical. It provides leadership for Continuity of Operations Planning (COOP). It manages workforce development for business training events in areas ranging from contracts and grants, to audit and internal controls. The 19 sites that house VDH

employees are managed by this unit. Business process improvements are identified and implemented by this group.

- **Communication** works with department leadership and staff to provide useful, accurate, credible and timely public health information and messages to Vermonters. It leads or coordinates local, state and national public health communication efforts related to health crisis, emergency and risk communication planning and response. It also manages social marketing/health promotion, graphic design, media relations and VDH websites - both public site and intranet. In addition, it provides essential public information during emergency events such as pandemic flu, including public health emergency communication and response. Communication staff manages public health communication training for department leadership and staff.

- **Rural Health and Primary Care Office** works to assure that all Vermonters have access to quality health care and health care workforce development. Major federal programs include the Rural Hospital Flexibility program, State Office of Rural Health, State Primary Care Office, and the Small Hospital Improvement program. Major state programs include the Area Health Education Centers (AHEC's) and AHEC/VSAC loan repayment/loan forgiveness; nine Clinics for the Uninsured; and Federally Qualified Health Center planning and development grants.

- **Performance Management** establishes and manages systems at VDH to identify and regularly report on population objectives and performance measures, perform quality improvement activities, and assess and emphasize the need to fund and implement evidence based practices to change population outcomes. Central to this comprehensive performance management system is Public Health Stat, a management tool that facilitates data-driven decision making. Through cross-divisional content based meetings, key decisions makers come together to do program planning and resource allocation around high priority Department-wide goals. Performance Management, through these systems, is preparing to apply for Public Health Accreditation by ensuring that the performance of the Department meets the national standards established by the Public Health Accreditation Board.

PUBLIC HEALTH

- Health Surveillance
- Maternal and Child Health
- Health Promotion and Disease Prevention
- Office of Public Health Preparedness
- Office of Local Health
- Board of Medical Practice

Division of Health Surveillance

- Public Health Statistics - Collects, analyzes, interprets and reports information to determine health risk behaviors, health status, health disparities, morbidity and mortality of the population.

Provides research, statistical and analytical support to all Health Department programs. Maintains and analyzes vital records (births, deaths, marriages, civil unions, fetal deaths, and abortions). Conducts health surveys. Operates the Vermont Cancer Registry and the Immunization Registry.

- Infectious Disease Epidemiology - Monitors, investigates and takes action to limit the spread of infectious disease to prevent or control illness and death in the community. Provides vaccines for children and adults. Provides prevention and treatment services for zoonotic diseases, HIV, AIDS and sexually transmitted diseases, hepatitis and tuberculosis. Coordinates health services for newly arrived refugees.

- Public Health Laboratory - Provides highest quality laboratory tests and analytical services to support public health work including disease prevention, control and surveillance; environmental health and protection, food safety, and emergency response.

- Environmental Health Epidemiology - Works to assess, prevent and control risks to public health associated with exposure to harmful substances in the environment. Performs toxicology risk assessments. Provides expert consultation for public inquiries. Operates asbestos and lead contractor certification program, childhood lead poisoning prevention program, radon program and school environmental health (ENVISION) program. Inspects and licenses restaurants, hotels, motels, inns, delicatessens, bakeries, school food service facilities, summer camps and fairs to prevent food borne illness. Investigates complaints to enforce the Clean Indoor Air Act.

- Office of the Chief Medical Examiner - In the interest of public health and public safety, performs autopsies, investigates and determines cause and manner of unexpected or unnatural deaths from violence, injury, suicide, drugs or other circumstances.

- Radiological Health - Minimizes radiation dose to patients, workers and the public by registering and inspecting radiation sources, providing technical assistance, and conducting extensive environmental surveillance around Vermont Yankee nuclear power plant.

Division of Maternal and Child Health

- Monitors and works to improve the system of health care for women, children and families. Promotes evidence-based prevention and intervention strategies and practices. Administers the Maternal and Child Health federal block grant, the federal family planning grant, and the abstinence education grant. Serves as MCH coordinator for Children's Integrated Services (CIS).

- Children with Special Health Needs (CSHN) - Provides health care and support services to children (age 0-21) who have complex health problems.

- Special Supplemental Nutrition Program for Women, Infants and Children (WIC) - Promotes the health of infants, young children, pregnant women and new mothers by providing food and

nutrition education, monitoring child growth and development, and linking participants to prenatal and pediatric health care.

- Early Periodic Screening, Diagnosis and Treatment (EPSDT) - Works to enhance the health of Medicaid-eligible children by assuring access to health insurance and primary care. Prescribes standards for children's preventive health care and works to see that these standards are applied. Also responsible for the public school-based Medicaid Administrative Claiming (MAC) Program to promote children's health in coordination school nurses and health care providers.

Division of Health Promotion and Disease Prevention

Public health promotion and education programs directed at helping Vermonters adopt healthy behaviors, nutrition, and lifestyles to prevent leading chronic diseases and injury. Works in close coordination with the Vermont Blueprint for Health and community coalitions. Major programs include:

- Tobacco Control - Works to cut smoking rates and exposure to second-hand smoking by supporting tobacco control work in community coalitions, schools and other settings; funding quit-smoking support services; conducting public education and counter-marketing campaigns; enforcing no-smoking laws; monitoring and evaluating progress toward goals.

- Nutrition and Physical Activity - Works to prevent obesity and related chronic conditions by helping communities conduct local assessments, plan and implement policy and environmental changes to promote nutrition and physical activity.

- Injury and Violence Prevention and Control - Works to develop a coordinated approach to injury and violence prevention throughout the state. Priority areas are: child abuse, intimate partner abuse, work-related injuries, seat belt use, residential fire deaths, teen suicide attempts, suicide deaths, drunk-driving deaths, elderly falls, prescription drug misuse, motor vehicle crashes, and ATV injuries.

- Oral Health - Works to reduce prevalence of dental disease through community and school-based efforts. The Tooth Tutor program puts dental hygienists in Head Start and elementary schools to link children with a dental home. Provides technical assistance to ensure appropriate services are provided to children and families enrolled in state-funded dental programs.

- Diabetes Prevention and Control - Works to improve service quality and capabilities of providers to help consumers achieve diabetes control. Promotes self-management of diabetes.

- Woman's Health - Provides for breast and cervical cancer screening and cardiovascular health screening for women age 40 and older with limited incomes and not eligible for Medicaid, VAHP or Medicare Part B. Women age 18-39 who have breast cancer symptoms or abnormal Pap tests are also eligible. Provides self-help for women to make lifestyle behavior changes to

prevent, delay or control cardiovascular disease and provides referrals for medical treatment.

- Asthma Control - Works to reduce hospitalization rate for asthma. Promotes use of Asthma Action Plans to manage disease, work to increase number of certified asthma educators, and educates health care providers on the most recent diagnosis and treatment guidelines.

- Comprehensive Cancer Control - Collaborates with internal and external partners in five priority areas: reduce exposure to known carcinogens; detect new cancers as early as possible through appropriate screening; increase access to quality cancer treatment and follow-up care; improve quality of life for people living with cancer; and improve end-of-life care for cancer patients.

Office of Public Health Preparedness

- Preparedness and Response - Coordinates and manages preparedness/response plans, training, drills, exercises and events related to widespread disease outbreaks, pandemic flu, radiological, chemical or bio-terrorist health threats, and other public health emergencies. Works with external partners to manage emergency health and medical preparedness/response systems. Manages federal grants related to public health and hospital preparedness.

- Emergency Medical Services – Conducts standard setting, regulation and planning for statewide EMS systems including training, technical assistance and program development for local services. Also licenses/certifies personnel, emergency vehicles and emergency equipment.

Office of Local Health

Provides public health leadership and direct service to Vermonters in their communities.

- 12 district offices work in close coordination with other AHS district office staff to provide public health leadership for community health assessments, coalition building, and planning. Provides health promotion, disease prevention, outreach, education, emergency preparedness and follow-up necessary to support an effective public health system. It is through these district offices that most Health Department programs reach all Vermonters.

Board of Medical Practice

- The Health Department provides administrative support to the Board of Medical Practice, which regulates physicians (MD's), physician's assistants (PA's), podiatrists and anesthesiology assistants (AA's). Investigates, issues and renews licenses. Adjudicates complaints of unprofessional conduct.

ALCOHOL AND DRUG ABUSE PROGRAMS:

Alcohol and Drug Administration and Planning:

Undertakes studies to determine the prevalence of substance abuse and treatment needs in communities and Statewide; conducts program and fiscal monitoring, data analyses and evaluations of key ADAP

prevention, intervention, and treatment services to ensure accessibility, appropriateness, quality, and cost effectiveness. Manages and monitors federal grants and SAPT Block Grant data reporting. Plans and manages training and technical assistance to develop the community substance abuse workforce. Develops a strategic plan and implementation strategies.

Alcohol and Drug Prevention:
Through staff based in the Health Department's central office and the 12 district offices, develops community substance abuse prevention coalitions and programs. Collaborates with the Department of Education to help schools and colleges develop comprehensive alcohol and drug abuse prevention programs. Provides funding for prevention programs through grants to schools and community agencies and monitors implementation and results.

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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration & Support	58	61	66	9,840,204	10,198,603	10,426,779	10,674,889
Public Health	384	385	400	68,939,909	74,080,220	71,710,613	70,867,012
Alcohol & Drug Abuse Programs	31	30	29	31,435,188	28,903,483	29,298,568	30,648,542
TOTAL	473	476	495	110,215,301	113,182,306	111,435,960	112,190,443
FUND TYPE							
General Fund				11,129,167	11,533,479	11,473,243	11,137,058
Special Fund				12,984,408	14,550,592	14,862,432	14,268,894
American Recovery & Reinvestment Act				868,298	541,980	541,980	145,000
Federal Revenue Fund				45,377,210	44,011,230	43,822,125	45,580,640
Permanent Trust Fund				10,000	10,000	10,000	10,000
Global Commitment Fund				37,943,970	41,209,617	39,400,772	39,594,611
Interdepartmental Transfer				1,902,248	1,325,408	1,325,408	1,454,240
TOTAL				110,215,301	113,182,306	111,435,960	112,190,443

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	5,313,284	5,485,409	5,313,585	5,668,858
Operating Expenses	1,753,227	1,932,004	1,932,004	1,946,031
Grants	2,773,693	2,781,190	3,181,190	3,060,000
TOTAL	9,840,204	10,198,603	10,426,779	10,674,889
FUND TYPE				
General Fund	1,033,139	1,059,487	1,037,708	1,039,062
Special Fund	479,919	324,063	674,063	579,063
American Recovery & Reinvestment Act	160,321	81,815	81,815	35,000
Federal Revenue Fund	4,915,682	5,152,054	5,070,009	5,642,395
Global Commitment Fund	3,251,143	3,581,184	3,563,184	3,379,369
TOTAL	9,840,204	10,198,603	10,426,779	10,674,889

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	32,576,423	33,496,002	32,755,924	31,255,732
Operating Expenses	6,348,412	7,145,652	7,145,126	5,670,400
Grants	30,015,074	33,438,566	31,809,563	33,940,880
TOTAL	68,939,909	74,080,220	71,710,613	70,867,012
FUND TYPE				
General Fund	7,393,593	7,262,449	7,226,567	6,851,240
Special Fund	9,911,795	12,606,411	12,568,251	11,939,713
American Recovery & Reinvestment Act	707,977	460,165	460,165	110,000
Federal Revenue Fund	32,611,137	32,903,499	32,800,052	34,079,848
Permanent Trust Fund	10,000	10,000	10,000	10,000
Global Commitment Fund	17,173,159	19,862,288	17,670,170	16,771,971
Interdepartmental Transfer	1,132,248	975,408	975,408	1,104,240
TOTAL	68,939,909	74,080,220	71,710,613	70,867,012

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	2,794,179	2,650,944	2,634,116	2,791,666
Operating Expenses	353,518	371,158	371,158	327,258
Grants	28,287,491	25,881,381	26,293,294	27,529,618
TOTAL	31,435,188	28,903,483	29,298,568	30,648,542
FUND TYPE				
General Fund	2,702,435	3,211,543	3,208,968	3,246,756
Special Fund	2,592,694	1,620,118	1,620,118	1,750,118
Federal Revenue Fund	7,850,391	5,955,677	5,952,064	5,858,397
Global Commitment Fund	17,519,668	17,766,145	18,167,418	19,443,271
Interdepartmental Transfer	770,000	350,000	350,000	350,000
TOTAL	31,435,188	28,903,483	29,298,568	30,648,542

Department Mission Statement

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

We are passionate about prevention and will:

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

Description of Appropriations, Divisions, & Programs

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

Child Development Division (CDD). CDD supports the well being of Vermont's children through the development and provision of a continuum of comprehensive child development services for children and their families from pre-birth to age thirteen. The Division is organized under four primary functional areas: Operations & Policy which includes IT systems management, contract management , policy development, client management & communication and other aspects of operations that effect the full Division; Child Care Licensing & Financial Assistance which includes regulation and monitoring of CC programs and administration of the CC Financial Assistance Program including payments to participating providers; Statewide Systems and Community Partnerships which includes early childhood and afterschool workforce development, the Vermont STARS quality rating and improvement system for early care and education and afterschool programs, the Northern Lights Career Development Center for early childhood and after school professionals, Act 62 preschool implementation, partnerships with community-based networks (e.g. Parent Child Centers), Building Bright Futures and other Early Childhood and Afterschool Systems of Care; and Children's Integrated Services which includes Early Intervention, Nursing and Family Support, Early Childhood and Family Mental Health, and Specialized Child Care Services. CDD also includes the Head Start Collaboration Office.

Family Services Division. This division provides the following services: child abuse and neglect investigations, child protective services, services to children in the custody of the Commissioner of DCF and youth justice services, including supervision of youth on juvenile probation.

Economic Services Division (ESD). This Division provides both benefits and services to low to moderate income Vermonters. ESD consists of the following programs: Reach Up, Aid to the Aged,

Blind, & Disabled (AABD), Health Care eligibility, Home Heating Assistance (LIHEAP), Food & Nutrition, Essential Person, Telephone Lifeline, General and Emergency Assistance

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

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

Office of Economic Opportunity (OEO). OEO supports community-based antipoverty programs with grants management; resource identification and development; training and technical assistance; and advocacy.

Commissioner's Office

The Commissioner's Office provides administrative oversight and support to the operating divisions. It is responsible for policy and budget development, operational management of all programs and divisions, human resource development for approximately 998 DCF staff, internal and external communication and is charged with maintaining relationships with other state agencies, the legislature and federal officials.

Child Development Division

Program Focus:

The Child Development Division (CDD) seeks to improve the well being of Vermont's children by ensuring access to high quality, economically viable child development services. The goals for the division include promoting health and well-being, school readiness and foundations for life long success for Vermont's children. A focus on investing in prevention in the early childhood years reduces the likelihood of having to fund more costly interventions in social services, special education, and corrections later in life and promotes a strong start for Vermont citizens and future leaders. The CDD works in partnership with community based providers to ensure that a coordinated continuum of developmentally beneficial early childhood and after-school services are available throughout Vermont. The CDD is responsible to regulate and monitor early childhood and afterschool programs and administer the Child Care Financial Assistance Program that helps low-income families pay for child care. It administers a range of early intervention, home visiting, mental health, and inclusion services for children and their families experiencing significant challenges. It supports child care resource and referral services, parent education and other family support services for families. The division develops

and supports state wide systems related to professional development for early childhood and afterschool professionals (Northern Lights Career Development Center) and continuous quality improvement of early childhood and afterschool programs (Vermont STep Ahead Recognition System – STARS) and provides direct incentives and rewards to CC providers and grants for direct services to community partners..

The Child Development Division is committed to the ongoing work of building an integrated system of early childhood services accessible to all young children in Vermont that focus on achieving good outcomes for Vermont children and their families. The public/private partnership advancing this effort is called Building Bright Futures.

Population Served:

The division focuses efforts on three client populations: children from pre-birth – age six and their families; children 6 – 13 participating in afterschool programs and their families; and early childhood and afterschool programs and professionals. The continuum of services it supports ranges from population based strategies to promote child development (primary prevention) through targeted interventions based on identified risk factors (surveillance and family support) and early interventions based on assessed needs to a limited set of intensive diagnosis-driven treatment services.

Major Programs/Services:

Child Care Licensing: CDD is responsible for regulating and monitoring child care programs in Vermont including early childhood and afterschool programs, registered and licensed family child care homes, and certified legally exempt providers. There are currently 659 Licensed Early Childhood Programs, 938 Registered Homes and 937 Certified Legally Exempt providers. The regulated child care system serves approximately 34,175 children ages 6 weeks to 13 years. The Licensing Unit processes applications for child care, including approximately 70,000 criminal record, and child/adult abuse screens annually. The Child Care Consumer Line receives and investigates complaints regarding child care. Licensing staff provide technical assistance to providers related starting a child care program, regulatory compliance and accessing other supports. Staff also provide information about child care regulations and regulated programs for families and other stakeholders.

Child Care Financial Assistance Program : Vermont invests approximately $39 million annually helping families pay for child care so that while parents increase their economic stability through work and training or education, their children participate in developmentally beneficial early childhood and after school programs that support current well-being and future success. Eligibility and the amount of assistance received is based on gross family income and family size. Significant family risk factors may also be considered. Child care services for approximately 7,500 – 8,000 children (4,000 – 5,000 families) are subsidized through financial assistance at any given time. Most families in the program receive partial benefits and contribute to child care payments for their children.

The Child Development Division is responsible for program policy development, oversees eligibility determinations and manages bi-weekly payments to CC providers caring for eligible children. The Child Care Financial Assistance Program is supported by a federal Child Care Development Fund (CCDF) block grant and State General Funds.

Children's Integrated Services: This program brings together formerly disparate primary prevention and early intervention programs into a holistic approach for service delivery that utilizes a team structure, a single treatment plan, and a primary interventionist model. Each AHS region is currently involved in planning for or implementing this integrated services approach with a broad range of partners and stakeholders particular to their region. In November 2010, Lamoille, Rutland and Franklin/Grand Isle became the first three Vermont communities to implement full integration. CDD services included in this array are:

Early Intervention (EI) *(Part C of IDEA, formerly the Family Infant Toddler Program)* which provides a range of assessment and developmental services to children under 3 years with established disabilities or a diagnosed condition with high probability of subsequent developmental delays. There are about 780 active EI participants at any given period with over 2,000 children served through the course of a year.

Nursing and Family Support (NFS) *(formerly Healthy Babies, Kids and Families)*which provides home visiting, nursing and family support services to pregnant women and children up to 6 years who are receiving Medicaid benefits. Approximately 3,800 women and children receive NFS services annually.

Early Childhood and Family Mental Health (ECFMH) *(formerly part of Children's Upstream Services or CUPS)* which provides mental health consultation and education services to several hundred early childhood programs annually as well as direct therapeutic services related to social/emotional development, behavior regulation and counseling to over 860 children and families each year.

Specialized Child Care Services (SCCS) which provides a menu of support for particular populations of children (e.g. children involved with the Family Services Division, children in highly stressful circumstances, and children with special health and developmental needs) to ensure their successful inclusion in early childhood programs. Available supports include tuition for participation in a program, transportation, and inclusion supports.

State-wide Systems and Community Partnerships: This unit manages all initiatives that support improving the quality of child development services including services delivered in early childhood and afterschool programs. Major initiatives include promoting the ongoing professional development of the workforce through the Northern Lights Career Development Center, promoting increased quality through the Step Ahead Recognition System (STARS) and the expansion of infant/toddler and afterschool services through initiatives targeted to each age group. Participation and growth in STARS indicates a steady improvement in the quality of child care in Vermont – 66% of all licensed programs and 21% of all registered family child care homes are now rated with growing numbers of 4 and 5 star

programs. Individual professional development achievements are supported and recognized – since 2004, over 700 individual child care professionals have earned a certificate, degree or credential.

This unit also supports external work with community, state and federal partners to establish, sustain and enhance the infrastructure and direct service capacity for a coordinated child development system in Vermont, including early childhood and afterschool services, expansion of Act 62 PreKindergarten partnerships and participation, and family engagement and parenting education. Key initiatives and partners in this work include: the Parent Child Center Network; Healthy Child Care Vermont; the Vermont Center for Afterschool Excellence; The Children's Trust Fund; the Starting Points Network; and Building Bright Futures Direct Services (formerly Success by Six)

Operations: The Operations Unit is responsible for the following major functional areas: CDD's web-based Bright Futures Information Technology System (BFIS); the BFIS Provider Helpdesk; coordinated policy development and process improvement; contract and grants management; data and planning; and federal and state reporting. In 2010, CDD went green and is now conducting business primarily on-line with over 98% of the 1664 regulated child care providers registered as "e-providers". Decreasing paper use and improving customer service and responsiveness is a major accomplishment of the Operations unit utilizing the Bright Futures Information System.

Family Services Division

Program Focus/Population Served:

The Family Services Division is Vermont's child welfare and juvenile justice agency. It serves high risk children and families and intervenes as the statutes allow. It provides care and supervision for children in the custody of the commissioner.

Major Programs/Services:

Centralized Intake Unit: A unit of 2.5 supervisors and 6 social workers take calls of concern from mandated reporters and other citizens who suspect a child is experiencing child abuse or neglect. Unit supervisors decided which cases merit a social work intervention, based on law, regulation and policy.

Child abuse and neglect investigations: The division is responsible for responding to reports alleging that children are abuse or neglected. When an intake results in a child abuse investigation, a social worker must see the child within 72 hours. The focus is on the child's immediate safety. Frequently, social workers collaborate with law enforcement personnel when conducting these investigations. In FY '10, the division commenced just over 5000 such interventions.

Ongoing services to families at risk: For families who are at the highest risk of abuse or neglect, the

division provides family services focused on addressing the underlying factors that contribute to the risk. Social workers provide direct services, and coordinate other therapeutic services targeted at risk reduction. Over an 18 month period, this caseload has grown from 80 statewide to over 450.

Substitute care, treatment and permanency planning services for children in custody: The division focuses on providing the most appropriate out-of-home living situation. Whenever possible, children are placed in their own school districts. The division is actively focused on ensuring a permanent home for children as soon as possible, preferably with the child's own family. The number of children in out of home placements has dropped from about 1499 to below 1000 over a 6-year period.

Transition services: Services to support the successful transition of youth in custody to adulthood, including training and support services through the Youth Development program, housing supports, extended foster care, and financial assistance with post-secondary training. Services are available to the young adults 22nd birthday. The division supports over 100 young adults though this program.

Probation and other restorative justice services for delinquent youth, including detention and treatment services at the Woodside Juvenile Rehabilitation Facility, a 28-bed facility: The division provides services to delinquent youth with a focus on balanced and restorative justice. A central goal is to avoid later involvement with the adult corrections system. Social workers supervise about 200 youth on juvenile probation.

Adoption subsidy and post-adoption supports for adoptees with special needs: Children adopted through the foster care system care are often eligible for financial supports due to their special needs. In addition, adoptive families are provided with post-adoption services to ensure their success as parents through the predictably difficult times they will face in parenting children with special needs.

The Emergency Services Program: Provides after-hours support for foster parents and other families. In addition, the Emergency Services Program staff responds to reports of abuse and neglect, deploying social workers to respond when necessary.

The Residential Licensing Unit: Promotes safety of children by licensing foster families, residential facilities and child placing agencies.

The Family Services Central Office: Provides necessary supports to ensure quality services, such as planning, policy development, quality assurance, budget development and oversight, support of the foster and residential care system, oversight on the contracted services system, etc.

Economic Services Division

Program Focus/Population Served:

The Economic Services Division (ESD) administers a variety of state, federal/state, and federal programs that address the basic needs of low and moderate income Vermonters. Factors that contribute to need include unemployment, part-time or low-wage employment, family breakup, single parenthood, age, temporary or permanent disability, death of a family member, or other catastrophic event. ESD programs promote the well-being of families and individuals by providing assistance-to-work services, health care coverage, cash assistance and food support.

ESD programs serves about 170,000 low to moderate income people at any given time during the year. More than one in five Vermonters receives benefits or services from these programs.

Major Programs/Services:

Reach Up Program- On a monthly average, this program serves around 5,800 families with children who are unable to provide for themselves as a result of family breakup, single parenthood, temporary or permanent disability, unemployment, or low-wage employment. Participating families receive cash assistance, case management, and other help to achieve self-sufficiency. Families receiving Reach Up are provided Medicaid coverage and approximately nine out of ten receive federal supplemental nutrition assistance program benefits (3SquaresVT) – formerly known as Food Stamps. Expenditure of general funds in the program is required to receive the federal TANF state block grant. Reach Up supports participants in program activities such as basic education, work experience, occupational training, parenting, postsecondary education, job readiness and job search. Reach Up also provides support services to help participants with the cost of child care, transportation and other work related expenses.

Postsecondary Education program had an enrollment of 160 families as of December 1, 2010 providing financial assistance and support services while an adult member works on getting an associate or bachelor degree.

Reach First Program – This program was implemented in July 2008 and provides short-term help to families who financially qualify for Reach Up, but do not need ongoing financial assistance. The program served an average of 359 families monthly by providing them with a limited financial benefit and services to fill a temporary need while they overcome a temporary period or circumstance of financial need.

Reach Ahead Program – This program provides additional support in the form of a monthly food subsidy for up to 12 months to families who are transitioning from Reach Up and the Postsecondary Education Program. This program served an average of 269 families monthly.

<u>TANF Reauthorization</u>

The federal Temporary Assistance for Needy Families (TANF) block grant provides funding to states for cash assistance and other programs for low-income families. In Vermont, TANF supports the Reach Up, Emergency Assistance and Reach First programs in addition to other benefits and services for low-income families. The TANF block grant was scheduled for reauthorization in federal fiscal year 2010, but Congress failed to reauthorize the program by its September 30, 2010 expiration date. To keep the program operating, Congress extended the TANF block grant through December 3, 2010, as part of a "continuing resolution" to fund government programs. It is unclear when Congress will reauthorize TANF, but it is likely that in the interim that continuing funding resolutions will maintain the block grant.

Creative Workforce Solutions

The Reach Up Program and the Vocational Rehabilitation Division have expanded their joint efforts to help Reach Up families find employment using Creative Workforce Solutions (CWS). CWS is a consolidated and coordinated approach to employment services under the Agency of Human Services (AHS). CWS provides equal access to meaningful work in the competitive job market for all AHS program participants. It also offers employers a single point of contact for coordinated job development and placement services across AHS programs.

Reach Up financial sanctions

Early in 2011, ESD will begin to impose the new financial sanction amounts for Reach Up families who are not complying with program requirements. Currently, sanctions in the first three months reduce a family's grant by $75. In the 2010 legislative session, the General Assembly amended the law to increase the second and third months of sanction to $100 and $125 respectively. The state expects that there will be some moderate savings as a result of the increase, but it is also hoped that this change will motivate families to comply with the program, become self-sufficient and move off public benefits.

Child Care Subsidy: ESD manages the child care financial assistance program to aid eligible families with the cost of their child care. Basic eligibility is based on income (monthly gross) and family size. It is also based on familial risk factors. The program serves between 7,000-8,000 children at any given time.

Provider payments are managed by the Child Development Division's central office with payments of approximately one and half million dollars every two weeks. The child care financial assistance program is funded with the Federal Child Care Development Fund and State General Funds.

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

is aged or disabled, who is ineligible for SSI and Reach Up benefits and whose care or services are essential to the aged or disabled person's ability to remain at home.
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In FY 2013 the estimated average AABD caseload is expected to be 16,000 recipients a month and the Essential Person Program caseload should be approximately 175 households a month.

General Assistance - General Assistance/Emergency Assistance (GA/EA) programs are emergency financial assistance and services for eligible individuals and families. The GA/EA Program provides emergency help to low income people who are homeless or likely to lose their home. It also pays for emergency dental, medical and prescription services that are not covered under other health insurance programs, as well as, burial services for the poor.

ESD is proposing to redesign the emergency housing assistance within the GA/EA program to better serve clients and to maximize the various homeless prevention funds available. The goals of the redesign are to provide more coordinated services for the clients and to maximize the ability to provide alternatives to motels by pooling all of the resources in the local community.

ESD has a Memorandum of Agreement with Vocational Rehabilitation Division to address the large number of regular GA recipients that are unable to work due to a physical or emotional condition. Vocational Rehabilitation is determining eligibility for this population as well as providing employment and SSI/SSDI application assistance. Through this agreement, ESD hopes to move recipients to self-sufficiency or SSI/SSDI sooner.

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

Food & Nutrition Programs – The Economic Services Division operates four federally regulated food and nutrition programs. Oversight of two of these programs (the Emergency Food Assistance Program and the School Meals Commodities Program) was transferred from the Child Development Division to the Economic Services Division, Food and Nutrition Programs Unit in April 2010.

3SquaresVT
The USDA Supplemental Nutrition Assistance Program (SNAP) is a federally regulated and funded entitlement program, much like Social Security. Anyone who applies and meets eligibility criteria must be found eligible. SNAP is the country's first line of defense against hunger. Its mission is to provide low-income households better access to a healthy diet while supporting American agriculture and inspiring public confidence. USDA allows states to call the federal SNAP by a state-specific name. In Vermont, SNAP is known as 3SquaresVT.

3SquaresVT benefits are 100 percent federally funded and increasing the benefits used in Vermont is one of the most direct ways to help boost the state economy because benefits are redeemed almost immediately on new purchases of food. The program generated $132 million in federal benefits in State

Fiscal Year 2010 – supporting family food budgets and the state's economy. According to studies performed by USDA's Economic Research Service, every 3SquaresVT dollar redeemed stimulates our economy by an additional 84 cents. Thus, 3SquaresVT boosted the state's economy by nearly $243 million during the last fiscal year.

3SquaresVT has been instrumental in generating funds to support modernization efforts underway at the department. Since 2006, 3SquaresVT has been awarded more than $1.67 million via five cash bonuses from the United States Department of Agriculture for high performance in the areas of error reduction and increased participation. These funds may be leveraged to draw down more federal financial participation administrative dollars from the USDA.

The department issues nearly all of its 3SquaresVT benefits by electronic benefit transfer (EBT). EBT benefits are applied to a card that looks and operates like a debit or ATM card. Use of the card allows beneficiaries to purchase their food in privacy without calling attention to their status as 3SquaresVT participants.

For households in which everyone is either age 65 or older, an SSI recipient, or a combination of both, 3SquaresVT benefits are issued either as a cash benefit applied to the EBT card or as a direct deposit of cash to a bank account. These cash benefits are intended to be used to purchase eligible foods but there is no restriction on their use. Beneficiaries are allowed full discretion on use of the cash benefit.

In January 2009, Vermont implemented broad-based categorical eligibility, which allowed the department to expand 3SquaresVT eligibility to more households by eliminating the asset test and raising the gross income test from 130% of the federal poverty level to 185% of the poverty level. The combined factors of expanded eligibility, economic recession, and program outreach caused what can only be described as an explosion in program participation; 3SquaresVT participation has grown since January 2009 (67,863 individuals) by over 38% through September 2011 (93,594 individuals). Based on average monthly enrollments, the department estimates that its 3SquaresVT caseload may exceed 95,000 individuals a month and 48,000 households per month by the end of SFY 2012. Economic factors are the primary influence on participation. This federally administered program is designed to expand and contract to meet the economic needs of families throughout the United States.

Farm To Family

Farm To Family coupons help Vermonters buy locally-grown fresh vegetables and fruits. They can be used at over 60 participating farmers' markets throughout Vermont.

About one in four Vermonters qualifies for Farm to Family coupons. They include families enrolled in the WIC Program and other individuals or households with incomes at or below 185% of the federal poverty limit. Families with a WIC participant over six months old must apply at special Farm To Family sessions held by the district Health offices. Other households, both elderly and non-elderly, apply through their local Community Action Agency.

The application process begins in late June of each year, and $30 worth of coupons is provided at the time of application. Receipt of coupons is not an entitlement so distribution is on a first come, first

served basis and they run out quickly. The coupons are valid for just one market season and expire on October 31 each year.

The Emergency Food Assistance Program (TEFAP)

TEFAP is a U.S. Department of Agriculture (USDA) program that helps supplement the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance at no cost. The amount of food that each State receives out of the total amount of food provided is based on the number of unemployed persons and the number of people with incomes below the poverty level in the State. Under TEFAP, USDA foods are made available to State Distributing Agencies. As the State Distributing Agency for the program the Department for Children and Families receives $88,976 in federal administrative funds to support the storage and distribution of USDA foods. Under the TEFAP State Plan, these funds are passed through in full to the Vermont Foodbank ($83,976) and two community action agencies – CVOEO ($2,500) and BROC ($2,500) – for the receipt, storage and distribution of TEFAP commodities. All state administrative costs associated with TEFAP are paid with state funds.

The School Meals Commodities Program

The National School Lunch Program (NSLP) is the oldest federal nutrition program. Through this program public and private schools, and residential child care institutions, receive food for lunches served to students enrolled in twelfth grade and under. The amount of food assistance that each State receives is based on the number of reimbursable lunches served to children in these schools. In FFY11, approximately $2,000,000 of food was distributed to schools in NSLP, child cares participating in the Child and Adult Care Food Program (CACFP) and summer feeding programs in the Summer Food Service Program (SFSP). As the State Distributing Agency for the program, the Department for Children and Families received over $50,000 in FFY11 federal administrative funds for state administrative expenses. All other state administrative expenses are paid with state funds.

Home Heating Fuel Assistance (LIHEAP) - Via Act 158 (1996), the General Assembly defined in statute the purpose of and conditions under which Vermont households may qualify for heating fuel assistance. Fuel assistance funding primarily comes from the federal Low-Income Home Energy Assistance Program (LIHEAP).

Vermont's fuel assistance program has two components: Seasonal Fuel Assistance operated state-wide by ESD's Office of Home Heating Fuel Assistance, and Crisis Fuel Assistance operated through grant agreements with the state's five community action agencies. In May, 2010 the Vermont Legislature and the Douglas Administration agreed to eligibility changes to provide assistance to more Vermont households. For seasonal assistance the income limit was raised from "net" 125% FPL based on household size to "gross" 185% and the resource test was eliminated. For crisis assistance the income the income limit was raised from "net" 150% to "gross" 200%.

Seasonal Fuel Assistance
The Seasonal component accepts new applications and on-going eligibility reviews year round. Benefits are issued once a season per household either as a line of credit paid to a household's certified fuel supplier, or for households where heat is included in the rent as a cash benefit paid to the head of household. If a client heats with firewood or wood pellets, the benefit is issued to the client as a two-party check to be used with any supplier they choose. Benefits are not intended to meet the total cost of heating the home, but rather to provide supplemental assistance to households that qualify.

Seasonal fuel benefits in FY12 continue to be a challenge as a result of a reduction in the funding that Vermont receives from the Federal Government. Vermont's share of the federal funding has been reduced to $19.5 million. However, with a one-time increase of State funds, the average benefit this year for eligible clients will be approximately $898.

Crisis Fuel Assistance
The Crisis component operates from late November until late April. Households may receive up to three grants per season for either heating fuel or to prevent disconnection of electric service. A state-wide emergency hotline operates nights, weekends and holidays. Households do not have to be out of fuel to apply for Crisis assistance, and if the head of household is elderly (age 60 or older) or disabled they may apply for Crisis assistance by phone.

In FY2011 approximately 7,000 households were assisted and received over 11,500 crisis grants totaling $4.7 million. For FY2012 a total of $2.5 M has been committed for crisis fuel grants and is projected to provide assistance to over 7,000 households.

Health Care Eligibility Determination Services

The division determines and maintains eligibility for more than 170,000 Vermonters who are eligible for health care coverage. The division processes applications from thousands of other applicant who are seeking coverage but are not eligible under the program rules. The complexity of eligibility determinations results from the combined issues of Vermont's broad range of health care programs and the use of an existing computer system which has become antiquated.

Office of Disability Determination Services

Program Focus/Population Served:

Disability Determination Services (DDS) serves the public by making prompt, regulation-compliant decisions of medical eligibility for disability benefits under Social Security and Supplemental Security Income (SSI). All funds expended by DDS to process Social Security and SSI disability claims,

including staff salaries and benefits, are 100% federally reimbursed, including the indirect cost for administrative overhead as determined by the cost allocation plan. A small part of the DDS workload involves disability determinations for Medicaid, as governed by the Memorandum of Agreement between SSA and DCF.

Office of Child Support

Program Focus:

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

For the families served, collections are the most critical outcome. Receiving child support often makes the difference between needing state financial assistance or remaining independent and self-supporting. Approximately 45% of families served by OCS have moved away from public assistance to being self-supportive. There is a growing reliance on child support payments as the safety net for the working poor. The majority of families served by OCS (72%), although typically low income, are not receiving Reach Up benefits. While Reach Up caseloads may be declining (28% of OCS families), OCS provides an income support to the former-Reach Up families for many years to come.

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

In 2008, OCS embarked on a Business Process Improvement initiative by working with a professional carefully scrutinizing several operational processes. OCS understands improvement of internal processes leads to business efficiency and helps offset diminished resources.

In SFY'10, OCS received federal ARRA funds specifically for the purpose of improving the child support program. Using the funding, coupled with the planning performed from the business process initiative, OCS is currently working on a project to improving the financial processing system for child support. The project is focusing on the following areas:

- Providing the capability to reconcile child support collections in the ACCESS Mainframe system to VISION;
- Improving the processing of payments by automating more of the process of payment allocation;
- Adding functionality to the ACCESS Mainframe system to automatically compute and assess surcharge on child support arrears;

- Improving the process of preparing case accountings on cases;
- Enhancing the OCS Data Warehouse (PEAKS) to improve functionality and reduce maintenance costs.

Office of Economic Opportunity

Program Focus

The Vermont Office of Economic Opportunity (OEO) seeks to increase the self-sufficiency of Vermonters and strengthen Vermont communities. OEO provides program and grants management, resource identification and development, training and technical assistance and advocacy for community-based organizations in a manner that fosters creativity and innovation.

OEO connects communities to resources within government and the private sector in order to eliminate poverty.

Major Programs/Services

Community Services

OEO's Community Services works to alleviate poverty and provide crisis assistance through emergency food, shelter and other services. Community Services involves a variety of state and federal funding sources aimed at specific program areas:

The Community Services Block Grant from the U.S. Department of Health and Human Services provides basic funding for Vermont's five Community Action Agencies (CAAs) and has been in existence since 1964. In 2011, Vermont CAA's provided direct services to over 50,000 low-income Vermonters. Direct services include emergency food shelves, employment, health, nutrition, housing and other assistance.

The Federal Emergency Management Agency (FEMA) also awards emergency food and shelter funds to Vermont through OEO, which distributes these funds to approximately 25 non-profit organizations serving low-income Vermonters, thereby assisting them with emergency food and shelter needs.

Homelessness Services

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

A combination of federal Housing and Urban Development (HUD) funding and a state General Fund

appropriation provides Vermont homeless shelters and providers of services to the precariously housed, funds to meet the needs of persons who are homeless or at risk of homelessness. Efforts continue to provide sufficient shelter with increased initiatives providing more emergency shelters.

Asset Development Programs

The statewide Micro Business Development Program is operated through Community Action Agencies to promote self-employment and business opportunities for low income Vermonters through Job Start loans, business planning and technical assistance. In 2011, 90 new businesses were started, 88 additional businesses were expanded or enhanced and approximately 102 new full-time equivalent jobs were created. The most recent comprehensive study of the Micro Business Development Program, conducted by UVM in the fall of 2009, shows an average business start-up rate of 41% of clients starting a business after having worked with the program. Further, 91% of these start-ups remained in business after an average of 3.5 years in business. This survival rate is higher than the SBA's national average survival rate of 66% after 2 years and 44% after 4 years. A similar study done by UVM in 2003 found that 64% of client businesses started since 10/1/98 were still in business in 2001. Program participants, who do not start businesses, often acquire the job readiness skills and job skills that help them obtain employment.

Individual Development Accounts (IDAs) provide a savings instrument for low-income Vermonters to purchase a home, continue their education or start a small business. Participants save a portion of their income over a 24-month period while receiving financial and budgeting education. After this savings phase, the participant's accumulated savings is matched by public and private funding. In 2011, 170 IDA participants used their savings of $153,744 to leverage an additional 307,492 for investments totaling 461,238. 105 savers used their savings and matched funds to capitalize a small business; 37 to pursue post-secondary education; and 28 to purchase a home. During this same time period, 62 new savers opened IDA accounts.

The Job Start Revolving Loan Fund provides capital to low- to moderate-income Vermonters starting or expanding micro businesses. This program provides micro business loans and other assistance to borrowers who do not meet the requirements for traditional bank financing. Typical loans are between $5,000 and $25,000. The Job Start revolving loan program was transferred from VEDA to Community Capital of Vermont on May 1, 2008. When this transfer occurred, the administration of the program was also transferred to the Office of Economic Opportunity. In fiscal year 2011, 11 new loans totaling $207,434 were disbursed. These loans leveraged additional capital from Community Capital, borrower, and other private funds. Some borrowers also utilize Community Capital's post-loan technical assistance services.

Vermont Weatherization Program

Mission:

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

History:

The Vermont Weatherization Program was started in 1976 in response to a national energy crisis. Funding for the early days of the program was provided solely by the US Department of Energy (USDOE). This changed in 1990 when the State of Vermont Legislature introduced and passed bill H.832 which established the Vermont Weatherization Trust Fund (WTF). The WTF provides state funding for weatherization through a one half percent gross receipts tax on all non-transportation fuels sold in the state. The WTF stabilized the funding, infrastructure and technical capacity of the program. It also allowed Vermont to raise the average cost per job for more comprehensive work. Current funding for weatherization in Vermont is just under $12M including $3.5M of ARRA funds. In program year 2010 (4/1/10-3/31/11), 1722 homes were weatherized.

OEO was awarded a supplemental ARRA grant to promote solar technologies to low-income Vermonters (SERC). Through 9/30/11, 184 units of solar hot air and 7 units of solar hot water had been installed. Additionally, 535 homes had been visited by an energy coach for training and technical assistance.

Services Available to Income-Eligible People Include:

- Comprehensive “whole house” assessment of energy related problems,
- State-of-the-art building diagnostics including: blower door testing, carbon monoxide and heating system testing and infrared scans.
- “Full-service” energy efficiency retrofits including: dense-pack sidewall insulation, air sealing, attic insulation, heating system upgrades and replacements.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
DCFS Admin & Support Services	425	458	460	48,408,665	47,051,604	46,309,318	45,402,764
DCFS - Family Services	270	284	295	84,615,090	86,843,607	87,149,293	86,985,362
DCFS - Child Development	40	39	40	60,234,561	62,491,319	62,362,203	64,940,132
DCFS - Child Support Services	115	115	115	12,963,551	12,902,118	12,689,454	12,760,083
DCFS - AABD	0	0	0	12,853,541	12,871,654	13,082,507	13,209,167
DCFS - General Assistance	0	0	0	5,967,884	6,500,000	8,074,091	6,649,371
DCFS - Food Stamp Cashout	0	0	0	22,711,019	23,756,778	24,860,290	24,860,290
DCFS - Reach Up	0	0	0	52,515,136	49,155,572	48,919,251	47,003,310
DCFS - LIHEAP	0	0	0	28,077,097	11,612,664	13,007,664	11,657,664
DCFS - OEO Ofc of Economic Opp	3	3	3	7,503,605	5,102,145	5,196,467	5,252,111
DCFS - OEO Weatherization	2	2	2	13,205,992	11,945,291	11,945,291	7,973,485
DCFS - Woodside Rehab Center	33	34	34	3,908,318	4,282,009	4,052,860	4,270,962
DCFS - DDS	36	38	38	5,211,457	5,656,106	5,634,499	5,644,868
TOTAL	924	973	987	358,175,916	340,170,867	343,283,188	336,609,569
FUND TYPE							
General Fund				97,513,015	99,290,177	100,511,078	99,503,682
Special Fund				32,549,738	31,217,201	33,842,201	31,184,774
American Recovery & Reinvestment Act				21,625,581	3,545,625	3,545,625	0
Federal Revenue Fund				140,055,592	135,500,728	134,364,742	133,284,516
Global Commitment Fund				65,381,075	69,722,637	70,125,043	71,629,545
Interdepartmental Transfer				1,050,915	894,499	894,499	1,007,052
TOTAL				358,175,916	340,170,867	343,283,188	336,609,569

Appropriation Key Budget Issues

The Recession

The national recession continues to affect caseloads in the ESD. Numbers of new applications are above historic levels. Additionally, position reductions in ESD that were targeted to reduce state budget deficits exceeded sustainable levels given the increase in caseloads. 20 positions were added in January of 2011 to meet the needs of the additional caseload demands.

Tropical Storm Irene

Tropical Storm Irene has placed an extra demand on resources, both money and staff, ensuring that we provide the necessary benefits to eligible recipients. The long term effect of this storm is expected to continue into State Fiscal Year 2013.

Federal and State Health Care Reform

The Division will be closely involved in implementing changes to requirements for processing eligibility and other more substantive changes brought about by federal health care reform (the Affordable Care Act, or ACA.) The early emphasis in federal health care reform has focused on information technology needs.

Continuing Emphasis on Advances in Information Technology

The Division will continue to make significant advances in information technology, beyond modernization, with the ultimate goal of an entirely new eligibility system known as VIEWS that will meet both the state's needs and the objectives of federal health care reform. Staff and resources will need to be devoted to design and implement the new information technology.

Economic Benefits Modernization

In FY10 and FY11, ESD modernized the administration of its benefits programs. Most client contact is through the web or via a call center. ESD continues to balance the staffing levels in this modernized system..

Most costs associated with this effort are being borne by bonuses earned by the Food Stamps Program and by a federal grant. A contractor is now assisting with a process improvement initiative. The objective is to expedite the processing of applications and to review the entire application process to improve the time that it takes to process an application and to improve the % of applications processed

within 30 days.

Economic forces create and remove demand on the economic benefits provided through the Economic Services Division. We will need to be vigilant in assuring that we are prepared to respond to changing realities.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	36,709,260	38,021,556	36,932,807	37,308,143
Operating Expenses	10,342,938	7,823,052	7,019,515	6,637,625
Grants	1,356,467	1,206,996	2,356,996	1,456,996
TOTAL	48,408,665	47,051,604	46,309,318	45,402,764
FUND TYPE				
General Fund	15,210,553	16,383,046	15,330,033	15,331,675
Special Fund	17,936	0	1,150,000	250,000
American Recovery & Reinvestment Act	19,876	0	0	0
Federal Revenue Fund	17,377,530	14,330,642	13,921,484	14,167,492
Global Commitment Fund	15,597,057	16,125,416	15,695,301	15,392,598
Interdepartmental Transfer	185,713	212,500	212,500	260,999
TOTAL	48,408,665	47,051,604	46,309,318	45,402,764

Appropriation Key Budget Issues

A 2007 federal audit of those programs identified concerns in the following areas:

The "front door" of the child welfare system is too narrow and too inconsistent.
Not enough focus is placed on supporting families whose children are in the home.
Too many children in foster care experience placement instability.
There is generally insufficient worker/client contact.

The Division has undergone significant changes over the past four years including:

Creation of Centralized Intake
Implementation of various family engagement strategies
Reduction in the use of out of home care and increase in use of kin
Shifting of resources toward front line work (adding 5 social workers and properly equipping all social workers)
Expanded family visiting and "front end" services.
Passage of two major new laws governing all aspects of operation and requiring major changes in practice
Expansion of services to youth aging out of services
Implementation of differential response

The results have been exceptional:
30% increase in acceptance of reports of abuse and neglect
Increased use of kin and decrease in out of home care
Continued high rate of adoptions
Substantial improvement in community/client perception of services
Improvement in client contact

Budget changes include several reductions in the use of substitute care, increases in adoption subsidies and continued increases in services for youth aging out of care.

Several potential risks include:

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

The number of child abuse investigations is significantly increased since the centralization of child abuse intake in September of 2008. We have opened 44% more investigations than during the same period in 2007.

Implementation of due process requirements for individuals whose names may be placed on the state child abuse and neglect registry –this new requirement called for in 2007 legislation was implemented without new resources. The demand for hearings has severely stretched our resources.

The federal government has continued to push down supports and increase regulations. This environment may change in the coming year, but remains a concern at this time.

Currently, the division provides supports to nearly 1800 adopted children with special needs. These children, adopted at an older age, continue to need supportive services after adoptions, which have not kept pace with caseload.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	22,795,704	23,318,476	23,229,830	23,343,490
Operating Expenses	3,520,126	3,408,618	3,303,950	3,251,569
Grants	58,299,260	60,116,513	60,615,513	60,390,303
TOTAL	84,615,090	86,843,607	87,149,293	86,985,362
FUND TYPE				
General Fund	20,453,476	20,908,063	20,574,750	21,232,433
Special Fund	1,533,305	1,966,637	1,966,637	1,691,637
American Recovery & Reinvestment Act	875,175	0	0	0
Federal Revenue Fund	24,059,339	27,652,387	27,535,431	26,652,367
Global Commitment Fund	37,600,795	36,216,520	36,972,475	37,244,871
Interdepartmental Transfer	93,000	100,000	100,000	164,054
TOTAL	84,615,090	86,843,607	87,149,293	86,985,362

Appropriation Key Budget Issues

Meeting Federal Requirements:

Federal requirements mandate that the Part C Early Intervention Program screen all children birth to age 3 who are substantiated victims of child abuse and neglect. While the federal mandate has not changed, Vermont has chosen to handle allegations of child abuse and neglect through differential response. One outcome of differential response is a reduction in the number of children who are designated as eligible for CAPTA referrals. Children not mandated for a screening under CAPTA may still be considered 'at risk' due to challenging family circumstances. Some regions are seeing an increase in the number of 'at risk' referrals to early intervention which may be due to decrease in CAPTA mandated referrals. These children receive a developmental screening unless they are referred with a developmental concern or their family is requesting a full evaluation

The Office of Child Care in the US Department of Health and Human Services has significantly revised the preprint for the biennial Child Care and Development Fund (CCDF) State Plan. Though program regulations have not been changed, new expectations regarding evaluation of child care quality initiatives funded through the block grant are embedded in the pre-print and states are being asked to collect and report on a number of new data elements. There will be some information technology (IT) costs related to capturing and reporting the new data elements and an increased burden on CDD related to evaluation of major quality initiatives.

Pressures on the Child Care Financial Assistance Program:

In January 2010, CDD/DCF implemented major changes in the CC Financial Assistance program to achieve the following goals:

- Increase access to high quality child care in Vermont
- Align Vermont's rates and eligibility with federal guidelines
- Reinforce provider incentives to achieve quality
- Increase work incentives and support for families
- Increase fairness and equity in CC Financial Assistance Program
- Sustain specialized providers and comprehensive services
- Support continuity of care for children and economic stability for families

Quality: Vermont STARS recognizes child care quality and encourages child care providers on the path to higher quality standards. One aspect of STARS translates into increased rates in the CC Financial Assistance Program for providers with STARS ratings. This encourages providers to commit to continuous quality improvement and expands access to higher quality care for low income families. The

program has been very successful with the numbers of children served in quality programs rising dramatically over the past few years. Currently, approximately 46% (or 3465 children) of all children receiving assistance are enrolled in STARS rated programs - 38% in programs with a STARS rating of 3 or more (on a scale from 1 – 5). As we achieve the goal of more subsidized children in higher quality settings, the average cost per child in the program rises.

Accessibility: The maximum rates in the Child Care Financial Assistance Program were increased for all regulated CC providers in 2010 to increase access to high quality child care for families receiving child care benefits. Subsidy rates paid for programs and providers with a 4 STAR rating meet or exceed the rates reported by 75% of regulated providers in 2008. This is intended to provide subsidized families access to the majority of available regulated CC providers with limited co-payment obligations beyond the state rate. CDD conducted a new Market Rate Survey of regulated CC providers in October 2010 (a bi-annual Market Rate Survey is a federal requirement). Rate increases in the child care marketplace since 2008 have outpaced the state rate - the current 4 STAR rate is at the 50th percentile of 2010 provider rates leaving subsidized families access to only half of the regulated CC market with out co-payment obligations beyond the state rate.

Affordability: The sliding fee scale in the CC Financial Assistance Program establishes eligibility standards and determines the amount of benefit each family receives according to gross family income and family size. The gradual decrease in benefit levels as income rises is intended to ease the "benefit cliff" that occurs when a benefit is dramatically reduced due to a change in family circumstances. In January 2010, the legislature approved an adjustment to the sliding fee scale to bring it up to date to the 2009 Federal Poverty Level Standard. CDD analysis shows that this has increased access to child care for those families with a benefit level of 50% or more. For families with less than a 50 % benefit, which means that they have to pay more than 50% of the rate charged by their CC provider themselves, paying for child care, especially good quality care, remains a challenge, even with a subsidy. For low wage workers the expense of paying for more than 50% of child care expenses in a regulated child care setting can become a disincentive to work or a burden that seriously limits their choice of CC providers. This can only be ameliorated with additional adjustments to the sliding fee scale to increase the state's share of child care expenses for eligible families.

An Improving Economy: The changes made to the child care program in 2010 were intended to provide greater support to more low income Vermonters seeking good quality child care for their children while they work. Take up rates in the program have not increased significantly in this first year, possibly due to the still sluggish economy and uncertain or unstable employment for many parents. As the economy begins to show signs of recovery and more parents are able to find and sustain work, we anticipate increases in the child care caseload

Complexity of Children's Needs:
An increasing number of children in Vermont communities are in need of more intensive services due to these difficult economic times and the changing circumstances of Vermont families. The stress of incarcerated parents, addiction issues, homelessness, military deployment and other challenges impacts

children's well-being and development. Mitigating such stresses requires specialized skills and comprehensive supports in the context of child development programs and services. Programs and services must be high quality and children must have access to enough of high quality service to attain developmental benefits that lead to better outcomes.

Program standards and monitoring, expert consultation, professional development system supports and well designed, well coordinated community based resources are critical to ensure that programs are able to meet child and family needs and service providers have the skills, knowledge, and resources necessary to nurture children and engage families. This means that under-resourced investments in CDD administered state-wide systems and community partnerships are especially critical.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - Child Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	3,091,203	3,165,567	3,203,043	3,176,420
Operating Expenses	417,957	520,809	416,597	367,946
Grants	56,725,401	58,804,943	58,742,563	61,395,766
TOTAL	60,234,561	62,491,319	62,362,203	64,940,132
FUND TYPE				
General Fund	23,307,292	23,492,835	24,995,382	26,276,361
Special Fund	1,802,874	1,820,000	1,820,000	1,820,000
American Recovery & Reinvestment Act	2,978,969	0	0	0
Federal Revenue Fund	27,025,887	29,131,536	27,994,379	27,902,282
Global Commitment Fund	4,986,487	7,907,441	7,412,935	8,801,982
Interdepartmental Transfer	133,052	139,507	139,507	139,507
TOTAL	60,234,561	62,491,319	62,362,203	64,940,132

Appropriation Key Budget Issues

Position Elimination--Conducting Business with Less:

Vermont OCS understands the budgetary issues presented to states today. However, the impact of position eliminations will likely erode our usual high level of performance and reduce the number of legal actions on behalf of our customers. This pressure is also viewed as an opportunity for us, as well, as demonstrated in the section above. OCS will attempt to be creative and efficient by developing ways to prevent service impact to our customers. However, as customer needs increase and positions decrease there will likely be a saturation level when such consequences are felt.

Reduction in IV-D Performance Incentive Funding

The ability to receive IV-D FFP for performance incentive funding was eliminated under the Deficit Reduction Act of 2005. In addition, as other states' improve their performance the share of the incentive funding pool available to Vermont has been slowly decreasing each year. The result is that a greater share of state general fund dollars is now necessary to support OCS' budget, from approximately $1.3M in SFY 05 to $2.6M in SFY 12.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - Child Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	9,586,858	8,739,557	8,653,522	8,769,222
Operating Expenses	3,376,693	4,162,561	4,035,932	3,990,861
TOTAL	12,963,551	12,902,118	12,689,454	12,760,083
FUND TYPE				
General Fund	3,432,996	2,638,576	2,969,092	2,992,459
Special Fund	524,955	455,718	455,718	455,718
American Recovery & Reinvestment Act	477,760	0	0	0
Federal Revenue Fund	8,140,240	9,420,224	8,877,044	8,924,306
Interdepartmental Transfer	387,600	387,600	387,600	387,600
TOTAL	12,963,551	12,902,118	12,689,454	12,760,083

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - AABD

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,976,062	1,827,113	1,893,426	1,827,113
Grants	10,877,479	11,044,541	11,189,081	11,382,054
TOTAL	12,853,541	12,871,654	13,082,507	13,209,167
FUND TYPE				
General Fund	9,053,538	9,121,654	9,332,507	9,459,167
Global Commitment Fund	3,800,003	3,750,000	3,750,000	3,750,000
TOTAL	12,853,541	12,871,654	13,082,507	13,209,167

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - General Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Operating Expenses	21,884	0	0	0
Grants	5,946,000	6,500,000	8,074,091	6,649,371
TOTAL	5,967,884	6,500,000	8,074,091	6,649,371
FUND TYPE				
General Fund	2,427,306	5,048,680	6,187,719	4,845,580
American Recovery & Reinvestment Act	1,631,347	0	0	0
Federal Revenue Fund	1,020,732	1,111,320	1,111,320	1,111,320
Global Commitment Fund	691,841	340,000	775,052	692,471
Interdepartmental Transfer	196,658	0	0	0
TOTAL	5,967,884	6,500,000	8,074,091	6,649,371

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - Food Stamp Cashout

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	22,711,019	23,756,778	24,860,290	24,860,290
TOTAL	22,711,019	23,756,778	24,860,290	24,860,290
FUND TYPE				
American Recovery & Reinvestment Act	4,552,067	0	0	0
Federal Revenue Fund	18,158,952	23,756,778	24,860,290	24,860,290
TOTAL	22,711,019	23,756,778	24,860,290	24,860,290

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - Reach Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Operating Expenses	(66,524)	0	0	0
Grants	52,581,660	49,155,572	48,919,251	47,003,310
TOTAL	52,515,136	49,155,572	48,919,251	47,003,310
FUND TYPE				
General Fund	19,321,291	19,481,509	19,120,188	17,329,247
Special Fund	23,559,481	19,916,856	20,041,856	19,916,856
American Recovery & Reinvestment Act	1,958,497	0	0	0
Federal Revenue Fund	6,068,089	7,882,807	7,882,807	7,882,807
Global Commitment Fund	1,607,778	1,874,400	1,874,400	1,874,400
TOTAL	52,515,136	49,155,572	48,919,251	47,003,310

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - LIHEAP

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	3,960	20,000	20,000	20,000
Operating Expenses	0	90,000	90,000	90,000
Grants	28,073,137	11,502,664	12,897,664	11,547,664
TOTAL	28,077,097	11,612,664	13,007,664	11,657,664
FUND TYPE				
Special Fund	0	0	1,350,000	0
Federal Revenue Fund	28,077,097	11,612,664	11,657,664	11,657,664
TOTAL	28,077,097	11,612,664	13,007,664	11,657,664

Appropriation Key Budget Issues

Homelessness plagues many Vermonters. And the recent "freeze" on section 8 housing vouchers will only exacerbate the problem. Families with children are found in increasing numbers in homeless shelters. Homeless shelters, Community Action Agencies and other service providers struggle to find decent housing — at any price — for the large number of working, but homeless, families. Living in shelters and being homeless has a negative effect on children. As shelters reach capacity, more and more Vermonters are turned away, ultimately living on the streets or on someone's couch. Transitional housing with supportive services can alleviate some of this pressure.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	268,539	262,256	259,762	268,987
Operating Expenses	62,942	80,518	70,468	66,265
Grants	7,172,124	4,759,371	4,866,237	4,916,859
TOTAL	7,503,605	5,102,145	5,196,467	5,252,111
FUND TYPE				
General Fund	1,352,145	1,251,040	1,249,936	1,244,908
Special Fund	57,991	57,990	57,990	57,990
American Recovery & Reinvestment Act	1,725,583	0	0	0
Federal Revenue Fund	4,367,886	3,793,115	3,736,675	3,746,725
Global Commitment Fund	0	0	151,866	202,488
TOTAL	7,503,605	5,102,145	5,196,467	5,252,111

Appropriation Key Budget Issues

See the January 3rd, 2012 Emergency Board minutes for the latest Weatherization update.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	95,569	167,676	167,676	160,534
Operating Expenses	153,766	131,124	131,124	130,839
Grants	12,956,657	11,646,491	11,646,491	7,682,112
TOTAL	13,205,992	11,945,291	11,945,291	7,973,485
FUND TYPE				
Special Fund	5,053,196	7,000,000	7,000,000	6,992,573
American Recovery & Reinvestment Act	7,406,307	3,545,625	3,545,625	0
Federal Revenue Fund	746,489	1,399,666	1,399,666	980,912
TOTAL	13,205,992	11,945,291	11,945,291	7,973,485

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DCFS - Woodside Rehab Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	3,445,229	3,691,894	3,462,745	3,695,668
Operating Expenses	463,088	590,115	590,115	575,294
Grants	1	0	0	0
TOTAL	3,908,318	4,282,009	4,052,860	4,270,962
FUND TYPE				
General Fund	2,954,418	964,774	751,471	791,852
Global Commitment Fund	899,008	3,262,343	3,246,497	3,424,218
Interdepartmental Transfer	54,892	54,892	54,892	54,892
TOTAL	3,908,318	4,282,009	4,052,860	4,270,962

Appropriation Key Budget Issues

Staffing

Maintaining sufficient DDS staffing is critical. It takes a minimum of two years to train entry-level adjudicators to basic competency and another two to three years for full competency with all claims. A loss of even one adjudicator significantly reduces the number of claims that the DDS can complete until the replacement is trained. Social Security usually authorizes DDS hiring during a short window after the federal budget is passed and before the federal fiscal year ends. Since all DDS staff's salaries and benefits are 100% federally funded, the Department makes every effort to facilitate prompt hiring whenever authorized by Social Security. Otherwise, some of the most vulnerable Vermonters – people with disabilities in severe financial hardship – may suffer from significant claim delays. Reviews of medical eligibility for benefits may also be delayed, enabling people who are no longer disabled to continue to collect benefits until the reviews of their claims are complete.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	4,811,893	4,513,664	4,492,057	4,506,460
Operating Expenses	399,564	1,142,442	1,142,442	1,138,408
TOTAL	5,211,457	5,656,106	5,634,499	5,644,868
FUND TYPE				
Federal Revenue Fund	5,013,351	5,409,589	5,387,982	5,398,351
Global Commitment Fund	198,106	246,517	246,517	246,517
TOTAL	5,211,457	5,656,106	5,634,499	5,644,868

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

*** The Division for the Blind and Visually Impaired (DBVI)** assists Vermonters who are blind or have a visual impairment to enter or return to work, much the same as VR. It also provides some funds for independent living services, to help blind or visually impaired individuals to live and contribute in their communities. The major programs in DBVI include: the core rehabilitation work, known as Section 110 services and the Older Blind Program.

*** The Division of Disability and Aging Services (DDAS)** manages a wide variety of programs and services for elders, people with physical disabilities, individuals with developmental disabilities and people with traumatic brain injuries. The primary goal of these services is to help individuals gain independence or remain independent and active in their community and to ensure their long-term care needs are met. The major programs in this division include: the long term care Section 1115 Choices for Care Waiver (managed by DAIL, but the funds are in OVHA); the Developmental Disability Home and Community Based Services (now part of the Global Commitment); Flexible Family Funding; all Older Americans Act programs in the Area Agencies on Aging, including case management and nutrition programs; Adult Day Services; Attendant Services Program; the Office of Public Guardian; Traumatic Brain Injury Program (now part of Global Commitment), and the High Tech Program (managed in DDAS, but the funds are in OVHA).

*** The Division of Licensing and Protection (DLP)** performs a critical role in ensuring the quality of many health care services and protecting vulnerable adults from abuse, neglect and exploitation. Major programs in DLP include: Survey and Certification which involves inspections and surveys of all Medicare and Medicaid facilities and organizations including nursing homes and home health agencies; State licensure of residential care homes; and other facilities; and Adult Protective Services, which investigates allegations of abuse, neglect and exploitation against vulnerable adults.

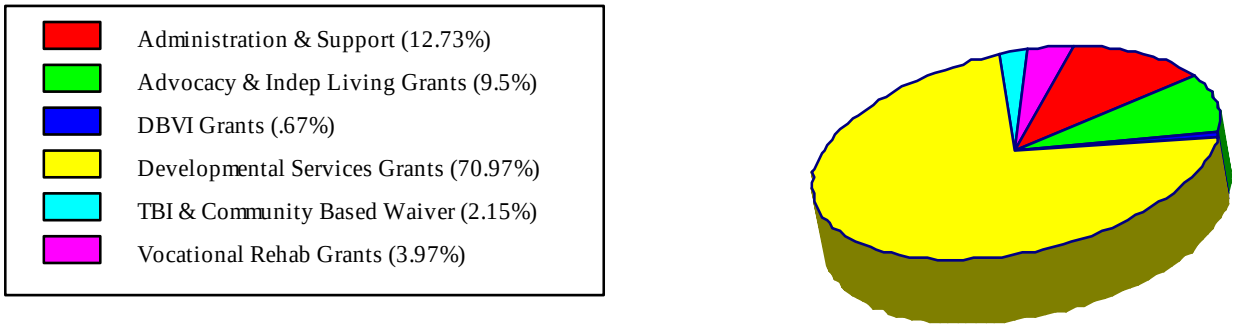
*** The Division of Vocational Rehabilitation (VR)** assists Vermonters with a disability to enter or re-enter the work force through a wide variety of programs and individual support services. The core program (VR Section 110) enables Vermonters with a disability to assess their skills and abilities, identify a vocational goal, develop an Individualized Plan for Employment and receive services leading to meaningful employment. VR invests heavily in serving people with the most significant disabilities

through supported employment programs and has developed a network of specialized Transition Counselors to support young adults from school to work. The Division operates the VR Reach Up program to serve TANF recipients with disabilities, a state wide Benefits Counseling Program to support Social Security beneficiaries to work, and the Assistive Technology (AT) Project that provides Vermonters with information and training on AT devices and services.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration & Support	261	273	281	27,632,414	27,931,270	27,359,974	28,198,788
Advocacy & Indep Living Grants	0	0	0	20,705,911	20,538,891	21,151,422	21,051,422
DBVI Grants	0	0	0	1,614,350	1,481,457	1,481,457	1,481,457
Vocational Rehab Grants	0	0	0	10,963,343	5,968,971	5,968,971	8,795,971
Developmental Services Grants	0	0	0	142,089,017	152,288,227	151,538,227	157,203,376
TBI & Community Based Waiver	0	0	0	4,806,115	4,744,899	4,744,899	4,772,899
TOTAL	261	273	281	207,811,150	212,953,715	212,244,950	221,503,913
FUND TYPE							
General Fund				18,775,161	17,963,889	17,476,355	17,224,854
Special Fund				1,511,033	1,128,159	1,128,159	1,590,559
American Recovery & Reinvestment Act				871,758	0	0	0
Federal Revenue Fund				25,350,111	23,981,456	23,825,554	24,447,198
Global Commitment Fund				155,545,822	166,459,542	166,413,724	171,997,563
Interdepartmental Transfer				5,757,265	3,420,669	3,401,158	6,243,739
TOTAL				207,811,150	212,953,715	212,244,950	221,503,913



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	23,173,867	24,093,021	23,865,636	24,854,382
Operating Expenses	4,458,548	3,838,249	3,494,338	3,344,406
Grants	(1)	0	0	0
TOTAL	27,632,414	27,931,270	27,359,974	28,198,788
FUND TYPE				
General Fund	6,872,241	7,126,532	6,964,821	6,808,267
Special Fund	1,189,696	889,246	889,246	1,281,646
American Recovery & Reinvestment Act	64,215	0	0	0
Federal Revenue Fund	11,795,895	11,194,950	11,039,048	11,735,745
Global Commitment Fund	5,320,811	6,230,760	5,996,588	5,887,278
Interdepartmental Transfer	2,389,556	2,489,782	2,470,271	2,485,852
TOTAL	27,632,414	27,931,270	27,359,974	28,198,788

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Advocacy & Indep Living Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	701,282	0	0	0
Grants	20,004,629	20,538,891	21,151,422	21,051,422
TOTAL	20,705,911	20,538,891	21,151,422	21,051,422
FUND TYPE				
General Fund	9,848,036	8,782,473	8,456,650	8,361,703
Special Fund	150,769	0	0	0
American Recovery & Reinvestment Act	500	0	0	0
Federal Revenue Fund	6,893,024	7,645,317	7,645,317	7,640,264
Global Commitment Fund	3,602,651	3,473,601	4,411,955	4,411,955
Interdepartmental Transfer	210,931	637,500	637,500	637,500
TOTAL	20,705,911	20,538,891	21,151,422	21,051,422

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
DBVI Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	1,614,350	1,481,457	1,481,457	1,481,457
TOTAL	1,614,350	1,481,457	1,481,457	1,481,457
FUND TYPE				
General Fund	364,064	364,064	364,064	364,064
Special Fund	162,232	223,450	223,450	223,450
American Recovery & Reinvestment Act	132,272	0	0	0
Federal Revenue Fund	710,782	648,943	648,943	648,943
Global Commitment Fund	245,000	245,000	245,000	245,000
TOTAL	1,614,350	1,481,457	1,481,457	1,481,457

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vocational Rehab Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	10,963,343	5,968,971	5,968,971	8,795,971
TOTAL	10,963,343	5,968,971	5,968,971	8,795,971
FUND TYPE				
General Fund	1,535,695	1,535,695	1,535,695	1,535,695
Special Fund	0	0	0	70,000
American Recovery & Reinvestment Act	674,771	0	0	0
Federal Revenue Fund	5,632,092	4,132,389	4,132,389	4,062,389
Global Commitment Fund	0	7,500	7,500	7,500
Interdepartmental Transfer	3,120,785	293,387	293,387	3,120,387
TOTAL	10,963,343	5,968,971	5,968,971	8,795,971

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Developmental Services Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	142,089,017	152,288,227	151,538,227	157,203,376
TOTAL	142,089,017	152,288,227	151,538,227	157,203,376
FUND TYPE				
General Fund	155,125	155,125	155,125	155,125
Special Fund	8,336	15,463	15,463	15,463
Federal Revenue Fund	318,318	359,857	359,857	359,857
Global Commitment Fund	141,571,245	151,757,782	151,007,782	156,672,931
Interdepartmental Transfer	35,993	0	0	0
TOTAL	142,089,017	152,288,227	151,538,227	157,203,376

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
TBI & Community Based Waiver

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	4,806,115	4,744,899	4,744,899	4,772,899
TOTAL	4,806,115	4,744,899	4,744,899	4,772,899
FUND TYPE				
Global Commitment Fund	4,806,115	4,744,899	4,744,899	4,772,899
TOTAL	4,806,115	4,744,899	4,744,899	4,772,899

Department Mission Statement

The Vermont Department of Corrections supports community safety by ensuring offenders serve their sentence, take responsibility for their crimes and have the opportunity to make amends to their victims. The department partners with Vermont communities to manage offender risk and assure accountability. It provides disciplined preparation of offenders to become productive citizens. The vision statement for the Department states it more broadly: To be valued by the citizens of Vermont as a partner in the prevention, research, control and treatment of criminal behavior.

Description of Appropriations, Divisions, & Programs

ADMINISTRATION

The Department of Corrections has five basic goals: to involve the community; to address the needs of victims; to restore the community; to ensure that offenders are held responsible; and to keep offenders safely in custody.

The administration of the Department consists of the commissioner, deputy commissioner and the supporting divisions of finance, and a legal division staffed by the attorney general. Information technology support is provided at the agency level overseen by DOC personnel.

PAROLE BOARD

The Parole Board is an autonomous body that is included in the Corrections appropriation for administrative purposes. The board reviews recommendations made by the department to grant or revoke parole status, revoke or release offenders from Supervised Community Service (SCS) status, and also reviews requests for condition modifications, reprimands, and for early termination of parole. The Parole Board reviews all inmates in statutory reviews, and makes site visits to all facilities to perform parole hearings as required by law.

EDUCATION

The purpose of the Community High School of Vermont (CHSVT) is to provide an accredited, coordinated and personalized education that assists students in their academic, social and vocational successes. Through education, students in the custody of the Vermont DOC obtain knowledge and job skills that they can utilize to become contributing members of their communities upon their release. These skills support the reduction of recidivism and add to the economic health of our state upon release.

The Community High School of Vermont awarded 107 High School Diplomas and 410 Industry Approved Trades Certifications during Fiscal Year 2011.

CORRECTIONAL SERVICES

Correctional Services administers for the courts eight Legal Sanctions:

Probation: An offender found guilty of a crime upon verdict or plea, is released by the court without confinement, subject to the conditions and supervision by the Commissioner of Corrections. This is a contract between the offender and the court, to abide by conditions in return for the court not imposing the sentence. Violation of this sanction requires due process, with a court hearing, counsel, and proof beyond reasonable doubt. Within the probation sanction is the reparative probation program, which allows citizens on community panels to determine the quality of restitution made to the victim and repair of harm to the community, consistent with 28 VSA Chapter 12.

Supervised Community Sentence: Based on a law passed in 1990 that provides the legal framework for the intermediate sanctions program. The judge sentences, with prior approval of the Commissioner, to a set of conditions, minimum and maximum time frames and an intermediate sanctions programs. The offender is under the supervision of the Department of Corrections. The Parole Board is the appointed authority and violations are resolved through a Parole Hearing. When the offender reaches his minimum sentence the Parole Board may continue on SCS, convert to Parole, or discharge from supervision completely.

Pre-approved Furlough: The offender is sentenced to a term of confinement, but with prior approval of the Commissioner, for immediate release on furlough. Furlough status is a community placement, but the revocation is administrative, and the rules for behavior more stringent.

> **Home Confinement:** A type of Pre-Approved Furlough that is determined either by the court at sentencing or the Commissioner of Corrections that restricts the offender to a pre-approved place of residence continuously, except for authorized absences, enforced by appropriate means of supervision, including electronic monitoring and other conditions.

Incarceration: The sentence is confinement to a correctional facility, under the care and custody of the Commissioner. Release is by the Parole Board, upon completion of the minimum term or placement on conditional reentry by the Commissioner.

Conditional Reentry: At the completion of the minimum term of sentence, the inmate may be released to the community, still under confinement, subject to conditions of furlough.

Reintegration Furlough Reentry: Up to 180 days prior to completion of the minimum term of

sentence, the inmate may be released to the community, still under confinement, subject to conditions of furlough.

Parole: On completion of Conditional Reentry, or during the term of incarceration, on petition of the State or the inmate, the Parole Board may release the inmate on Parole, subject to the rules of the Board, supervised by Corrections.

Home Detention: A program of confinement and supervision that restricts a defendant to a pre-approved residence continuously, except for authorized absences, and is enforced by appropriate means of surveillance and electronic monitoring by the Department of Corrections.

PROGRAMS:

Correctional Facilities:

Central Correctional Facilities*:* Northern State [Newport], Northwest State [Swanton] and Southern State [Springfield] hold and treat violent and sexual offenders serving long sentences.

Regional Correctional Facilities: Northeast Regional [St. Johnsbury] and Marble Valley Regional [Rutland] serve courts and law enforcement agencies by providing detention, classification and short sentence housing, though this distinction has become less defined as a result of increased incarceration.

Work Camp: The Caledonia Community Work Camp [St.Johnsbury] and the Windsor Community Work Camp [Windsor] provides less expensive incarceration for appropriate offenders working in the community.

Facilities for Female Offenders: Chittenden Regional Correctional Facility [South Burlington] provides incarceration for women offenders.

Key outcomes include public safety, rehabilitation/reentry and quality assurance. Programs in facilities include sex offender treatment, the violent offender program, an intensive domestic violence program, a federally funded substance abuse program, Community High School of Vermont, vocational training, and offender work programs. Offenders are entitled to standards of care such as nutrition, sanitation, recreation, education, religion, basic safety, medical, dental, and mental health care. More detailed data is presented in Facts and Figures, the Department's annual report on statistics and outcomes.

Probation & Parole Offices:

Eleven Probation and Parole Offices manage offenders in the community who need supervision,

treatment, and surveillance. The Vermont DOC partners with community-based organizations and treatment providers to offer programs in domestic violence, intensive substance abuse, cognitive skills training and education (through Community High School of Vermont), sex offender treatment and women's programs.

Probation & Parole Offices provide information to the courts at sentencing and eligibility determinations for program placement, while assisting Community Justice Centers and Reparative Boards in creating appropriate reparative sanctions to low risk offenders. These services can also include restitution and community service.

Key outcomes include community and victim reparation, and community involvement/reintegration.

There are currently 13 Community Justice Centers and 4 restorative programs that assist 71 reparative boards operating in 31 different Vermont communities. In the last year, these groups have included over 700 citizen volunteers who developed sanctions and restorative plans for 1,450 offenders under DOC probation supervision, and a large number who were diverted from prosecution in Community Justice Centers. These offices also monitor probation conditions for some 7,194 offenders.

In FY 12, there are 33 transitional housing programs across the state, with a total of 194 beds. Additionally, there are 6 programs (77 beds) in various stages of development. In FY 11, a total of 737 offenders were housed in transitional housing for over 50,000 bed nights (saving costly prison bed space).

Other Outcomes:

There were no escapes from custody last year. Failures to return under field supervision remained level at about 5% of the number of furloughees supervised during the fiscal year (about 100 of about 2,000 each year). New charges filed against persons under supervision remain at about 17.4% of all charges in Vermont during FY 2011 versus 17.2% in FY 2010. Recidivism: Three year follow-up recidivism for the 2007 cohort is 49%, down slightly from the 52% measured in the two previous cohorts (2005 and 2006).

Reparation to community: Community based workcrews provided 238,064 hours in FY2010 and 213,600 hours in FY2011 (-10.2%); Workcamp hours were 130,300 in FY2010 (the first full year of operation, opened January 2009) and 152,700 in FY2011 (+17.2%). VCI/OWP hours were 77,400 in FY2010 and up to 106,919 in FY2011 (+38.1%). The total in FY2010 was 445,800, so the 473,200 in FY2011 is +6.1%.

For the CY2007 cohort of released prisoners, 40.9% of them returned to prison to serve at least 90 days for a new crime or violation of conditions; this is lowest rate seen in the last eight cohort years studied

which averaged 43.8%.

CORRECTION FACILITIES - RECREATION

The recreation fund is funded by the receipts from inmate commissaries and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities. In addition, several of the inmate boards have decided to make substantive donations to victims' activities. The Recreation fund is also used to pay for inmate postage and to provide for support for reentry after release including housing.

CORRECTIONAL SERVICES-OUT OF STATE BEDS

Due to the current size of the sentenced and detainee populations in Vermont, additional space to house inmates is provided by correctional facilities outside the state. The Out of State population (at this time, 521+/- inmates) is currently managed by the Out of State Unit. This office coordinates the classification and movement of appropriate offenders between Vermont DOC facilities and out of state facilities located currently in Kentucky, Arizona, and Massachusetts

VERMONT OFFENDER WORK PROGRAMS (VOWP)

Vermont Offender Work Programs provides industrial and vocational training programs as well as work opportunities through three divisions. The Vermont Correctional Industry (VCI) shops include a print shop, a furniture manufacture and assembly shop, a license plate and sheet metal working shop, and smaller correctional industries. The program also works with the Caledonia and Windsor Community Work Camps, providing many surrounding communities with work service crews that perform a wide variety of reparative services.

The majority of Vermont DOC Probation and Parole Offices host Community Restitution Service Units (CRSU'S) that provide work crews composed of offenders on probation and intermediate sanctions. These crews provide work service to communities across Vermont. Among many other projects, correctional community work service crews maintain all 110 fishing access areas managed by the Department of Fish and Wildlife, while also providing support to the Vermont State Parks and several forest projects. Crews work for nearly every town in Vermont, and many of the non-profit agencies ranging from food shelves to public libraries.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Corrections - Administration	21	21	23	2,245,771	2,153,815	2,040,981	2,218,260
Corrections - Parole Board	3	2	2	373,582	322,632	307,797	322,045
Corrections - Education	55	55	55	4,697,856	4,697,484	4,684,043	4,713,110
Correctional Services	943	956	971	121,079,976	122,854,020	121,260,289	123,823,420
Correctional Fac - Rec Fund	7	7	7	803,010	817,770	817,770	792,739
Correctional Services-Out of State Beds	0	0	0	13,118,654	8,249,395	11,434,060	10,149,922
Admin - VT Offender Work Prog	13	12	12	1,114,548	1,463,890	1,463,890	1,460,617
TOTAL	1,042	1,053	1,070	143,433,397	140,559,006	142,008,830	143,480,113
FUND TYPE							
General Fund				132,796,253	129,346,978	130,023,262	131,028,668
Education Fund				0	4,321,425	4,307,984	4,337,051
Special Fund				2,456,771	1,389,233	1,389,233	1,276,702
Federal Revenue Fund				3,924	170,962	170,962	470,962
Global Commitment Fund				3,096,447	3,094,144	3,881,125	4,133,739
Internal Service Fund				1,114,548	1,463,890	1,463,890	1,460,617
Interdepartmental Transfer				3,965,454	772,374	772,374	772,374
TOTAL				143,433,397	140,559,006	142,008,830	143,480,113

Appropriation Key Budget Issues

The Administration of the Department of Corrections continues to face serious fiscal, programmatic and infrastructure challenges in the next fiscal year. In an environment of reduced budget funding, the Department continues to reevaluate its mission and the sustainability of all of its operations. Of particular concern, is the Department's continuing struggles related to an out-dated and often, unreliable offender database. Other ongoing challenges include population growth, aging facilities and increasing demands from advocates for both victims and offenders.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Corrections - Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,774,820	1,959,290	1,846,456	1,992,190
Operating Expenses	470,951	194,525	194,525	226,070
TOTAL	2,245,771	2,153,815	2,040,981	2,218,260
FUND TYPE				
General Fund	2,245,771	2,153,815	2,040,981	2,218,260
TOTAL	2,245,771	2,153,815	2,040,981	2,218,260

Appropriation Key Budget Issues

The Parole board is an autonomous entity, funded under the Department of Corrections for administrative purposes. The population served by the parole board continues to increase as the incarcerated population grows and is released to the community. The Parole Board is also reviewing an increasing number of offenders on parole after serving a sentence on supervised community sentence status. Although the expenditures for periodic review of inmates serving sentences in out of state facilities was reduced, the board must still travel throughout the State of Vermont to conduct its work. Controlling expenditures related to board member per-diem payments, as well as mileage and lodging expenditures continues to pose a challenge to the Department.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Corrections - Parole Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	295,372	262,434	258,902	251,226
Operating Expenses	78,210	60,198	48,895	70,819
TOTAL	373,582	322,632	307,797	322,045
FUND TYPE				
General Fund	373,582	322,632	307,797	322,045
TOTAL	373,582	322,632	307,797	322,045

Appropriation Key Budget Issues

The VT DOC is statutorily mandated to provide education services for offenders in custody who are under the age of 23 and have not achieved a high school diploma. The Community High School of Vermont serves as the vehicle for offenders to obtain their high school diplomas, through academic, social and vocational training. As an accredited independent high school, there are mandated services that the educational program must provide to students including vocational education, special education and Title 1. Critical issues facing the education program include the provision of appropriate levels of educational services to the offenders. This includes students who require a traditional academic course as well as those who are in need of special education in order for the school to provide a free and appropriate education. Other concerns include the ability to provide quality programs in the facilities and probation and parole campuses as dictated by statue as enrollment fluctuates.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,997,026	4,391,210	4,391,210	4,072,336
Operating Expenses	700,830	306,274	292,833	640,774
TOTAL	4,697,856	4,697,484	4,684,043	4,713,110
FUND TYPE				
General Fund	427,405	0	0	0
Education Fund	0	4,321,425	4,307,984	4,337,051
Special Fund	676,153	0	0	0
Interdepartmental Transfer	3,594,298	376,059	376,059	376,059
TOTAL	4,697,856	4,697,484	4,684,043	4,713,110

Appropriation Key Budget Issues

The Department of Corrections continues to face staffing challenge. The department continues to review current facility roles and operations to maximize their potential; this budget includes role adjustments for our Chittenden and Northwest facilities. On any given day, DOC averages 50 temporary Correctional Officers on duty, it is our desire to convert the majority of these positions to classified service in a manageable fashion, and will continue with 16 conversions in this fiscal year. Also included in this request are the normal increases related to regular inflationary items which impact facility operations (food and utilities), normal internal service fund and employee fringe benefit adjustments.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	97,346,122	81,867,751	80,551,029	98,971,228
Operating Expenses	17,460,463	34,909,316	34,538,300	17,406,483
Grants	6,272,976	6,076,953	6,170,960	7,445,709
Non Operating Exp Budget	415	0	0	0
TOTAL	121,079,976	122,854,020	121,260,289	123,823,420
FUND TYPE				
General Fund	116,630,841	118,621,136	116,240,424	118,338,441
Special Fund	977,608	571,463	571,463	483,963
Federal Revenue Fund	3,924	170,962	170,962	470,962
Global Commitment Fund	3,096,447	3,094,144	3,881,125	4,133,739
Interdepartmental Transfer	371,156	396,315	396,315	396,315
TOTAL	121,079,976	122,854,020	121,260,289	123,823,420

Appropriation Key Budget Issues

This fund/program continues to benefit from a renegotiated commission structure related to commissary items. To ensure that the inmate recreation fund can continue to be self supportive, internal allocations are limited to annual fund receipts.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	474,664	475,408	475,408	447,238
Operating Expenses	328,346	342,362	342,362	345,501
TOTAL	803,010	817,770	817,770	792,739
FUND TYPE				
Special Fund	803,010	817,770	817,770	792,739
TOTAL	803,010	817,770	817,770	792,739

Appropriation Key Budget Issues

Presently there are +/-521 male inmates incarcerated outside of Vermont in private correctional facilities. This is a decrease from a high of 685 in Fiscal Year 2011. This decrease is the result of our implementation of program adjustments within the Challenge for Change initiative, working closely with our partners with the judiciary community and the hard work of our staff. Currently Vermont houses male inmates in Arizona, Kentucky and Massachusetts. While out-of-state providers are significantly less costly than Vermont DOC prisons, these funds flow out of the state with no positive impact on the local economy.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	13,117,504	8,249,395	11,434,060	10,149,922
Operating Expenses	1,150	0	0	0
TOTAL	13,118,654	8,249,395	11,434,060	10,149,922
FUND TYPE				
General Fund	13,118,654	8,249,395	11,434,060	10,149,922
TOTAL	13,118,654	8,249,395	11,434,060	10,149,922

Appropriation Key Budget Issues

The VOWP is a self-funded operation, providing offender work and vocational training at no cost to the general fund. All three divisions of VOWP (Correctional Industries, Community Restitution Service Units and Work Camps) expect stable revenues in the coming year and the Department has worked to minimize unnecessary to continue increasing the solvency of the VOWP fund.

VOWP Service Impacts:
In addition to the programmatic value of preparing offenders for the work force, the VOWP adds value in several other ways. The majority of this money is spent in Vermont. All raw materials are purchased in the private sector, as are many services. Wages to offenders and VOWP staff are also spent mostly in the Vermont economy. Essentially, nearly all VOWP revenues represent an equal amount of money put into the local economy in the form of operating expenses.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	819,442	910,776	910,776	912,386
Operating Expenses	295,106	553,114	553,114	548,231
TOTAL	1,114,548	1,463,890	1,463,890	1,460,617
FUND TYPE				
Internal Service Fund	1,114,548	1,463,890	1,463,890	1,460,617
TOTAL	1,114,548	1,463,890	1,463,890	1,460,617

Department Mission Statement

The Vermont Veterans' Home has been servicing veterans for over 125 years. On April 1, 1887, the first Civil War Veteran was admitted to what would later become the Vermont Veterans' Home. In its earliest years, the Vermont Veterans' Home provided housing to one hundred and sixty veterans on a working farm in Bennington. That farm on the northern gateway to town is now the site of our nursing care facility. We have changed over time but have maintained our rich tradition of serving veterans and their families. Our mission of "Fulfilling the Promise" is deeply ingrained in the culture of our Home.

The Vermont Veterans' Home is one of five skilled nursing facilities in Bennington County. We have a 171 bed skilled nursing facility with an 8 bed Residential Care Unit. We only consider Veterans, their spouses and Gold Star Parents for admission. Our facility has a certified Alzheimer's Unit and we are home to the nationally acclaimed and award winning "Namaste" program. The Namaste program is a palliative care program for those with a diagnosis of end stage dementia.

Our residents differ from those who reside in other skilled nursing facilities in that the population is overwhelmingly male, greater than 75 percent have a diagnosis of post traumatic stress disorder or depression, and many have little or no active family involvement, placing them at a higher risk for negative outcomes.

We continue to focus on meeting the individualized needs of our residents as veterans and as individuals. We accomplish this through our skilled nursing services, skilled mental health services, an intensive rehabilitative service and an active recreational therapy program. All are designed to meet the special needs of our veteran population.

We currently serve residents from the following counties of Vermont: Addison, Bennington, Orleans, Rutland, Washington, and Windham. Additionally, since we receive Medicare and Medicaid funding and are unable to restrict admissions based on geography, we also serve veterans from New York, Massachusetts, New Hampshire, Connecticut and Pennsylvania. Approximately 20 percent of our population is from New York.

The administration of the Vermont Veterans' Home continues to strive to:

- Assess and implement financial efficiencies without impacting resident services.
- Recruit and retain a high quality health care team.
- Continue to pursue and implement best practice programs and care interventions.
- Continue to foster and encourage residents to make their own life decisions while meeting their medical and psychosocial needs.

As we look to 2013, we continue to implement programmatic changes to improve the delivery of care to our veterans. The work on the geo-thermal project has been completed. Air-conditionied rooms are available for all veterans and members. The Home is working toward implementing an electronic

medical record system which will allow us to improve our delivery of care. The Vermont Veterans' Home is the only skilled nursing facility in the state to receive a $5,000 grant for the Music and Memory Program. This grant supplied 50IPods and I tune gift cards to the facility. As part of a research study the IPods will be uploaded with individual music for our Veterans and members with dementia. The goal of this resarch study is to determine if music helps to reduce negative behaviors and the need for psychotropic medications.

Description of Appropriations, Divisions, & Programs

The Vermont Veterans' Home is a component of the State of Vermont that provides skilled nursing, rehabilitative, psychological and domiciliary care to Veterans, spouses of Veterans and Gold Star Parents. The home will generated over $19 million of revenue in SFY 2013 and provide over 57,000 days of resident care. Sources of funding were Medicare, Vermont and New York Medicaid, Private funds, other insurances and stipends / per diems from the Veterans Administration. The budgeted revenue is based on a daily census of 150 skilled nursing and 6 domiciliary residents. This represents 88 % occupancy of available beds.

PROGRAMS:

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

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

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

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

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

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Care and Support Services	218	216	216	18,240,800	18,928,476	19,728,476	19,102,014
TOTAL	218	216	216	18,240,800	18,928,476	19,728,476	19,102,014
FUND TYPE							
Special Fund				10,798,159	10,635,885	11,435,885	10,606,072
Federal Revenue Fund				6,031,685	6,881,635	6,881,635	7,084,986
Global Commitment Fund				1,410,956	1,410,956	1,410,956	1,410,956
TOTAL				18,240,800	18,928,476	19,728,476	19,102,014

Appropriation Key Budget Issues

SFY 2013 will be the first budget year that the Geo-thermal project is fully operational. All the resident rooms now have heat and air-conditioning through this environmemtally friendly system.

Expenses

- Total expenses are increased from FY 2012 by less then $100,000. The largest component of this increase is $92,000 for workers compensation. Otherwise the Home held expenses level with last year.
- The Home with 65% funding from the VA will be implementing an Electronic Medical Record in 2012-2013. When fully implemented this will improve the delivery of care to our residents..

Revenue

- The Home's budget is based on an average daily census of 150. This is higher then last year's budget but in line with current volumes.
- Medicare reimbursement rate is budgeted at $327. Nationally, CMS has lowered reimbursement for all nursing homes.
- The VT Medicaid rate is budgeted at $245 with an estimated adjustment from a prior year settlement for FY11 of $240,000.
- The proportion of residents with New York Medicaid is about 20%.
- Private pay rates will be increased by approximately $5.
- The VA payment for veterans with 70% service connected disability is $337. The VA stipend is budgeted at $98 dollars.
- The Home is requesting Global Commitment funds of $1,410,956, the same as last year..

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	14,008,397	14,924,037	14,924,037	15,077,958
Operating Expenses	4,232,403	4,004,439	4,804,439	4,024,056
TOTAL	18,240,800	18,928,476	19,728,476	19,102,014
FUND TYPE				
Special Fund	10,798,159	10,635,885	11,435,885	10,606,072
Federal Revenue Fund	6,031,685	6,881,635	6,881,635	7,084,986
Global Commitment Fund	1,410,956	1,410,956	1,410,956	1,410,956
TOTAL	18,240,800	18,928,476	19,728,476	19,102,014

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Department Mission Statement

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

Core Values: The Commission operates with these tenets in mind:
*that all women and girls must have the opportunity and be encouraged to participate fully in society for the betterment of the lives of all.
*that all women should be able to live with justice, equity, freedom, dignity, privacy, equality, economic self-sufficiency, mental and physical health, and well-being.

The Commission is comprised of 16 Commissioners, appointed by multiple appointing authorities, and drawn throughout the state and from diverse backgrounds. An Advisory Council, representing various organizations, provides information on the concerns of Vermont women and assists the Commission with the fulfillment of its responsibilities.

Description of Appropriations, Divisions, & Programs

The Commission is the only state entity singularly focused on women's economic and social well-being. The activities of the Commission are organized into three program areas: information and referral, public education, and public policy, and the Commission work is guided by a strategic plan, summarized below:

PRIORITY AREA #1: ECONOMIC EQUITY & SECURITY
Goal: Women will have support to balance work and family life.
Goal: Women and men will earn equal pay and a livable wage.
Goal: Workplaces will be free of gender bias and harassment.
Goal: Women entrepreneurs will be supported in starting or expanding business.

PRIORITY AREA #2: LEADERSHIP & PUBLIC LIFE
Goal: Legislature will increase its knowledge of women's issues.
Goal: Women will be influential leaders.
Goal: Women shall have equal representation on state and local boards and commissions.

PRIORITY AREA #3: HEALTH, SAFETY, & CIVIL RIGHTS
Goal: Women will live free of violence and have access to quality health care,
Goal: Women will understand their rights under Vermont law.

PRIORITY AREA #4: EDUCATION AND HUMAN DEVELOPMENT

Goal: Schools will be free of gender bias and harassment.
Goal: Women and girls will have equal access to math, science, and technology education.
Goal: Women will have equal access to workforce training and development throughout their working lives.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Commission on Women

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Commission on Women	3	3	3	290,715	304,058	317,610	316,571
TOTAL	3	3	3	290,715	304,058	317,610	316,571
FUND TYPE							
General Fund				290,715	299,058	312,610	311,571
Special Fund				0	5,000	5,000	5,000
TOTAL				290,715	304,058	317,610	316,571

Appropriation Key Budget Issues

Eighty-one percent of the Commission's budget is for personal services, providing for 3.00 FTE staff positions. Twelve percent is for allocated expenses such as fee-for-space and VISION. The remaining seven percent covers all other operating expenses, such as commissioner travel reimbursement (mandated), staff travel, phone, printing/publications, postage, membership/dues, copier maintenance fee, computer repair and maintenance.

Staff share responsibilities for implementation in all program areas; capital needs are met by utilizing recycled equipment from other state departments, and interns and volunteers are relied upon for many Commission activities.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Commission on Women

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	238,089	235,779	233,053	253,203
Operating Expenses	52,626	68,279	84,557	63,368
TOTAL	290,715	304,058	317,610	316,571
FUND TYPE				
General Fund	290,715	299,058	312,610	311,571
Special Fund	0	5,000	5,000	5,000
TOTAL	290,715	304,058	317,610	316,571

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

In Vermont there are currently over 2,550 volunteers who, in grant year 2011, gave 394,336 hours of service to over 627 community non-profit organizations. These organizations include schools, aging programs, cultural organizations, libraries, hospitals, social service agencies, health care organizations, and many others. Their volunteer service provided equaled 11 million dollars of social capital to the State of Vermont.

State funding has been provided since FY 77 under Act No. 185 of the 1977 Adjourned Session. The Act reads: "Funds shall be administered by the Department of Aging and Disabilities and be disbursed by it to each local program to meet direct costs incurred by supporting volunteers such as insurance, travel, and meals."

State funds are awarded, based on an agreed-upon formula, to the following non-profit agencies that sponsor RSVP programs:

-United Way of Chittenden County, Grantee for Chittenden County RSVP
-Rutland Mental Health Services, Inc., Grantee for Addison and Rutland County RSVP
-Green Mt Community Network, Grantee for Green Mountain RSVP serving Counties of Windham, Windsor and Bennington.
-Central VT Council on Aging, Grantee for RSVP for Central Vermont (Washington, Orange, Lamoille Counties) and Northeast Kingdom (Orleans, Essex & Caledonia Counties).

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Retired Senior Volunteer Program	0	0	0	131,096	131,096	131,096	131,096
TOTAL	0	0	0	131,096	131,096	131,096	131,096
FUND TYPE							
General Fund				131,096	131,096	131,096	131,096
TOTAL				131,096	131,096	131,096	131,096

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	131,096	131,096	131,096	131,096
TOTAL	131,096	131,096	131,096	131,096
FUND TYPE				
General Fund	131,096	131,096	131,096	131,096
TOTAL	131,096	131,096	131,096	131,096

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Department of Labor

Department Mission Statement

The Vermont Department of Labor's mission is to promote and assist the economic growth and vitality of Vermont employers; to help Vermont businesses retain, create and attract new jobs; to ensure that every Vermonter can have a good-paying, secure job in a safe and healthy work environment; to train Vermonters to be a skilled and ready workforce to meet the challenges of the 21st century workplace and employers' hiring needs; to administer economic support, retraining and reemployment assistance to Vermonters who experience loss of their job or a workplace injury; and to provide vital and timely labor market information and analysis to the public, employers, workers, job seekers, lawmakers, researchers and planners to assist with strategic and successful decision making.

Description of Appropriations, Divisions, & Programs

VDOL Divisions and Programs

The Department of Labor is an independent department in State government, with a Commissioner that reports directly to the Governor. VDOL has 315 employees, including 10 exempt positions, with approximately 150 staff working from our central office located in Montpelier, Vermont. VDOL also has 12 regional offices, "Career Resource Centers", that offer job-seekers and businesses with recruitment and placement assistance, including job fairs, Vermont JobLink, and career counseling; enhanced services for youth, veterans, economically-disadvantaged and long-term unemployed persons; and information and application assistance for federal and state programs and benefits such as On-the-Job Training, Apprenticeship, Summer Youth programs, Internship programs; Veterans services; and Hiring incentives and credits. The Department also has staff from our Vermont Occupational and Safety, Project WorkSAFE, Workers' Compensation misclassification, and Unemployment audit programs assigned to our various regional office locations.

The Department of Labor consists of the following divisions/organizational units:

- Unemployment Insurance
- Workforce Development, including 12 regional Career Resource Centers
- Worker's Compensation
- (WC) Safety Division: VOSHA and Project WorkSAFE
- Economic and Labor Market Information
- Wage and Hour Program
- Workforce Development Council
- In addition, VDOL has the following units: Legal, Fiscal, IT, Administrative Services

The Department of Labor has statutory authority/responsibility for the following Councils and Boards:

- State Workforce Development Council, including the WDC staff liaison and funding under the

"Next Generation" program that supports multiple initiatives including the Workforce Education and Training Fund (WETF) grants, Vermont Adult Technical Education Centers, Vermont Career Internship Program, Vermont Apprenticeship Program, and Regional Workforce Development incentives.

- Vermont Employment Security Board (2 public members, VDOL Commissioner as Chair) which hears appeals from UI issues (claims, benefits, tax rates, penalties) and is the final step before the Vermont Supreme Court.
- Occupational Safety and Health Review Board
- Department Labor Advisory Council
- State Apprenticeship Council
- Passenger Tramway Board
- Unemployment Insurance Fund Study Committee

VDOL Strategic Mission and Goals:

Enable workers to achieve good-paying, secure jobs, and life-long learning opportunities that will give them the knowledge and skills so they can be competitive for jobs in emerging and growing industries, and support the workforce needs of Vermont employers.

Develop and support laws and policies that promote economic growth and competitive advantage for Vermont businesses/employers and that lead to the creation of good jobs with economic security for Vermonters. Encourage flexible workplace policies.

Promote and ensure workplaces that are safe, healthy, non-discriminatory, respectful and civil, and that abide by and adhere to state and federal laws and regulations.

Assist with program and economic support, retraining, and reemployment assistance to Vermonters who are unemployed and/or seeking work, with a focus on dislocated workers, unemployed, special populations (including youth, adult, veteran, dislocated workers, older workers, disabled persons, economically disadvantaged persons, and vulnerable worker populations).

Produce timely and accurate data on the economic conditions, employment opportunities, growth areas, industry and occupation projections, wage and benefit data that will assist Vermont employers, workers, educators, lawmakers, researchers and planners in their decision-making.

Unemployment Insurance and Wages Division

The Unemployment Insurance (UI) and Wages Division processes claims for unemployment compensation, oversees employer tax contribution functions, ensures UI program performance, integrity and compliance, and provides wage and hour law guidance. During calendar year 2010, the division processed approximately 595,172 weekly claims for unemployment benefits, resolved 17,000 disputed claims, and processed 88,000 employer reports. Benefit payments in calendar year 2010 totaled nearly $150 million. Federal funds account for more than 99 percent of the division's resources and pay for

unemployment insurance activities.

The Employer Services Unit and Unemployment Claims Center handle employer and claimant unemployment insurance needs, as well as investigation of potential misclassification and fraud issues. The Benefit Accuracy Measure and Tax Performance System programs test methods and procedures, many of which are related to federally mandated performance measures. The Program Integrity Unit audits paid unemployment benefits to detect and administer improper payments stemming from unreported employment, resulting in credit adjustments to taxable employers. Vermont's main focus with Integrity has been on the prevention of improper benefit payments. Currently Vermont has the second lowest improper payment rate in the country with only 4.55% improper payments. Vermont is continuing to improve upon integrity with projects that focus on system automation.

During the last year, the Wage and Hour program handled 7,500 inquiries from businesses and workers and pursued about 250 wage claims, resulting in the recovery of approximately $125,000 of unpaid wages being turned over to claimants. The Wage and Hour program works closely with employers and employees to educate them of their rights and responsibilities under the Vermont employment laws as well as oversees the program to get mandatory postings out to Vermont employers. The division also provides information about wage and hour and child labor laws and resolves wage disputes. The Wage Hour program is supported by general funds that support 2 FTE staff. The Department hopes to seek general fund support to expand the Wage & Hour program to support an additional position to cover field investigations and employer support activities.

The Division is also responsible for administering the Employer Health Care Contributions, Domestic and Sexual Violence Transition Benefits, and Employee Leasing programs.

To date Vermont has borrowed $77,731,860 dollars from the federal government to cover UI Trust Fund benefit payments to unemployed workers. The department has not needed to borrow against this fund since April of 2011. Interest is due on the borrowed funds on Sept 30th of each year there is an outstanding balance. Based on the current interest rate of 4.09%, projections estimate that the interest due in September 2012 could range between $3.2M and $4.0M depending on the degree of additional borrowed funds needed during 2012. This estimate will be reevaluated in January 2012 when the new interest rate is announced and again in May 2012 when first quarter contribution deposits are completed.

Highlights for the Division during the past year include:

- Expansion of the implementation of a federal Reemployment Eligibility Assessment (REA) Grant. The REA program is premised on ensuring claimants have access to the full array of services available at One-Stop Career Resource Centers while also ensuring claimants comply with all UI eligibility requirements. A number of studies have found that attention to UI claimants' efforts to find new jobs and to their reemployment service needs results in shorter claim duration and fewer erroneous payments. The Department of Labor received $848,012 in June 2011 to provide REA program services in Barre, Bennington, Burlington, Morrisville, Newport, Rutland, St. Albans and St. Johnsbury. The REA program is 100% reliant upon funding and is an annual competitive process.

- The Department recently received $2,246,844 in federal Supplemental Budget Request (SBR) funds to implement program integrity and performance improvements. Vermont will be using the funds to implement systems and activities geared toward further reducing improper payments. In addition to these funds, the department also received $4,185,820 to establish a consortium with Maryland and West Virginia to develop a system requirements repository. The UI systems were designed and implemented over 25 years ago. The hardware and software of that era is less flexible compared to what is available today. The technology constraints of the system make required federal and state changes challenging and little more than patches. Developing system requirements is the first step toward future system replacement.

Economic and Labor Market Information Division (LMI)

The Economic and Labor Market Information Division has a staff of 12 employees and is 100% federally funded. LMI is a State partner to the federal government's US Bureau of Labor Statistics (BLS) which provides nearly 70% of the division's overall funding. Through this partnership, LMI produces a wide variety of Vermont related reports and data about:

- Employment by industry
- Unemployment and labor force statistics
- Wage data by occupation

The balance of the LMI budget (approximately 30%) comes from the US Department of Labor's Education and Training Administration (ETA). Unlike the BLS money which is one year money and has strict guidelines on use, ETA dollars can be used over 3 years for a myriad of work, such as:

- Produce long-term (10 year) and short-term (2 year) occupational projections
- Monitor and forecast UI Trust Fund solvency
- Collect data on and analyze employer provided fringe benefit packages
- Promote and maintain LMI data through our website: www.vtlmi.info
- Perform analyses, support special studies relating to public policy such as:
  - Healthcare workforce study groups;
    - Wage analyses of publicly-funded training
    - Development of technical parameters related to hiring incentives for long-term unemployed and veterans
    - Minimum Wage determinations
    - Prevailing Wage for State construction projects
- Public outreach: The importance of LMI's public outreach is significant. Through ETA funding, LMI is able to outreach and travel for information and education about the availability and uses of LMI data. LMI offers presentations to Vermont businesses and trade associations, regional workforce development groups, high schools and universities, workforce education and training partner agencies, state departments and the legislature, non-profit organizations, and to Vermont citizens.

VDOL sees significant opportunity to utilize LMI to a greater degree. Ideas for future study include:

- Development of formal analytical tools/reports to monitor the supply and demand of the

healthcare workforce in Vermont; Using new technology and data to improve labor market exchanges, thereby reducing unemployment insurance duration; Quantification of important economic engines which are outside the traditional world of unemployment insurance such as agriculture, art, and music.

VDOL will be requesting a statutory change relating to LMI: asking that BLS' Occupational Employment Statistics (OES) reporting be made mandatory for Vermont businesses. Not only would this improve the quality of Vermont's occupational wage data, and would greatly improve the quality of the long-term & short-term occupational projections built off of OES data. Occupational projections are an invaluable resource to education and training institutes.

Workers' Compensation and Safety Division

The Workers' Compensation and Safety Division offers many services focused on workplace safety and resolving disputes between injured workers and their employers. The Workers' Comp and Safety Division's goals and strategies:

- Reduce injuries and shorten time for those injured to return to work.
- Make safety a "core" value for all Vermont employers.
- Lower workers' compensation costs.
- Review labor market information to better determine which sectors need the greatest focus.
- Reach out to the medical community, employer groups, health and safety associations, insurers and others to reduce injuries and identify best practices, new innovations and trends, with the goal of better service delivery, outcomes and efficiencies.
- Publicly highlight employers in Vermont who have successful workplace safety programs.

The Workers' Compensation Program ensures that workers who suffer a work-related injury receive medical and disability compensation from the employer or employer's insurance company. The program was designated as a "charter unit" under C4C, and has been working to streamline its processes. The Vermont Department of Labor does NOT set Workers' Compensation insurance rates. The rate is set by the Department of Banking, Insurance, Securities and Health Care Administration. The WC staff members provide dispute resolution, audits, mediation, adjudication and compliance reviews. The Division's investigators pursue fraud and misclassification and issue stop work orders and administrative penalties to enforce compliance with the law.

The Vermont Occupational Safety and Health Administration (VOSHA) Program works to ensure that all persons are provided safe and healthy conditions at their workplace. Vermont has jurisdiction over workplace safety and health, as activities include inspecting workplaces for violations of VOSHA standards and imposing penalties for violations classified as "serious", and additional penalties are assessed if violations are not corrected. VOSHA Compliance Officers investigate serious workplace accidents. The VOSHA inspections at Vermont businesses are mandatory. The program also recognizes businesses for their efforts in workplace safety through programs such as Green Mountain Voluntary Protection Program (VPP). The Vermont Compliance Assistance Specialist works with trade

associations and industry groups to help employers comply with the VOSHA Safety and Health standards. The 14 employees are funded by a 50-50 match of federal and state (general fund) dollars. For the federal fiscal year ending 09/30/2011 VOSHA found and ordered correction of 451 serious, repeat or willful violations and 172 other than serious violations, and collected $294,621 in penalties, which were turned over to the State's General Fund.

Project WorkSAFE provides voluntary consulting services to Vermont employers seeking to improve the health and safety condition of their workplace. WorkSAFE's 6 employees are funded with a combination of federal and state funds, (75% or more is federal money, and the remainder is from VDOL's Workers' Comp administrative fund. Federal OSHA grant requirements have a target of 200 visits to the private sector for on-site safety and health consultations and review/development of safety and health programs. Responsibilities also include: developing and providing safety and health trainings to Vermont companies on new OSHA regulations and other topics; emergency response consultation and assistance with radiological and biological issues, (with the Vermont Departments of Health and Public Safety; maintaining and increasing the amount of Vermont companies in the Safety and Health Achievement Recognition Program (SHARP); and developing recommendations for the Governors' Workplace Safety Awards. In FY 2010, WorkSAFE conducted 227 employer consultation visits. Staff identified and had corrected 863 serious hazards in these workplaces, and identified and had corrected 64 less serious hazards. WorkSAFE has also partnered with the Vermont Department of Health's Asthma Program to provide Vermont companies with information on Occupational Asthma and how to reduce the rate of occurrence. WorkSAFE has also partnered with Yale University to educate Vermont companies on the risk of Occupational Asthma for Construction Companies who use Isocyanates.

Project RoadSafe is a workplace driver safety program managed under a federal grant from the National Highway Traffic Safety Administration (NHTSA) through the Vermont Department of Public Safety and the Governor's Highway Safety Program. The mission of Project RoadSafe is to help Vermont businesses create a safe workplace for their drivers, to decrease distracted driving, to reduce impaired driving (both alcohol and drugs), and increase the use of seatbelts. This driver safety program pursues its mission through education and outreach, direct training for employer groups, and collaborating with other groups and agencies to improve driver safety.

The Passenger Tramway Program has three employees who inspect the construction of ski new lifts; inspect the operation and maintenance of ski tows, lifts and trams and monitors for compliance with State regulations. Each year there are approximately 250 injuries related to ski lifts over the course of 4 million skier days. Vermont's 26 ski areas pay the cost of this program.

Workforce Development Council

The Workforce Development Council (WDC) is designated as the single State Workforce Investment Board under the federal Workforce Investment Act and under Vermont statute, 10 VSA 541. By law, the Council's membership must represent a business majority to help ensure that the workforce development efforts are consistent with business needs. The Council advises the Governor and state

agencies and departments on how to best develop and implement a comprehensive, flexible and responsive workforce education and training system. The WDC is tasked with providing the Administration with a plan for the allocation of Next Generation Funds.

The Department of Labor serves as the fiscal and administrative agent for the WDC, and the VDOL Commissioner has managerial authority over the staff liaison(s) to the WDC. The work of the WDC is performed by VDOL staff at our central office in Montpelier. Limited funding is provided to the Council from the Department and the federal government.

The 2011 legislative session made changes to the legislation that had authorized regional workforce investment boards (WIBs), eliminating any formula allocations to individual WIBs, and redirecting the money to competitive regional workforce initiatives available to any public or private organization or individual(s), including the opportunity for a WIB to apply. The applicants were asked to engage their local partners and employer community in determining workforce training and development needs. They were advised to avoid any duplication of efforts or services in their area. Eleven applications were received and nine were selected for funding, with one more under review. VDOL and ACCD jointly participated in the review of the competitive applications.

Workforce Development Division

The VDOL Workforce Development Division provides employment services and training assistance to businesses and workers.

Federally-funded programs in VDOL's Workforce Development Division include:

The **Workforce Investment Act (WIA)** consists of three separate elements, and WIA funding is governed by national allocation formulas.

- The **WIA Youth** programs focus on serving "at-risk" youth. Priority is given to out-of-school youth, with the option of serving in-school youth most at risk of dropping out.
- The **WIA Adult** program focuses on individuals receiving public assistance and low-income individuals with little or no work experience who need to successfully enter the labor force.
- The **WIA Dislocated Worker** program offers workers who have lost their jobs through no fault of their own, due to a major layoff or plant closure, the resources necessary to become re-employed, including job counseling, training and placement assistance. VDOL offers a Rapid Response program for the workers who will be displaced early in the layoff or plant closure, so that VDOL connects with the affected workers.

The **Wagner-Peyser Program** offers job search resources and assistance to customers through the VDOL's network of 12 local Career Resource Centers, as well as through our online job matching system (Vermont Job Link). The services and operations at our local offices are federally-funded.

The **Trade Adjustment Assistance (TAA)** is a federal program which provides benefits and services to workers who become unemployed due to the impact of international trade. The TAA program provides

these trade-affected workers with opportunities to obtain the skills, resources, and support they need to become reemployed.

The **Alien Certification Program** is funded to process applications submitted by employers to bring foreign workers into Vermont. Its role is to ensure that employers explore every source for U.S. workers before issuing a certificate that will allow the INS to bring foreign workers into the Vermont workplace. Two major components are Agricultural and Non-Agricultural Certification.

The **Veterans Program**: VDOL receives funding to support the salaries of our Local Veterans Employment Reps (LVER) and Disabled Veterans Outreach Program Reps (DVOP), stationed in several of our local Career Resource Centers.
LVERs have responsibility for direct services to Veterans, ensuring priority in employment services and outreach to employers to find job opportunities for veterans. DVOP's perform outreach to disabled Veterans, providing employment services, career and training opportunities counseling. Both LVERs and DVOPs work closely with Veterans' organizations.

The **Work Opportunity Tax Credit (WOTC)** is a federal income tax credit that encourages employers to hire from nine targeted groups of job seekers. WOTC can reduce employer federal income tax up to $2,400 per new hire.

Federal Grants awarded to VDOL to support of our work include:

- Three National Emergency (NEG) grants totaling nearly $3M to pay wages for displaced and long-term unemployed workers to work on eligible flood recovery projects.
- The National Emergency Grant, On-the-Job training grant (through ARRA funds) to assist persons experiencing prolonged unemployment beginning 1/1/08.

Grants for which VDOL has applied (or in process) to support our work:

- Vermont Department of Labor applied for an **H-1B job training grant** from the USDOL. The amount requested is approximately $5 million, to train more than 3,000 Vermonters. Trainings will focus on IT, advanced manufacturing and health care. VDOL partnered with IBM, UVM College of Nursing and Health Sciences, Community College of Vermont, Champlain College, HITEC and additional employers. Non-federal match funds exceed over half the requested amount. Incumbent workers and unemployed individuals will be served.
- We are actively participating in planning work regarding the **training needs of Vermont's health care workforce,** and anticipate grant and funding opportunities that may transpire in the coming budget year.

State-funded programs in VDOL's Workforce Development Division:

- The **Next Generation Program**, first established by the 2007 Legislature, continues to fund a variety of programs that promote the creation and retention of high quality jobs, and the growth of a highly skilled workforce by funding occupational skills training, internships for secondary and post-secondary students, and other specialized training activities that lead to employment with new and

existing businesses. The Workforce Education and Training Fund (WETF) is the largest of the Next Generation Programs, providing grants under two categories: training and internships. Internships are funded with a separate allocation and augmented with other Next Generation funding. In addition, VDOL receives a separate State appropriation to fund the Vermont Adult Technical Education Program throughout the state.

- The **Registered Apprenticeship Program** continues to be one of VDOL's most effective workforce training models. The combination of technical classroom instruction and paid hands-on training under a qualified employer sponsor, ensures that training is relevant, current, and directly tied to employment. `Apprenticeship is supported by a combination of state general funds and "special funds" that consist of employer-paid tuition for classroom instruction.

- The **Reach Up Program** VDOL receives funding from the Department for Children and Families (ESD) to work with Reach Up (TANF) participants to provide employment services statewide. VDOL collaborates with VR/Creative Workforce Solutions in placement services.

ADMINISTRATION

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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
VDOL Program	278	313	296	28,354,642	31,449,343	31,449,343	31,468,253
VDOL Administration	32	0	0	2,846,911	0	0	0
TOTAL	310	313	296	31,201,553	31,449,343	31,449,343	31,468,253
FUND TYPE							
General Fund				2,445,571	2,400,316	2,400,316	2,894,425
Special Fund				2,694,534	3,765,862	3,765,862	3,363,869
American Recovery & Reinvestment Act				1,784,364	0	0	0
Federal Revenue Fund				22,766,701	23,888,739	23,888,739	23,751,533
Interdepartmental Transfer				1,510,383	1,394,426	1,394,426	1,458,426
TOTAL				31,201,553	31,449,343	31,449,343	31,468,253

Appropriation Key Budget Issues

VDOL BUDGET PRESSURES in FY13

The Department of Labor's annual budget of over $31 million dollars is 75% federally-funded, with the remainder of our funding coming from Special Funds, the State General Fund and Interdepartmental transfers for program services. In addition, VDOL has a history of successful grant-writing that has provided funding for special initiatives and projects. The greatest challenge for the Department of Labor continues to be the uncertainty of our federal funding, as Congress debates their commitment to funding programs in workforce training, unemployment extensions, UI interest payment forgiveness, trade adjustment and dislocated worker training monies, labor market information funding, and other areas.

The potential loss of Workforce Investment Act (WIA) money during next year and into the future would seriously undermine our program services and the continued existence of our twelve regional offices. (This year, WIA funds enabled the Department to provide services to 278 dislocated workers, 386 disadvantaged adults, 661 at-risk youth, and supported our ability to offer our department services in all regions of the State). The most recent information is that we will lose 6% of our Dislocated Worker funding between July 1- September 30, 2012 (beginning of FY`13), and that other programs may be level-funded during that same 3 month period. After October 1, 2012, funding levels are not known. If we lose "up to 75%" in WIA funding as currently discussed by Congress, a major shift in our staffing and operations will take place, which would likely involve reduced services to our clients, including many critical populations ('at risk' youth, low-income adults, dislocated workers, veterans). This, in turn, will likely add to service costs at AHS's Economic Services, Voc Rehab and Corrections divisions. At this writing, we have seen proposed cuts of up to 17% in Youth ($300,000), 94% in Dislocated Worker (which would effectively end the program in Vermont), and up to 75% across the entire WIA program. Due to this uncertainty in the WIA funding, and faced with the current reduction of 15% in our WIA discretionary funds, we have already enacted an internal hiring 'freeze' in the Workforce Development Division, only filling positions that are critical need (i.e. Youth Caseworker in Barre, Veterans Reps), or specific to grant commitments (i.e. REA grant). The tightening of funds in Workforce Development has put significant pressures on our staff in the 12 regional offices. VDOL is restructuring and redirecting the focus back to our core functions and our federal funding requirements. Other notable cut-backs include the federal funding for Trade Adjustment Act; the Work Opportunity Tax Credit (WOTC) being suspended; and the QCEW program in Labor Market Information facing some funding cuts this year.

Due to the economic recession of recent years, stalled or slow job growth, and a tightening of capital for business expansion, Vermont has faced higher Unemployment rates in recent years, which forced the Department into "borrowing status" for the Unemployment Insurance program. We have a current debt to the federal government of $77 million dollars, with a UI loan interest payment due each September 30th. The Department is below the debt projection made in the Fall of 2010, and has not borrowed from the federal government since the end of April 2011; however, we anticipate that we may need to borrow

again in this (FY`12) and next (FY`13) year. We are right on target for our UI Trust Fund solvency at mid-2015. VDOL's UI Division saw new unemployment claims lower than a year before. Even with the few weeks' spike after Hurricane Irene, the claims dropped again within a month. Vermont's unemployment rate as of this month (Dec. 2011) is 5.3% -- 5th lowest in the country, and much lower than the national average of 8.6%. We are also waiting to see if Congress will extend and fund unemployment benefits as they have in recent years. If not, by January 2012 many current UI claimants in Vermont will become ineligible for continued benefits, thus dropping off unemployment insurance and potentially onto other social services. On a positive note, the UI Claims Center staffing is finally at functional levels. In December of 2011, the turnover rate at the center was 80%. The UI Claims Center is finally at near-full staffing levels, with more candidates interested in working for the Center. This will be critically important as we enter our 'traditionally high UI months" (December-March), and if Congress fails to extend benefits, as Vermonters will be calling to try to understand their benefit status.

Vermont will continue to be impacted by national and global economic issues, including slow recovery and predictions that Vermont will see minor job growth (but at least not a 'double-dip recession') next year. LMI notes that "going forward, there will be a surplus of some workers, as well as vacancies difficult for employers to fill" (i.e. the "skills mismatch"). VDOL will be a key player in trying to address the "mismatch" through our Workforce Development Council and the Workforce Education and Training Fund (WETF), as well as our funding and programs for On-the-Job Training, Apprenticeship, Internship, and other job placement services/programs administered by this department.

Workers' Compensation Division has experienced a significant workload increase due to increased legislative initiatives, and soon staffing issues vis-à-vis workload must be addressed in that Division. As a result of their C4C BPI work, they can quantify the hours assigned to tasks and have honed in on the results of this analysis, as well as to their day to day experiences, to bring forward a request for some workload relief through increased staffing and/or other options.

In positive funding news, VDOL continues to seek out and/or receive grants that assist in the support of specific project work, in areas including workforce education and training, and UI integrity and modernization.

SIGNIFICANT CHANGES/RESTRUCTURING

Unemployment Insurance Division:

1. UI modernization and other grant money will require temporary, contractual or limited service positions, (funded by the federal USDOL money) to accomplish the tasks of the grant.
2. UI may face some reduced federal money in FY`13 and `14 due to holding vacancies to address possible layoffs of Workforce Development staff who were awaiting word on WIA reductions in winter/spring of 2011. UI charges are direct reimbursable charges to the feds, but because we had less UI positions filled, we may see less money in the next 2 years. However, we are strategically drawing down federal UI money down in a way that may enable us to "weather" any future reductions.
3. The UI Trust Fund Interest payment due in September 2012 is anticipated at $3M-$4M, which was

paid by General Fund money last year since it may not be drawn from the UI fund.
4. REA (reemployment eligibility assessment) work will continue between UI and WDD to put Vermonters back to work and reduce their reliance on the UI fund.

Workers' Compensation and Safety Division
1. In FY `12, Workers' Comp increased its fee from insurance companies' premiums to a rate of 1.75%, allowing VDOL to significantly reduce the Division's $500,000 debt. We are not seeking any rate increase this year, despite the fact that we still have to retire additional debt, consider additional staffing, implement modernization of our WC medical records system (at an estimated $400,000), and possibly fund the misclassification investigator positions (4), now scheduled to expire in June 2012 (These positions have been making significant progress on the misclassification of workers, and in conjunction with VDOL UI Auditors, the teams are bringing in revenues to the General Fund while finding law violations and abuses). New legislative requirements, (without staffing increases), has led to a significantly greater workload; and staff are leaving WC for similar state jobs in higher pay-grades.
2. VOSHA may see a reduction in funding, which is a 50-50% state-federal match.
3. Project Road Safe is funded by federal highway safety dollars, so its funding is unknown for FY`13.

Workforce Development Division:
1. WIA reductions may amount to a 75% federal fund reduction. In anticipation of federal cuts, we are restructuring in Workforce Development to address significant program and performance measurement needs, as well as anticipating reduced federal funding. This will likely involve changing at least five staff members' titles/task assignments, some on a permanent basis, and some on an interim basis. If the cuts actually come, we will have to examine our regional offices' structure, hours, tasks and staffing needs vis-à-vis available funding.
2. Reach Up: We were $30,000 underfunded for the work performed, and anticipate that, unless the contract between AHS and VDOL is substantially revised, VDOL will again fall short on our needed income to run the program. AHS Reach Up funds to VDOL do not cover the costs of our employment services for the program. We need to be funded at the costs of our staff services for the Reach Up program.
3. WOTC: Completely out of funding for 2012; and no idea if WOTC will continue as a federally funded program next year (and what, if any, funding would be available for next year if the program is restarted). WOTC is traditionally underfunded by the feds by as much as $40,000 annually.
4. Apprenticeship: loss of $30,000 from VTP (statute requires a transfer from VTP to VDOL Apprenticeship of "up to $250,000 annually"). VDOL requested $30,000 in 2012, but was advised that there was no money for the transfer. VDOL will find other internal VDOL funds to assist with the budget gap. VDOL this year set up a debit/credit card payment program for both employers and students, which is working very well, and set up interactive television course offerings to assist students and to reduce our costs for the program. This has helped train more Vermonters in the program while reducing the students' out-of-pocket travel expenses and 'carbon footprint'.
5. TAA: Many changes in payment eligibility, dates, etc. coming as a result of federal changes. Roll-back to funding levels that were implemented a decade ago will not help workers impacted by trade policies that force the loss of a job or substantial change in compensation.

6. AHS/VR/CWS transferred $30,000 to VDOL to support Linking Learning to Life's career program for high school students.
7. Vermont Job Link: VDOL has invested many years and dollars in this job matching system, but find it problematic in its application, as well as its ability to integrate wage payment records for program participants. If the program cannot be made functional for our needs, VDOL will have to seek out another job registry/link/matching program that will enable effective job matching for Vermont employers and workers. We are discussing options with our USDOL representatives and other state departments of Labor.
8. There will be increased requests for WETF monies from employers, and on Next Generation money from current recipients whose other funding is suffering reductions. VDOL is advertising program benefits to potential recipients and assigning staff to work on proposals with employers that will lead to job creation, business expansion, and skills upgrading for competitive advantage for the employee and the business. Revised grant application, criteria, review process and performance demands and measures have been embedded into WETF, and in some measure to other grants such as Adult Tech Education, Regional Workforce Development Initiatives, and Internship programs.
9. Grants and Other Support Received or Pending include: 1. NEG grants received this year totaling over $4M to assist with labor on projects arising from the 3 disaster situations (April & May flooding, and Hurricane Irene). 2. HI-B grant, which may bring VDOL's portion to about $1M

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
VDOL Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	23,672,392	24,811,666	24,811,666	24,050,596
Operating Expenses	4,971,761	5,662,677	5,662,677	5,544,657
Grants	(289,511)	975,000	975,000	1,873,000
TOTAL	28,354,642	31,449,343	31,449,343	31,468,253
FUND TYPE				
General Fund	2,073,194	2,400,316	2,400,316	2,894,425
Special Fund	2,514,366	3,765,862	3,765,862	3,363,869
American Recovery & Reinvestment Act	1,670,518	0	0	0
Federal Revenue Fund	20,766,828	23,888,739	23,888,739	23,751,533
Interdepartmental Transfer	1,329,736	1,394,426	1,394,426	1,458,426
TOTAL	28,354,642	31,449,343	31,449,343	31,468,253

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	30,000	0	0	0
Grants	2,816,911	0	0	0
TOTAL	2,846,911	0	0	0
FUND TYPE				
General Fund	372,377	0	0	0
Special Fund	180,168	0	0	0
American Recovery & Reinvestment Act	113,846	0	0	0
Federal Revenue Fund	1,999,873	0	0	0
Interdepartmental Transfer	180,647	0	0	0
TOTAL	2,846,911	0	0	0

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Unemployment Insurance Repayment

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Unemployment Insurance Repayment	0	0	0	0	0	0	1,888,385
TOTAL	0	0	0	0	0	0	1,888,385
FUND TYPE							
General Fund				0	0	0	1,888,385
TOTAL				0	0	0	1,888,385

Department Mission Statement

Mission - Provide leadership, support and oversight to ensure that the Vermont public education system enables each student to be successful.

Vision - Every learner completes his or her public education with the knowledge and skills necessary for success in college, continuing education, careers, and citizenship. The public education system provides flexible learning environments rich with 21st century tools that promote self-development, academic achievement, and active engagement in learning. It operates within a framework of high expectations for every learner with support from educators, families and the community.

Goal One - Educational Leadership: All levels of Vermont's public education system are guided by effective, transformative educational leaders.

Goal Two - Learning Expectations: Standards and expectations define the knowledge and skills essential for all PreK-12 learners to be successful in the 21st century.

Goal Three - Instructional Practices and Environments: Learning environments and instructional practices support multiple ways of learning, yield deep understanding and application of essential knowledge and skills, and ensure the success of every student.

Goal Four - PK-16 Partnerships: PK-16 education partnerships facilitate improved student success, by strengthening kindergarten readiness, increasing student engagement and relevance in K-12 education, and improving postsecondary aspiration, continuation and completion rates for all learners.

Goal Five - Policy and Governance: State and local policy and governance facilitate attainment of the educational practices and student outcomes articulated in the Vision Statement.

Description of Appropriations, Divisions, & Programs

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

Education Programs: The four major areas comprising education programs are Educator Quality, General Supervision and Monitoring, Integrated Support for Learning, and Research, Standards and

Assessment. Each of these areas provides technical assistance and program support for Vermont's education system. The types of programs supported range from special education for preschool aged children to literacy skills for adults.

The remainder of the education budget is composed of the following programs.

Tobacco: Tobacco Use Prevention funds administered by the Department of Education awarded directly to schools to conduct research-based tobacco prevention programs.

Act 117: Responsible for strengthening regular education capacity to better meet the needs of all students outside of special education programs, addressing staff shortages in special education instruction and special education administration, developing a consistent approach to decision-making regarding special education eligibility, and enhancing prevention and intervention in the areas of early literacy and emotional and behavioral skills problems.

Adult Education and Literacy: Funding for the four community nonprofit organizations which deliver the statewide adult basic education program distributed through a county needs-based formula.

Small Schools Grant: Grant to assist small schools with high per pupil fixed costs. Available to schools with enrollment of less than 100 students or less than 20 students per grade.

Special Education Formula: State share of special education funding including a block grant, reimbursement for extraordinary expenses, and intensive reimbursement.

State Placed Students: Reimbursement to Local Education Agency's for non mainstream special education services and residential placements for students placed by the Department of Social and Rehabilitation Services or the Department of Mental Health in a school district outside of the parents' district of residence.

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

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

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

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Finance and Administration	58	59	59	18,732,785	20,093,587	20,229,468	19,475,181
Special Education - Formula Grants	0	0	0	136,864,424	148,817,440	158,010,731	155,177,546
State-placed Students	0	0	0	13,977,063	15,000,000	15,300,000	15,500,000
Adult Education and Literacy	0	0	0	6,565,196	7,463,656	7,587,069	7,963,656
Education Services	101	98	100	148,362,798	150,200,426	150,663,376	138,516,592
Adjusted Education Payment	0	0	0	1,134,987,598	1,126,630,000	1,129,857,664	1,146,009,432
Transportation	0	0	0	15,782,026	16,313,885	16,313,885	16,366,435
Small School Grants	0	0	0	7,048,011	7,100,000	7,100,000	7,336,389
Capital Debt Service Aid	0	0	0	150,348	160,000	160,000	155,000
Tobacco Litigation	1	1	1	890,293	981,944	981,944	991,931
Essential Early Education Grant	0	0	0	5,525,974	5,782,900	5,782,900	5,966,869
Technical Education	0	0	0	12,762,885	12,872,274	13,022,274	13,091,323
Act 117 Cost Containment	12	12	12	862,041	1,265,100	1,265,100	1,315,096
TOTAL	172	171	172	1,502,511,442	1,512,681,212	1,526,274,411	1,527,865,450
FUND TYPE							
General Fund				8,836,268	9,639,157	10,237,988	9,516,589
Education Fund				1,295,367,630	1,338,766,589	1,351,760,957	1,366,468,366
Special Fund				15,223,491	17,738,389	17,738,389	18,044,102
American Recovery & Reinvestment Act				28,967,322	10,613,000	10,613,000	0
Federal Revenue Fund				114,738,575	134,449,434	134,449,434	132,744,116
Global Commitment Fund				987,895	941,971	941,971	1,059,274
Interdepartmental Transfer				38,390,261	532,672	532,672	33,003
TOTAL				1,502,511,442	1,512,681,212	1,526,274,411	1,527,865,450

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	4,848,216	5,373,825	5,482,472	5,276,764
Operating Expenses	2,071,499	2,336,262	2,363,496	1,864,917
Grants	11,813,070	12,383,500	12,383,500	12,333,500
TOTAL	18,732,785	20,093,587	20,229,468	19,475,181
FUND TYPE				
General Fund	3,299,069	3,011,957	3,147,838	2,905,528
Education Fund	734,337	1,020,090	1,020,090	795,372
Special Fund	11,939,410	13,300,096	13,300,096	13,204,648
Federal Revenue Fund	2,002,074	2,041,473	2,041,473	1,732,359
Global Commitment Fund	757,895	711,971	711,971	829,274
Interdepartmental Transfer	0	8,000	8,000	8,000
TOTAL	18,732,785	20,093,587	20,229,468	19,475,181

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Special Education - Formula Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	136,864,424	148,817,440	158,010,731	155,177,546
TOTAL	136,864,424	148,817,440	158,010,731	155,177,546
FUND TYPE				
Education Fund	136,634,424	148,587,440	157,780,731	154,947,546
Global Commitment Fund	230,000	230,000	230,000	230,000
TOTAL	136,864,424	148,817,440	158,010,731	155,177,546

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State-placed Students

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	13,977,063	15,000,000	15,300,000	15,500,000
TOTAL	13,977,063	15,000,000	15,300,000	15,500,000
FUND TYPE				
Education Fund	13,977,063	15,000,000	15,300,000	15,500,000
TOTAL	13,977,063	15,000,000	15,300,000	15,500,000

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	6,565,196	7,463,656	7,587,069	7,963,656
TOTAL	6,565,196	7,463,656	7,587,069	7,963,656
FUND TYPE				
General Fund	787,995	787,995	787,995	787,995
Education Fund	5,023,225	5,800,000	5,923,413	6,300,000
Federal Revenue Fund	753,976	875,661	875,661	875,661
TOTAL	6,565,196	7,463,656	7,587,069	7,963,656

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	10,236,968	11,948,471	12,391,421	12,258,423
Operating Expenses	1,385,731	1,562,985	1,562,985	1,596,567
Grants	136,740,099	136,688,970	136,708,970	124,661,602
TOTAL	148,362,798	150,200,426	150,663,376	138,516,592
FUND TYPE				
General Fund	4,749,204	5,839,205	6,302,155	5,823,066
Education Fund	1,107,000	0	0	0
Special Fund	1,531,747	2,191,249	2,191,249	2,532,427
American Recovery & Reinvestment Act	28,967,322	10,613,000	10,613,000	0
Federal Revenue Fund	111,982,525	131,532,300	131,532,300	130,136,096
Interdepartmental Transfer	25,000	24,672	24,672	25,003
TOTAL	148,362,798	150,200,426	150,663,376	138,516,592

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	1,134,987,598	1,126,630,000	1,129,857,664	1,146,009,432
TOTAL	1,134,987,598	1,126,630,000	1,129,857,664	1,146,009,432
FUND TYPE				
Education Fund	1,096,622,337	1,126,130,000	1,129,357,664	1,146,009,432
Interdepartmental Transfer	38,365,261	500,000	500,000	0
TOTAL	1,134,987,598	1,126,630,000	1,129,857,664	1,146,009,432

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	15,782,026	16,313,885	16,313,885	16,366,435
TOTAL	15,782,026	16,313,885	16,313,885	16,366,435
FUND TYPE				
Education Fund	15,782,026	16,313,885	16,313,885	16,366,435
TOTAL	15,782,026	16,313,885	16,313,885	16,366,435

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	7,048,011	7,100,000	7,100,000	7,336,389
TOTAL	7,048,011	7,100,000	7,100,000	7,336,389
FUND TYPE				
Education Fund	7,048,011	7,100,000	7,100,000	7,336,389
TOTAL	7,048,011	7,100,000	7,100,000	7,336,389

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Capital Debt Service Aid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	150,348	160,000	160,000	155,000
TOTAL	150,348	160,000	160,000	155,000
FUND TYPE				
Education Fund	150,348	160,000	160,000	155,000
TOTAL	150,348	160,000	160,000	155,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Tobacco Litigation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	121,537	130,418	130,418	140,405
Operating Expenses	32,294	47,015	47,015	47,015
Grants	736,462	804,511	804,511	804,511
TOTAL	890,293	981,944	981,944	991,931
FUND TYPE				
Special Fund	890,293	981,944	981,944	991,931
TOTAL	890,293	981,944	981,944	991,931

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Essential Early Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	5,525,974	5,782,900	5,782,900	5,966,869
TOTAL	5,525,974	5,782,900	5,782,900	5,966,869
FUND TYPE				
Education Fund	5,525,974	5,782,900	5,782,900	5,966,869
TOTAL	5,525,974	5,782,900	5,782,900	5,966,869

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	12,762,885	12,872,274	13,022,274	13,091,323
TOTAL	12,762,885	12,872,274	13,022,274	13,091,323
FUND TYPE				
Education Fund	12,762,885	12,872,274	13,022,274	13,091,323
TOTAL	12,762,885	12,872,274	13,022,274	13,091,323

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	766,118	1,043,831	1,043,831	1,093,827
Operating Expenses	95,923	130,269	130,269	130,269
Grants	0	91,000	91,000	91,000
TOTAL	862,041	1,265,100	1,265,100	1,315,096
FUND TYPE				
Special Fund	862,041	1,265,100	1,265,100	1,315,096
TOTAL	862,041	1,265,100	1,265,100	1,315,096

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
General Fund Approp to Ed Fund	0	0	0	234,737,570	276,240,000	276,240,000	282,317,280
TOTAL	0	0	0	234,737,570	276,240,000	276,240,000	282,317,280
FUND TYPE							
General Fund				234,737,570	276,240,000	276,240,000	282,317,280
TOTAL				234,737,570	276,240,000	276,240,000	282,317,280

Department Mission Statement

The State Teachers' Retirement System is the uniform public pension plan covering all public school teachers and administrators in the state. It was created in 1947 and is now governed by Title 16, V.S.A., Chapter 55. It has undergone significant changes over the years, with the most recent being the implementation of a non-contributory group with major benefit reforms as provided by Act No 41 of 1981, and a significant change in a return to a mandatory contributory system as of July 1, 1990.

As of June 30, 2011, the system consisted of approximately 10,123 active members, 2,675 inactive members, 647 terminated vested members and approximately 7,005 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The actuarial value of the fund was approximately $1,487 million as of June 30, 2011, compared with about $1,410 million as of June 30, 2010. The system paid $117.0 million in retirement benefits during fiscal year 2011.

The State Teachers' Retirement System Board of Trustees is responsible for the administration of the system. The Board consists of the State Treasurer, Commissioner of Education, Commissioner of Banking, Insurance, Securities and Health Care Administration, two active members elected by the membership, and one retired teacher appointed by the Vermont Retired Teachers Association. Staff is provided by the Retirement Division of the State Treasurer's Office which also administers the Vermont State Retirement System and the Vermont Municipal Employees' Retirement System.

In addition to pension payments, the fund also makes health care payments for retirees, totaling $18.9 million in FY2011. These are not added to the pension calculation and are treated as coming from the assets of the fund, therefore creating an actuarial loss. In addition, the actuary annually calculates an annual required contribution (ARC), similar to the pension contribution, necessary to recognize full accrual of retiree health care costs, including prefunding of benefits earned but not yet paid. Currently the State does not prefund these amounts. One recommendation of the Treasurer and the Commission on the Design and Funding of Retirement and Retiree Health Benefit Plans for State Employees and Teachers is that the Legislature develop and implement a structural plan to fund health care obligations and set money aside in a material way through a separate, independent funding mechanism. Full funding of the ARC for OPEB on a prefunded basis is $30,906,315. Budgeted cash payments in the pension are $24,000,000 leaving the ARC to be funded of $6,906,315. If prefunding does not occur, the remaining ARC cost rises significantly ($45,312,092 total, less $24,000,000 budgeted, leaving the ARC to be funded at $21,312,092).

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Teachers' Retirement System - Grant	0	0	0	46,913,381	51,672,307	51,672,307	63,613,130
State Teachers' Retirement System	0	0	0	26,321,434	28,884,517	28,884,517	33,112,629
TOTAL	0	0	0	73,234,815	80,556,824	80,556,824	96,725,759
FUND TYPE							
General Fund				46,913,381	51,672,307	51,672,307	63,613,130
Pension Trust Fund				26,321,434	28,884,517	28,884,517	33,112,629
TOTAL				73,234,815	80,556,824	80,556,824	96,725,759

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	46,913,381	51,672,307	51,672,307	63,613,130
TOTAL	46,913,381	51,672,307	51,672,307	63,613,130
FUND TYPE				
General Fund	46,913,381	51,672,307	51,672,307	63,613,130
TOTAL	46,913,381	51,672,307	51,672,307	63,613,130

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	6,414,590	6,830,976	6,830,976	7,974,488
Operating Expenses	19,906,844	22,053,541	22,053,541	25,138,141
TOTAL	26,321,434	28,884,517	28,884,517	33,112,629
FUND TYPE				
Pension Trust Fund	26,321,434	28,884,517	28,884,517	33,112,629
TOTAL	26,321,434	28,884,517	28,884,517	33,112,629

Department Mission Statement

As a result of Act 60 of 1997, municipalities receive financial assistance from the state to support the collection of education tax revenue. All municipalities receive $8.50 per grand list parcel per year to help with the cost of reappraisals and maintenance of their grand lists plus an additional dollar to assist PVR with its equalization study. Lister training is funded through a formula providing $3.65 per parcel for the first 100 parcels, $.20 per parcel for the next 100 parcels and $.01 per parcel for any parcels remaining. These programs are administered by the Property Valuation and Review Division within the Tax Department.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Reappraisal and Listing Payments	0	0	0	3,237,946	3,240,000	3,240,000	3,243,196
TOTAL	0	0	0	3,237,946	3,240,000	3,240,000	3,243,196
FUND TYPE							
Education Fund				3,237,946	3,240,000	3,240,000	3,243,196
TOTAL				3,237,946	3,240,000	3,240,000	3,243,196

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	3,237,946	3,240,000	3,240,000	3,243,196
TOTAL	3,237,946	3,240,000	3,240,000	3,243,196
FUND TYPE				
Education Fund	3,237,946	3,240,000	3,240,000	3,243,196
TOTAL	3,237,946	3,240,000	3,240,000	3,243,196

Description of Appropriations, Divisions, & Programs

32 V.S.A. 6066(a) establishes the Home Owner Rebate Program. It provides property tax relief to home owners earning $47,000 or less; benefits are determined on a sliding scale based upon one's income and their total property tax bill. This relief is supplemental to the education property tax relief provided under 32 V.S.A 6066.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Home Owner Rebate

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Home Owner Rebate	0	0	0	14,015,567	15,190,000	15,190,000	14,545,808
TOTAL	0	0	0	14,015,567	15,190,000	15,190,000	14,545,808
FUND TYPE							
General Fund				14,015,567	15,190,000	15,190,000	14,545,808
TOTAL				14,015,567	15,190,000	15,190,000	14,545,808

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Home Owner Rebate

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Operating Expenses	14,015,567	0	0	0
Grants	0	15,190,000	15,190,000	14,545,808
TOTAL	14,015,567	15,190,000	15,190,000	14,545,808
FUND TYPE				
General Fund	14,015,567	15,190,000	15,190,000	14,545,808
TOTAL	14,015,567	15,190,000	15,190,000	14,545,808

Description of Appropriations, Divisions, & Programs

32 V.S.A. 6066(b) establishes the Renter Rebate Program. It provides relief, on a sliding scale based upon income, to those earning $47,000 or less. It is intended to offset a portion of the rent used by the property owner for property taxes.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Renter Rebate

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Renter Rebate	0	0	0	8,429,153	8,300,000	8,300,000	9,623,000
TOTAL	0	0	0	8,429,153	8,300,000	8,300,000	9,623,000
FUND TYPE							
General Fund				2,629,152	2,500,000	2,500,000	2,886,900
Education Fund				5,800,001	5,800,000	5,800,000	6,736,100
TOTAL				8,429,153	8,300,000	8,300,000	9,623,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Renter Rebate

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Operating Expenses	8,429,153	0	0	0
Grants	0	8,300,000	8,300,000	9,623,000
TOTAL	8,429,153	8,300,000	8,300,000	9,623,000
FUND TYPE				
General Fund	2,629,152	2,500,000	2,500,000	2,886,900
Education Fund	5,800,001	5,800,000	5,800,000	6,736,100
TOTAL	8,429,153	8,300,000	8,300,000	9,623,000

Department Mission Statement

The University of Vermont's mission is to create, evaluate, share, and apply knowledge and to prepare students to be accountable leaders who will bring to their work dedication to the global community, a grasp of complexity, effective problem-solving and communication skills, and an enduring commitment to learning and ethical conduct. Chartered in 1791, the same year that Vermont became the fourteenth state in the Union, the University of Vermont was established as the fifth college in New England. It became the state's land-grant institution in 1865, when it was merged with the Vermont Agricultural College that had been formed one year earlier in accord with provisions of the Morrill Act. In 1955, the General Assembly recognized the University of Vermont and State Agricultural College "as an instrumentality of the State for providing public higher education." Previous to that recognition, Vermont had annually appropriated funds specifically to the College of Medicine and to the Agricultural Services and had appropriated tuition scholarship funds for Vermont residents in certain fields of study.

Beginning in 1956, new funding subsidizing the cost of educating Vermont students was added to the appropriations going to the College of Medicine and Agricultural Services. From that date forward, the statutory requirement is that in-state tuition cannot exceed 40% of the out-of-state tuition rate.

Description of Appropriations, Divisions, & Programs

The University of Vermont is comprised of seven separate undergraduate colleges and schools (the College of Agriculture and Life Sciences, the College of Arts and Sciences, the College of Education and Social Services, the College of Engineering and Mathematical Sciences, the School of Business Administration, the College of Nursing and Health Sciences, the Rubenstein School of Environment and Natural Resources), the Graduate College, the College of Medicine**,** the Honors College, the Extension System, and the Division of Continuing Education that operate statewide and nationally. The University offers a rich environment for research, scholarship, and creative work in many realms of human inquiry, sharing the excitement and fruits of investigation and discovery with students and society.

The University lives out its mission through teaching, research, and service. This tri-parte mission supports a full range of inquiry and application within the University and in the broader community. The University of Vermont is unique in the Vermont educational system because of its comprehensive and complex offerings. The University is involved not only in undergraduate education but also to a significant extent in graduate and professional education, research, and public service activities. These high level and complex educational opportunities which are vital for the welfare of this state are more costly than are programs of institutions that do not offer degrees in, for example, engineering, medicine, clinical health programs, advanced science, or agriculture. These areas, as well as the general educational mission of the University of Vermont, are critical for Vermont’s well-being in the future.

OUTCOMES

The state appropriation is used to support the following areas of activity at UVM and in the projected amounts indicated.

EPSCOR ($383,000)

The Experimental Program to Stimulate Competitive Research (EPSCoR) is a program designed to fulfill the National Science Foundation's (NSF) mandate to promote scientific progress nationwide and is directed at those jurisdictions that have historically received lesser amounts of NSF Research and Development (R&D) funding. This includes Vermont and we are required to allocate some state support to be eligible for federal funding. These funds serve as required State cost sharing administered through the University.

Vermont Technology Council ($134,000)

The Vermont Technology Council is a catalyst for the creation of science- and technology-based business in Vermont and is funded in part from the state appropriation to UVM.

Medicine ($9,788,000)

The University applies $4,000,000 of the appropriation to physician education fulfilling the agreed global commitment as part of a $5.3 million direct University allocation to medicine programs.$4.4 million is allocated within the University to the support College of Medicine infrastructure and facilities.

Agriculture and Extension. ($9,573,000)

Our land grant status and federal partnership with Extension (Smith Lever Act) and USDA Agricultural Experiment Station (Hatch Act) funding requires matching state funds . We allocated a total $6,425,000 directly to agricultural programming and a further $3,148,000 is allocated within the University to agriculture infrastructure support .

Tuition Support ($20,869,000)

Since 1959 UVM has been legislated to offer in-state tuition rates that do not exceed 40% of out of state tuition rates Vermont resident undergraduate and graduate students. The balance of the general appropriation after the allocations described above (approximately $20.8million) above , is used to partly subsidize the legislated 60% tuition discount enjoyed by all Vermonters enrolled in UVM undergraduate and graduate programs irrespective of financial need or program . In FY11 this state subsidy was equivalent to a little over $5,000 per VT student. The 60% discount per undergraduate student in 2012 is equivalent to $19,640. The remainder is subsidized by UVM resources.

State funding of the University of Vermont's base state appropriation will allow the University to continue to provide these services.

The University stresses the importance of educating individuals, thereby providing the State with strong

leadership, good citizens, entrepreneurship, and social responsibility. In addition to high quality education, the University of Vermont is a distinguished, comprehensive research institution of nationally renowned reputation—a critical driver for enhancing the State's economy, health, and well-being. The newly-educated professionals entering the workforce, research dollars generated, the businesses created, and the hundreds of millions of dollars brought into Vermont from other states and countries by the University of Vermont are essential to Vermont's future vitality.

The University of Vermont: Educating Vermonters

- Vermonters comprise 38.7% of the University's student body (fall 2011: 5,215 Vermonters out of a total enrollment of 13,478)

- The University is attracting academically strong Vermont students from all parts of the State.

- First to second year retention for Vermont students is currently 91.2%, and the six year graduation rate for Vermonters in May 2011 was 76.3%.

- The University supports Vermonters through academic scholarships including: Vermont Scholarships for students in the top tier of their high school classes; Green and Gold Scholarships for the top student in each Vermont public high school and select private high schools; and, Vermont Merit Scholarships for high-achieving Vermonters who qualify as National Merit Scholars, National Achievement, and National Hispanic Scholars.

- The University also supports Vermonters through institutional grant aid based on financial need. Approximately 87% of Vermont undergraduates will received some form of financial aid this year. The University currently ensures that the cost of tuition for all Federal Pell Grant-eligible Vermonters is covered with grants and scholarships. In addition to state and federal support, almost $15.6 million in grant and scholarship aid from the University's own funds went to Vermonters in FY 2011. Starting in FY 2008, the University began awarding financial aid from the Next Generation scholarship funds.

- The University provides continuing education to more than 8,500 individuals from Vermont and beyond.

The University of Vermont: A Research Enterprise to the State

- In FY 2011, UVM was awarded $128.2 million in grants and contracts.

- In FY 2011 87% of grant and contract funding came from out-of-state sources

- University spin-off companies as a result of intellectual property generated at UVM include: Apollo Bioscience, Plomics, Stromatec, TeleMedTest, Vermedx, Vermont Natural Coatings, PhosphoReduc, Costa Enterprises, Microgen, and Green Mountain Spark. In addition, the following companies did not have UVM intellectual property but were founded by UVM faculty: Bio-Tek Instruments, Haematologic Technologies, Green Mountain Antibodies, Rowing Innovations, Inc., and Vermont Soy.

- One million dollars ($1M) in FY 2007 one-time funds was invested in agriculture and environmental innovations, advanced engineering and technology, and public knowledge programs. In FY 2011, $118,750 appropriated from the Next Generation fund was used by the University's technology transfer program to help bring University research innovations to the marketplace.

- The Vermont Business Center, a partnership between the School of Business Administration and Continuing Education, provides executive and professional education for Vermont employers, and the Center's Family Business Initiative offers support to small businesses.

- The University supports Vermont agriculture through research-based programs such as the Proctor Maple Laboratory, the Center for Sustainable Agriculture, the Center for Rural Studies, and a partnership with the non-profit Center for an Agricultural Economy.

The University of Vermont: Service to Vermont

- UVM students perform more than 110,000 hours of community and internship service annually.

- Medical, nursing, and allied health students help to meet a broad range of health care needs in communities throughout the State. Physician graduates of UVM/Fletcher Allen programs account for 42% of Vermont's primary care doctors, and 35% of all physicians practicing in Vermont.

- Education and information are provided in Vermont communities with more than 1,000 significant educational programs to over 9,400 non-traditional students focusing on issues important to Vermonters. The University's Extension programs make over 75,000 direct contacts annually, including more than 10,000 youth, through workshops, consultations and various other educational events.

- The University's George Bishop Lane Series, among Vermont's premier presenters of performing arts, entertained over 7,500 patrons last year.

- Keep Local Farms (KLF) is part of a broad effort to stabilize and enhance milk prices paid to dairy farmers in the Northeast -while also helping to secure the farms of today for future generations. KLF has identified The University of Vermont and Sodexo as key partners in this effort due to their commitment to environmental stewardship and their recognition as leaders in sustainability and social responsibility. 10 cents from the sale of all single serve Hood milk has been collected and transferred to the Keep Local Farms program in support of New England dairy farmers. Since the launch of this initiative to June 2010 $4,800.00 has been raised to aid these farms.

- In the wake of tropical storm Irene the University has committed extensive efforts to assisting recovery through the Extension systems working with Vermont framers and the Agency of Agriculture, provision of extensive soil testing and agricultural services and the provision of laboratory space to displaced state scientists. In addition here has been extensive volunteer activity by faculty, staff and students, donations throughout the UVM and alum community.

The University of Vermont: A Major Vermont Industry

- Over 29,000 alumni -- 30% of all UVM graduates -- reside in Vermont and contribute to their communities. Their earnings are estimated at $1.5 billion annually.

- The University of Vermont is the fourth largest employer in the state. Almost 3,900 employees will receive wages and benefits of almost $376 million this year.

- The direct and indirect economic impact of the University, faculty, staff, student, and visitor spending in Vermont is estimated at over a billion dollars annually.

- Since the beginning of 2005, the University has invested $348 million in 42 major capital construction projects.

- The University's total operating budget for FY 2011 was $596 million. This resulted in a **15 to 1 return** on the state's base appropriation of $40.7 million.

The competition for high quality students is intense. In order to remain competitive, the University must make additional strategic investments to:

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

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

MORGAN HORSE FARM

The Morgan Horse Farm was established in 1878 by Joseph Battell of Middlebury, who in 1907 deeded the farm to the U.S Government. In 1951, the Government turned the farm over to the University of Vermont. The University operates the Morgan Horse Farm as a center for the improvement of the Morgan Horse, Vermont's state animal and source of outstanding stock to Morgan breeders throughout the country. The farm also serves as an educational facility for use by University classes in animal science, 4-H clubs, adult horse groups, and breeding associations. The farm, which is open to the public, provides information to horse breeders and others on horse care, breeding, and training. It is largely supported by contributions, admission fees, and the sale of horses, and was the recipient of a Federal grant through the Department of the Interior's "Save America's Treasures" program. In the 57 years that the University has been custodian of the farm, it has produced over 80 national and world champions. The UVM Morgan Horse Farm is a symbol of excellence and a tribute to the role of the Morgan horse in the history of the state and the nation.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
University of Vermont

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
University of Vermont	0	0	0	40,746,633	40,746,633	40,746,633	40,746,633
UVM - Morgan Horse Farm	0	0	0	2	1	1	1
TOTAL	0	0	0	40,746,635	40,746,634	40,746,634	40,746,634
FUND TYPE							
General Fund				36,740,479	36,740,478	36,740,478	36,740,478
Global Commitment Fund				4,006,156	4,006,156	4,006,156	4,006,156
TOTAL				40,746,635	40,746,634	40,746,634	40,746,634

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	40,746,633	40,746,633	40,746,633	40,746,633
TOTAL	40,746,633	40,746,633	40,746,633	40,746,633
FUND TYPE				
General Fund	36,740,477	36,740,477	36,740,477	36,740,477
Global Commitment Fund	4,006,156	4,006,156	4,006,156	4,006,156
TOTAL	40,746,633	40,746,633	40,746,633	40,746,633

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	2	1	1	1
TOTAL	2	1	1	1
FUND TYPE				
General Fund	2	1	1	1
TOTAL	2	1	1	1

Department Mission Statement

On the air, online and in the community, Vermont Public Television works to educate, inform, entertain and inspire Vermonters. Through VPT,

- Civil discourse fosters democracy, community participation and understanding of one another
- Children prepare to succeed in school
- Lifelong learners discover and appreciate science, history and nature in Vermont and the world beyond
- Performances celebrate the arts and culture.

Thanks to support from the State of Vermont, the federal government -- and the thousands of local donors who provide most of its revenue -- Vermont Public Television can continue to make a difference in the lives of Vermonters.

Description of Appropriations, Divisions, & Programs

VPT'S VALUE TO VERMONT

Vermont Public Television turned 44 in October 2011. Over the years since the state of Vermont created VPT, it has developed into a statewide public media organization serving Vermonters in ways never imagined in 1967. Yet, it remains an independent, locally owned organization, inviting people of all ages, income levels, interests and backgrounds to explore new ideas, discover new worlds and broaden their horizons.

As television has expanded to add new options beyond broadcasting, public television's essential role in delivering outstanding content in the categories of children's programming, the arts, news and public affairs, and local programming is as important today as it has ever been. No other media company offers the top-quality, free content that PBS and local stations like VPT provide across multiple platforms, engaging audiences wherever they are.

Today more than ever, public media are vital to a democratic society, offering services that the commercial marketplace, even with its hundreds of TV channels, does not provide. VPT treats Vermonters as active learners and builders of society, honoring the ideal that people can work together for the good of their communities.

HOW THE STATE'S INVESTMENT IN VPT SERVES VERMONTERS: SOME IMPACTS AND OUTCOMES

VPT is Vermont's source for the outstanding programs of PBS, including 53 hours a week of educational children's programs and a wealth of online and digital resources for kids. VPT produces local programs to meet Vermonters' needs and interests. Signature productions include *Outdoor Journal*, *Vermont This Week*, *Emerging Science*, *Profile*, *Report From Washington*, *Report From Montpelier*, forums with our elected officials and the Emmy-winning historical documentary *Headline Vermont*.

In this world of increasingly concentrated corporate ownership of media, VPT, a non-profit community licensee, is owned by the people of Vermont. Everything VPT does is for them. While traditional broadcasting is still VPT's most-used service, content is now offered on other platforms in order to serve people where they spend their time. That means going beyond the TV screen and making online, social media and mobile connections, as well as working in the community with partners statewide.

VPT On Demand

To make its programming more accessible, VPT webcasts live local programs on vpt.org. VPT's video-on-demand service offers a wide selection of PBS national and VPT local programs, available via computer or mobile device to anyone anywhere. VPT also makes local productions and some PBS programs available via Comcast's On Demand service statewide.

VPT.org

Use of the website is increasing steadily, as people view programs online, check schedules, find resources for educators and learn more about VPT's services. In September 2011, 15,000 people visited the site.

Social Media

To meet people where they are, VPT uses Facebook and Twitter to share information and video. VPT has a YouTube channel where the public, including educators, have access to locally produced stories. Vermonters can easily follow and interact with VPT, to help their public TV network respond to their needs. VPT offers a free, weekly email newsletter that has more than 12,000 subscribers.

VPT in the Community With Its Partners

Community engagement is a way of life at VPT. To increase reach and relevance, VPT has developed a wide array of community partners. By pooling resources, partnerships let each organization do more, tap into expertise and spread information more effectively to Vermonters. VPT uses the power of its statewide platforms to work with about 100 local organizations each year -- from AARP VT to Kids VT – as well as several state agencies. Key collaborations in fall 2011 include working with newspapers around the state on Above the Fold, a journalism contest that aims to promote critical thinking and writing skills with middle school students. Community Cinema is a partnership that now reaches into Brattleboro, St. Johnsbury, Burlington and Rutland to provide free monthly screenings of PBS films followed by discussions of important issues.

Research on Trust and Value of Public Television

On the national level, for the seventh consecutive year, a nationwide GfK Roper Public Affairs & Media poll showed that Americans consider PBS the most trusted and unbiased institution among a group of nationally known organizations. Public television ranked ahead of courts of law, commercial television networks, cable networks, newspaper publishing companies and the federal government on the question "How much do you trust each organization?" On a rating of the value of services the federal government provides, public television ranked second -- just below military defense and above police/law enforcement agencies as a good use of tax dollars.

Research on Children's Programming

With broadcasts and websites for kids, parents and educators, public television is a trusted source of rich educational content for children, with emphasis on literacy, language, math, science and the arts. Educational media make a difference. For example, recent research verifies that broadcasts and online content such as interactive games for *Super Why!*, *Martha Speaks* and *Sesame Street* help close the literacy gap for the most disadvantaged children.

Among the highlights of the GfK Roper Public Affairs & Media national poll cited above is that 81% of respondents agreed that PBS leads the industry, when compared to both cable and commercial broadcast television, in helping children realize their potential and getting kids ready for success in school and in life.

HIGHLIGHTS OF VERMONT PUBLIC TELEVISION'S SERVICES

Programming and Services for Children, Parents and Educators

We love your children programs! Our mother really loves us to watch shows that we learn something while we are entertained. -- Castleton

Vermont's children are at the heart of VPT's mission. Non-violent, commercial-free TV programs and digital media (online video, games, mobile apps and more) inspire children to ask questions, solve problems, read books, understand others, explore science and appreciate nature in a safe broadcast and online environment. PBS and its member stations make up America's largest classroom, with educational media that help prepare children for success in school and open up the world to them.

Teachers can tap into a wide array of free VPT online video content to enrich their classroom lessons, along with lesson plans and other materials that are aligned with Vermont teaching standards. Schools around Vermont use video and other online resources from VPT programs such as *Champlain: The Lake Between*, *Emerging Science*, *Conservation Corner* and *Noble Hearts: Civil War Vermont* in their classrooms.

One of VPT's newest services, PBS LearningMedia, is a dynamic online source of materials for teachers of preK through high school and beyond. It helps teachers and students access the best in digital content, with extensive tools that foster classroom innovation and engagement. Unlike other digital learning services, its 14,000-plus resources are free for all teachers, students and families.

VPT sponsors the annual PBS KIDS GO! Writers Contest to encourage the creativity of children in kindergarten through third grade. The winners are celebrated on the air, and their stories are made available on vpt.org. All entrants are invited to read aloud at one of many "Storytime" events held throughout the state, sponsored by VPT and community partners.

VPT's *Emerging Science* project, now in its fourth season, is produced with funding from Vermont EPSCoR. It introduces adults and youngsters to Vermonters involved in cutting-edge scientific inquiry. Classroom resources are available with the aim of encouraging young Vermonters to consider careers in science.

Two VPT efforts related to children's activities were honored in 2011 with Vermont Association of Broadcasters promotion awards -- a spot with Barnet School kids and a spot about the Farm to School video contest.

Programming and Services That Foster Lifelong Learning and Enrichment

Awesome webcast, guys!! Thanks for letting us into the show for such a worthwhile cause. -- Online viewer of Grace Potter flood relief benefit concert

Vermont Public Television knows that, as important as its educational services for children are, learning never ends for Vermonters. They turn to VPT for inspiration and information in history, the arts, culture and science. *Nova*, *Antiques Roadshow*, *Great Performances*, *Live From Lincoln Center*, *American Experience*, *American Masters*, *Charlie Rose* and Ken Burns' documentaries are among the most valued PBS shows. Local productions for people who want to expand their knowledge include weekly *Profile* interviews with the region's writers, artists, performers and leaders. VPT's most recent historical documentary, *Headline Vermont*, was recently honored with an Emmy award. Vintage specials like *Vermont Memories* continue to inform people about the state's history and culture.

VPT produced an ambitious performance special Oct. 9, 2011 with the *Grace Potter Goodnight Irene* benefit for flood relief from the Flynn Center. When the concert sold out, VPT saw an opportunity to open it up beyond the 1,482 people lucky enough to get tickets. Televising and webcasting the concert made it available statewide to people who suffered losses from Irene and to the many who continue to dig deep to help. VPT added to the band's impressive fundraising effort by raising $28,000 by phone and online during two hours of live coverage.

In the area of practical information, VPT, with partners Champlain College; FINRA Investor Education Foundation and BISHCA, sponsored *Tricks of the Trade* anti-fraud workshops for seniors and provided online and on-air resources.

Emerging Science premieres three new on-air and online episodes in fall 2011, along with related community activities. The VPT-produced science program features Vermonters doing amazing work, from sending a tiny satellite into lunar orbit to research in regenerative medicine. The series was honored recently by the National Educational Telecommunications Association with an award for content production.

In October, the new *PBS Arts Fall Festival* began, and VPT used the opportunity to produce short companion pieces highlighting the state's rich tradition of summer music camps and festivals -- KoSA International Percussion Workshop in Castleton, the Manchester Music Festival, the Vermont Youth Orchestra and Grace Potter's Grand Points North event in Burlington. As with most of VPT's local content, these videos remain archived online after the broadcast for people to enjoy and share.

VPT often sponsors screening and discussion events around the state. The PBS specials *Freedom Riders* and *Circus* presented such opportunities. In fall 2011, Ken Burns' *Prohibition* came to PBS, and VPT held screening events for it. VPT also produced several companion video stories on the state's colorful past to use with the national show.

VPT's staff travel the state and light up the studio to produce content that reveals Vermont to Vermonters, to viewers in neighboring New York, New Hampshire and Canada -- and now, around the world via vpt.org.

Programming and Services That Foster Engagement in Community Life

To me, and I am sure to many residents who seek to understand the political developments of the previous seven days, the weekly Vermont This Week is excellent. -- Manchester

Through a rich variety of local and national content, VPT fosters understanding of various points of view, welcoming diverse voices and opinions.

VPT offers Vermonters information and encouragement to participate in national and local civic affairs, with news, analysis and public affairs programming like *PBS NewsHour*, *BBC World News*, *Washington Week* and *Frontline*. With *Vermont This Week*, *Report From Washington*, and debates and forums with elected officials, VPT addresses local issues that matter to Vermonters. Many VPT programs involve viewer calls, emails and studio audiences, so that people throughout the state can be part of the conversation and share ideas.

Election 2010 coverage featured a four-week prime time series of debates for major statewide offices, where all candidates on the ballot were invited to participate.

A recent innovation with *Vermont This Week* is a continuing series of online reports by "Vermont Newsguy" Jon Margolis, enhanced by video stories, on such topics as wilderness, agriculture and transportation.

VPT is out in the community often, welcoming viewers at events like Family Days at area museums and the lively Britcom Teas. Over the past year, VPT has held "meet and greet" events at concerts around the region that feature performers seen on public television. To strengthen local programming and services, VPT staff and board benefit from the advice, ideas and engagement of the Community Council, a diverse group of people from around the state.

VPT uses its resources in many ways that help other community non-profits. Coverage of the Grace Potter benefit concert followed a joint fundraising effort for flood relief with People's United Bank, a call-in special with Gov. Peter Shumlin and a continuing web gateway for online giving to disaster relief agencies from vpt.org.

During fundraising campaigns this past year, Vermont Public Television has partnered with local banks so that contributions to VPT leverage contributions to charities including the Red Cross and the Vermont Foodbank.

VPT was honored by the Vermont Association of Broadcasters with a Community Service Award for its 2010 campaign to raise awareness of mental health issues in Vermont.

VPT provides media sponsorships for other non-profit organizations such as Middlebury's Town Hall Theater, the Flynn Center, the Champlain Valley Expo, Catamount Arts and Vermont Fresh Network.

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

Outdoor Journal captured our incredibly storied history, beauty and tranquility, many faces throughout the season and rich hunting and fishing heritage. Our fall season promises to be the busiest ever due in large part to the interest generated by people watching the Quimby's episode. -- Averill, owner of Quimby Country

VPT's popular, long-running *Outdoor Journal* celebrates the state's traditions of recreation and conservation and has been honored with Emmy nominations, Outdoor Writers Assn. of America awards and Telly Awards. The Vermont Dept. of Fish & Wildlife provides production funding. Besides its on-location stories, *Outdoor Journal* presents live call-in shows such as a recent one about black bear management.

Along with VPT's own outdoor programs, PBS programs like *Nature* and *Nova* have taught generations of viewers to respect and appreciate the natural world.

Encouraging appreciation for local agriculture and local foods, VPT produces *VPT Cooks* specials each year with help from food producers and the Vermont Fresh Network, and VPT sponsors the Fresh Network's annual forum.

Transition to Digital Broadcasting and Production

We have been unable to receive VPT for years now, but thanks to this new DTV thing, amazingly, we receive it. -- E. Enosburg

VPT is in the home stretch of its decade-plus, multi-million-dollar digital conversion project, funded by state and federal matching grants. One of the most visible benefits of the project for Vermonters are three different program services -- the VPT main channel in high definition, along with VPT Create and VPT World.

In fall 2011, VPT will turn on two low-power digital transmitters in Bennington County, thanks to a USDA grant and state capital funding, bringing VPT HD, Create and World channels over the air to southwestern Vermont.

Having completed its network of digital transmitters and master control facility, VPT recently completed the transition to all high-definition studio and field production. In January, VPT went fully High Definition (HD) in its Colchester studio. A January Town Hall with the governor was the first studio HD production. As state and federal appropriations permit, VPT will complete a replacement of its mobile production facilities and update the studio's HVAC system to protect the new digital equipment.

Public Safety and Other Services

The state's investment in VPT touches Vermonters every day, in many different ways. VPT offers such public safety information as weather advisories, school closings and emergency information, and it is an Amber Alert station. On its towers and in its buildings, VPT makes space available at below-market rates to public service and safety organizations, including the FBI, Vermont Dept. of Public Safety, ham radio groups, county sheriffs, Civil Air Patrol and local first responders (police and fire).

VPT has assisted broadband and wireless service providers at its transmitter sites to expand the deployment of their services statewide.

VPT Staff Serve Nationally

VPT's peers in public media turn to VPT staff to serve the industry nationally while they serve Vermont. President John King is serving a second three-year term on the national PBS board of directors. He is also chair of the Organization of State Broadcasting Executives. Chief content office Kathryn A. Scott is on the Production Council Executive Committee for The National Educational Telecommunications Association (NETA). Program director Kelly Luoma is president of the Public Television Programmers Assn. Staff regularly lend their expertise to public television at professional meetings.

VPT's President Inducted Into Hall of Fame

John King was honored in fall 2011 by the Vermont Association of Broadcasters by being inducted into the VAB Hall of Fame. He is credited with helping to form a strong bond between public and private broadcasting in the state, especially as chair of the Mount Mansfield Collocation Corporation.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Public Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Public Television	0	0	0	547,683	547,683	547,683	547,683
TOTAL	0	0	0	547,683	547,683	547,683	547,683
FUND TYPE							
General Fund				547,683	547,683	547,683	547,683
TOTAL				547,683	547,683	547,683	547,683

Appropriation Key Budget Issues

When the recession hit, Vermont Public Television wanted to help Vermonters cope, so it developed practical local programs and web resources. VPT joined with other PBS stations and local organizations, including state agencies, to develop practical content, including Making Sense New England.

At the same time, VPT has struggled behind the scenes to protect what is on screen. VPT cut expenses deeply, with yearlong reductions in staff compensation and benefits starting in 2009 and recently stopped printing and mailing its program guide.

For every state dollar VPT receives, it raises about $9 from non-state sources, including contributions from thousands of individuals and businesses. These donors provide most of the operating revenue, and VPT works hard to retain them. However, like most non-profits, VPT has seen a decline in contributions that is likely to continue for at least another year.

The most significant revenue pressures on VPT are:

- Health insurance for staff
- Rising costs to purchase PBS national programs and syndicated programs that are essential to serving Vermonters
- Decrease in donations since last year from individuals and businesses

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	547,683	547,683	547,683	547,683
TOTAL	547,683	547,683	547,683	547,683
FUND TYPE				
General Fund	547,683	547,683	547,683	547,683
TOTAL	547,683	547,683	547,683	547,683

Department Mission Statement

For the benefit of Vermont, the Vermont State Colleges provide affordable, high quality, student centered, and accessible education, fully integrating professional, liberal, and career study.

This integrated education, in conjunction with applied learning experiences, assures that graduates of VSC programs will:

1. Demonstrate competence in communication, research and critical thinking,
2. Practice creative problem solving, both individually and collaboratively,
3. Be engaged, effective, and responsible citizens,
4. Bring to the workplace appropriate skills and an appreciation of work quality and ethics,
5. Embrace the necessity and joy of lifelong learning.

The Vermont State Colleges also offer numerous opportunities for others to engage in continuous learning to meet their specific goals.

Description of Appropriations, Divisions, & Programs

The **Vermont State Colleges** (VSC) is a public corporation formed in 1961 by Legislative action, combining the campuses and programs of Castleton State College (CSC), Johnson State College (JSC), Lyndon State College (LSC), and Vermont Technical College (VTC). In 1970-71 VSC assumed the programs and operations of the newly established Community College of Vermont (CCV), which delivers programs and services at twelve leased and owned sites around the state. Through its five colleges, the VSC offers certificate, associate, baccalaureate and graduate programs in over 150 majors through on-site as well as web-based learning. Over eighty percent of VSC graduates remain in Vermont to work and live, contributing to Vermont's workforce in such vital areas as K-12 education, criminal justice, social work, nursing, dental hygiene and allied health care, communications, meteorology, computer information systems, accounting, business management, hospitality and tourism management, construction management, engineering technology, agricultural technology, veterinary technology, and biotechnology. Over 29,000 VSC alumni live and work in Vermont.

VSC colleges continue to experience enrollment at or near all-time records. In the past ten years, full-time equivalent enrollment has increased fifty percent. Total VSC headcount enrollment for fall 2011 is 13,200 students of which 83% are Vermonters. Sixty-three percent of all Vermonters who attend undergraduate college in Vermont are enrolled at the VSC. Also notable is that 57% of VSC students are the first generation in their families to go to college. More than 35% of those in the VSC are considered "non-traditional" students aged 25 or older, with many of these adult learners pursuing college education while working to support their families. Approximately 75% of all VSC students require some form of financial aid, and VSC graduates incur an average debt load of roughly $20,000.

Overseeing the VSC System is a single 15-member board, comprised of nine Governor-appointed Trustees serving 6-year terms, four legislatively-elected Trustees serving 4-year terms, one student-elected Trustee serving a 1-year term, and the Governor.

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

Also overseen by the VSC Board and separately tracked within the VSC's State operating appropriation is Workforce Development (WD, previously called Vermont Manufacturing Extension Center - VMEC). Beginning in FY2002, the State of Vermont's investment in WD shifted from passing through the Vermont Department of Economic Development to being a line item in the VSC budget. WD staff operates from offices located throughout the state, with WD's headquarters based centrally on the main Vermont Tech campus. WD services and training offerings help Vermont's manufacturers across the state accelerate profitable growth and innovation, increase productivity, improve manufacturing and business processes, adopt advanced technologies, reduce costs, and improve their competitiveness.

The VSC serves approximately 20,000 Vermonters annually through its workforce education and training programs, including WD described above as well as the Vermont Small Business Development Center, and customized business and industry programs and apprenticeships offered through VTC's Technical Extension Division. For 2011, the VSC has formed Vermont Corporate College, a collaboration between VTC and CCV, whose purpose includes improving the skills of unemployed and incumbent workers. These programs serve major employers including Green Mountain Coffee Roasters, IBM, General Dynamics, General Electric, Central Vermont Hospital, National Life, and many more Vermont businesses large and small. Additionally, the VSC oversees the separately appropriated Vermont Interactive Television, fully described below.

The VSC has full-time employees in over 60 locations statewide, with every Vermonter being within 25 miles of a VSC site. The VSC is the fifth largest employer in Vermont, providing over 2,200 jobs for Vermonters, whose employment contributes greatly to the economy of communities across the State.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont State Colleges

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont State Colleges	0	0	0	23,107,247	23,107,247	23,107,247	23,107,247
VSC - Allied Health	0	0	0	1,116,503	1,116,503	1,116,503	1,116,503
TOTAL	0	0	0	24,223,750	24,223,750	24,223,750	24,223,750
FUND TYPE							
General Fund				23,818,343	23,818,343	23,818,343	23,818,343
Global Commitment Fund				405,407	405,407	405,407	405,407
TOTAL				24,223,750	24,223,750	24,223,750	24,223,750

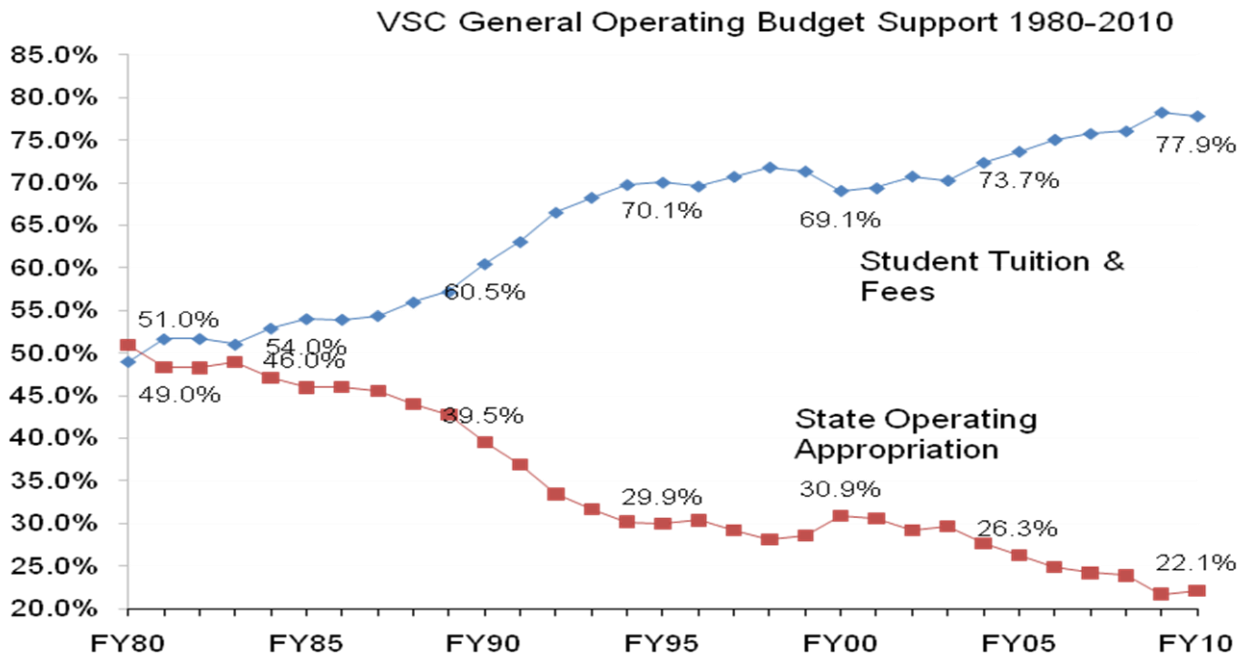
Appropriation Key Budget Issues

During the fifty years since VSC came into being, the percentage of State operating appropriations as a part of VSC revenue has consistently declined from originally around two-thirds to less than one-sixth presently.

To help offset reduced State support the VSC has made concerted efforts toward cost containment. This poses a constant challenge to the VSC in maintaining the quality of education needed to prepare students for good jobs in 21st century Vermont and elsewhere and the competitiveness of our institutions to continue to thrive in a time of demographic decline and economic turmoil.

Our higher education appropriations per FTE continue to rank last in the country by a substantial margin – for FY2009 $2,654 per FTE while 49th place New Hampshire was $3,131 per FTE. Those numbers are at the same funding levels per FTE as they were in 1980, without adjusting for inflation.

Following is the graphically illustrated state operating appropriations vs. student tuition and fees mix. It is well worth noting that during 1980's the state operating appropriation contributed more than tuition and fees. Since then, the mix has changed dramatically, and detrimentally, to almost $4 of tuition and fees for every $1 of state operating appropriation.



APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	23,107,247	23,107,247	23,107,247	23,107,247
TOTAL	23,107,247	23,107,247	23,107,247	23,107,247
FUND TYPE				
General Fund	23,107,247	23,107,247	23,107,247	23,107,247
TOTAL	23,107,247	23,107,247	23,107,247	23,107,247

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
VSC - Allied Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	1,116,503	1,116,503	1,116,503	1,116,503
TOTAL	1,116,503	1,116,503	1,116,503	1,116,503
FUND TYPE				
General Fund	711,096	711,096	711,096	711,096
Global Commitment Fund	405,407	405,407	405,407	405,407
TOTAL	1,116,503	1,116,503	1,116,503	1,116,503

Department Mission Statement

VIT's mission is to support the economic health and development of the State and its citizens by providing the statewide and worldwide videoconferencing infrastructure and operational expertise necessary to deliver education, training and information equally to all areas of the state.

Description of Appropriations, Divisions, & Programs

Appropriations

VIT evolved out of joint efforts involving the Vermont State Colleges (particularly Vermont Technical College), the Governor's Office, and the Vermont Telecommunications Commission. In 1986 the latter endorsed a report entitled "An Educational Telecommunications Transmission Network for Vermont." The report
recommended that:

- an integrated video, voice, and data telecommunications network be developed to meet the needs of education, government, and business; and
- the telecommunications system be accessible within 25 miles of 90 percent of all Vermonters.

The General Assembly has supported VIT with annual operating appropriations beginning FY1989, as well as with several capital appropriations throughout the years to partially fund addition of new sites and needed replacement/upgrade to system equipment and infrastructure. Intent has continually been that VIT funding be separately appropriated and budgeted from the Vermont State Colleges, but that the VSC and its Board provide financial as well as managerial oversight to take advantage of existing administrative efficiencies. All VIT staff members are employees of the Vermont State Colleges and VIT is categorized as a higher education account. To further assure operational and policy guidance, the Governor established the VIT Coordinating Council—a seven-member group comprised of representatives from education, government, and business that meets on a bi-monthly basis.

Community funding: All 17 studios- (2 studios in Montpelier, Newport, Springfield & Williston), are hosted without charge by an institution or business in each VIT community. This in-kind contribution is valued annually at approximately $300,000 and is critical to VIT's ongoing operations. In addition, the Vermont State Colleges provides in-kind administrative support, valued at approximately $100,000 per year.

Sales and services make up the final component of VIT funding. In FY2012 VIT expects to bring in an estimated $320,000 in sales and service fees, derived from rates charged to clients to use VIT's room-based, desktop and mobile systems as well as from consulting services, and managed services/bridging services. The FY2013 goal is set at $330,000.

Program

VIT has entered its second decade of service to Vermonters, making it possible for hundreds of organizations (in the education, nonprofit, government and business categories) to provide education, training, and information to people in all areas of the state. VIT's technology and services have expanded significantly over the years to meet emerging needs.

VIT currently operates 17 studios in Vermont, one within no more than 30 minutes of most Vermonters. Sites include: Bennington, Brattleboro, Johnson, Lyndonville, Middlebury, Montpelier, Newport, Randolph Center, Rutland, Springfield, St. Albans, White River Junction & Williston, and in addition to statewide services offers nationwide and worldwide videoconferencing from all sites. Note: VIT's Waterbury site, which was located at the State Office Complex, was flooded and has not been reopened. VIT recently moved its Castleton system to Springfield to meet the demand of two new apprenticeship programs which run in Springfield simultaneously. Springfield now has 2 VIT studios, as does Montpelier, Newport and Williston.

VIT also offers desktop videoconferencing, mobile videoconferencing systems for on-site/in-house use, audio podcasting, video streaming, archiving, digital storage services and more; allowing Vermonters to access technology and educational opportunities when and where they want them. VIT is poised to offer mobile videoconferencing via smart devices (such as iPhones) once the 4G network is more widely available in Vermont.

VIT is currently offering bridging/managed services to the Agency of Human Services in a new pilot project. This enables the Agency of Human Services to bridge its end points without the capital and ongoing operational costs of purchasing and managing its own bridge.

VIT also offers a direct connection to UVM's Distance Learning Network; connections to the Vermont Department of Corrections, the Vermont Supreme Court; and a partnership with the K-12 Learning Network of Vermont. VIT is uniquely positioned to provide videoconferencing via T1 and ISDN lines ***and*** via internet protocol (video over IP). As a result, VIT can connect to just about any desktop or room based videoconferencing system in the world.

A 2011 survey conducted by a Vermont based research group concluded the following: "When compared to internet based services, VIT is most like an in-person meeting and has the highest chance of a successful outcome."

VIT's staff members, most of who have more than 10 years experience, are Vermont's foremost videoconferencing experts. Through a combination of formal education and on- the- job experience, the VIT team has the technical, operational and distance learning expertise necessary to produce high quality, problem-free conferences and classes. The team has proven success in changing behavior and achieving widespread adoption of this 21st century tool.

In spring 2011, VIT won two prestigious awards: 1. United States Distance Learning Association **21st Century Best Practices Award** for **excellence in distance learning AND 2. Computerworld Honors Program 2011 Laureate** for visionary applications of information technology **promoting positive social, economic and educational change.**

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Interactive Television

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Interactive Television	0	0	0	785,679	785,679	785,679	785,679
TOTAL	0	0	0	785,679	785,679	785,679	785,679
FUND TYPE							
General Fund				785,679	785,679	785,679	785,679
TOTAL				785,679	785,679	785,679	785,679

Appropriation Key Budget Issues

VIT's goal is to retain its highly trained staff and well developed technology, while growing its delivery model to support all videoconferencing applications in Vermont, no matter the location.

VIT offers Vermonters an innovative, cost-effective and environmentally supportive travel alternative. VIT brings Vermonters cost savings, time savings and energy savings. For example, an average in-person meeting costs 70% more than a VIT videoconference meeting when personnel and mileage costs are considered. And, VIT is a green technology that can help reduce vehicle emissions. The Vermont Agency of Natural Resources calculated that for every average meeting held via VIT, vehicle emissions are reduced by ¾ ton. Each year, on average, through VIT use, Vermonters save:
4,872,696 miles
90,480 hours
190 tons of air pollution
2,500 tons of green house gases
$4,308,623 in travel expenses

VIT, with its lean staff, continues to innovate and expand to meet Vermont's needs. Over recent years the State has invested in major system upgrades, which has allowed VIT to stay ahead of the technology curve. VIT's robust, reliable and flexible infrastructure is a valuable resource for Vermont and Vermonters. VIT will need continued support from the State in order to ensure that the 32,000+ Vermonters who have come to rely on VIT will have continued access and to ensure that the potential of this unique resource is maximized.

VIT serves a broad cross-section of Vermont's institutions and organizations, including higher education, non-profits, state agencies, and businesses. Programs range in content from public hearings to workforce training, to undergraduate degree programs, to court proceedings, to updates on state and federal legislation and regulations for state employees, to national and international videoconferencing for such purposes as corporate meetings, candidate interviews and depositions. Last year's highlights provide some dimension to the evolving use of VIT over the years:
VIT…
-served 32,797 participants in Vermont
- hosted 1,565 videoconferences
- logged 19,761 hours on the room-based system
-attracted 42 new clients
-transported Vermonters to destinations around the world
-deployed its mobile videoconferencing systems to locations around the state
-provided live streaming services to courses and special events
-delivered audio podcasting and video archiving services to degree programs
-connected individuals into VIT room-based programs via desktop connections
-advised numerous Vermont organizations on which technology tool to use in solving a problem and how best to use it

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Interactive Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	785,679	785,679	785,679	785,679
TOTAL	785,679	785,679	785,679	785,679
FUND TYPE				
General Fund	785,679	785,679	785,679	785,679
TOTAL	785,679	785,679	785,679	785,679

Department Mission Statement

VSAC was created by the Vermont Legislature in 1965 as a public nonprofit corporation and is overseen by an 11-member board of directors. Its mission is to ensure that all Vermonters have the necessary financial and information resources to pursue their education goals beyond high school.

VSAC is unique among state-based agencies of its kind in that it provides, under one roof, a full range of services aimed at helping residents save for education, explore careers, and plan and pay for education or training beyond high school.

State-appropriated dollars are the only source of funding for three forms of grant and scholarship assistance VSAC provides eligible Vermonters: need based grants for full-time, part-time, or non-degree study; the Vermont Opportunity Scholarship, for foster youth; and the Vermont Honor Scholarship, for a high-achieving graduate from each participating Vermont high school. In addition, VSAC administers the Vermont Higher Education Investment Plan, Vermont's 529 college savings plan.

Description of Appropriations, Divisions, & Programs

Career and Education Outreach Programs

Programs VSAC offers in early career awareness and postsecondary aspiration are vital to Vermont's economic growth and vitality. It is imperative that we strengthen statewide career awareness and planning services to all students starting in the 7th grade. From curriculum that emphasizes critical life skills and postsecondary education opportunities, to job shadowing and dual enrollment, Vermont students need to be more aware of the effect their choices will have on their lives.

As a state, we must invest in our youth, so that we have better-prepared graduates progressing onto postsecondary education, especially in light of today's economic challenges. Despite the costs, postsecondary education is as important today as a high school diploma was 20 years ago. Education beyond high school is likely to mean:

- More job opportunities. Most good jobs require more than a high school diploma. A college degree or other postsecondary training will open more doors for Vermont students because employers need people who can think critically, communicate well, and solve problems creatively.

- Financial rewards. Over a lifetime, a person with a four-year degree can earn twice as much as someone with only a high school diploma, according to the U.S. Census Bureau.

- A sense of accomplishment. Increased educational attainment provides the satisfaction of personal growth. Vermonters need education beyond high school if they are to realize life's

opportunities — sustainable incomes, career advancement, self-fulfillment, and effective citizenship — and for Vermont to survive and thrive. Unfortunately, the aspiration and continuation rates for Vermont's recent high school graduates has declined.

Middle school contacts: 6,392 students in grades 5-8 received individual counselor contact or participated in a classroom workshop. (FY11)

High school contacts: 22,296 students in grades 9-12 received individual counselor contact or participated in a classroom workshop. (FY11)

Grant Program Descriptions

VSAC grants, funded in full by state appropriations, are awarded to Vermont students based on financial need. The grant programs include Incentive Grants for full-time students, Part-Time Incentive Grants for students taking fewer than 12 credits per semester, and Non-Degree Grants for students taking up to three individual courses to improve employability.

Vermont Incentive Grants
Incentive Grants are the major source of need-based assistance to full-time Vermont students. They are available to residents who attend an approved postsecondary education institution and have not already received a bachelor's degree. Vermont residents enrolled at the University of Vermont College of Medicine or an approved school of veterinary medicine are also eligible.

FULL-TIME GRANT PROGRAM:							Change: FY03–FY11	
	FY03	FY05	FY07	FY09	FY10	FY11	#	%
Number of Applicants	16,799	17,332	15,933	16,002	16,663	16,519	-280	-1.7%
Number of Recipients	9,245	9,736	8,953	8,769	9,235	9,349	104	1.1%
Amount Awarded	$15,078,021	$14,787,727	$16,174,886	$16,272,121	$17,589,732	$15,684,788	$606,767	4.0%
Average Grant	$1,631	$1,519	$1,807	$1,856	$1,905	$1,678	$47	2.9%

Vermont Part-Time Incentive Grants
Part-Time Incentive Grants are available to degree students taking fewer than 12 credits per semester. Many working Vermonters receive part-time grants.

PART-TIME GRANT PROGRAM:							Change: FY03–FY11	
	FY03	FY05	FY07	FY09	FY10	FY11	#	%
Number of Applicants	4,141	4,855	4,440	4,349	4,717	4,699	558	13.5%
Number of Recipients	2,025	2,220	2,085	2,186	2,430	2,819	794	39.2%
Amount Awarded	$965,221	$951,614	$1,090,736	$1,119,640	$1,212,450	$1,294,637	$329,416	34.1%
Average Grant	$477	$429	$523	$512	$499	$459	-$18	-3.7%

Vermont Non-Degree Grants

Non-Degree Grants are available to Vermonters for non-degree courses that will improve an individual's employability or encourage further study, and which will not necessarily lead to a degree, certificate, or diploma. Non-Degree Grants are need-based and are a major source of financial aid for Vermonters seeking to acquire, keep, or expand their employment skills.

Non-Degree Grants are used at many types of institutions, including vocational/technical centers, trade-specific training schools, and community colleges. It is not unusual for Vermonters to begin a course of study by using a Non-Degree Grant and then become matriculating students. This grant is unique to Vermont, and is particularly useful for non-traditional students.

NON-DEGREE GRANT PROGRAM:							Change: FY03–FY11	
	FY03	FY05	FY07	FY09	FY10	FY11	#	%
Number of Applicants	1,693	2,011	1,863	2,348	2,273	2,667	974	57.5%
Number of Recipients	921	1,100	936	1,222	1,052	1,308	387	42.0%
Amount Awarded	$668,727	$856,276	$785,941	$1,841,747	$1,593,030	$2,122,245	$1,453,518	217.4%
Average Grant	$726	$778	$840	$1,507	$1,514	$1,623	$897	123.5%

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vt Student Assistance Corp	0	0	0	18,363,608	18,363,607	18,363,607	18,363,607
TOTAL	0	0	0	18,363,608	18,363,607	18,363,607	18,363,607
FUND TYPE							
General Fund				18,363,608	18,363,607	18,363,607	18,363,607
TOTAL				18,363,608	18,363,607	18,363,607	18,363,607

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	18,363,608	18,363,607	18,363,607	18,363,607
TOTAL	18,363,608	18,363,607	18,363,607	18,363,607
FUND TYPE				
General Fund	18,363,608	18,363,607	18,363,607	18,363,607
TOTAL	18,363,608	18,363,607	18,363,607	18,363,607

Department Mission Statement

The New England Board of Higher Education (NEBHE), created in 1955, is an interstate educational compact of the New England states authorized by the U.S. Congress and approved by the state legislatures. Two of NEBHE's goals are to promote regional coordination and efficient use of education resources among the six New England states and to strengthen the connection between higher education and economic development in the region. NEBHE also sponsors the Regional Student Program (RSP) that allows New England students to attend public colleges and universities throughout New England at a discounted tuition rate for programs that are not otherwise available in their home state.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
NE Higher Education Compact

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
NE Higher Education Compact	0	0	0	84,000	84,000	84,000	84,000
TOTAL	0	0	0	84,000	84,000	84,000	84,000
FUND TYPE							
General Fund				84,000	84,000	84,000	84,000
TOTAL				84,000	84,000	84,000	84,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
NE Higher Education Compact

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	84,000	84,000	84,000	84,000
TOTAL	84,000	84,000	84,000	84,000
FUND TYPE				
General Fund	84,000	84,000	84,000	84,000
TOTAL	84,000	84,000	84,000	84,000

Agency Mission Statement

Agency Mission Statement

It is the mission of the Agency of Natural Resources to protect, sustain, and enhance Vermont's natural resources for the benefit of this and future generations. To accomplish this mission, the Agency directs its activities to accomplish four primary goals:

- To promote the sustainable use of Vermont's natural resources
- To protect and improve the health of Vermont's people and ecosystems
- To promote sustainable outdoor recreation
- To operate efficiently and effectively as an agency so that we can fulfill our mission.

Agency Vision

Vermont's environment and natural resources are vital to our quality of life, culture and economy, and environmental stewardship is essential to our collective prosperity, based on a shared ethic of protection, respect and enjoyment of our natural environment.

Agency Values

Draw from and build upon Vermonter's shared ethic of responsibility for our natural environment, an ethic that encompasses a sense of place, community and quality of life, an understanding that we are an integral part of the environment, and that we must all be responsible stewards for this and future generations. Cultivate stable, efficient, effective, inclusive decision making, informed by science and the rule of law.

Description of Departments in Agency

Department of Fish and Wildlife -- responsible for the conservation and management of Vermont's fish and wildlife resources and the protection of the state's threatened and endangered species.

Department of Forests, Parks and Recreation - responsible for the conservation and management of Vermont's forest resources, the operation and maintenance of the state park system, and the promotion and support of outdoor recreation for Vermonters and our visitors.

Department of Environmental Conservation - responsible for the conservation and management of the

state's natural resources and protection of the public health through various grant, regulatory, technical assistance, and public information and education programs.

Agency Central Office (Administration, Management and Planning) - responsible for leadership and oversight of all programs, as well as the financial management, personnel administration, information system management, and legal services for the agency.

Agency Key Budget Issues

FY13 Budget addresses two of three financial challenges facing the Agency: In Fish and Wildlife, the budget proposes an increase in general funds to offset license revenue reductions and a more realistic revenue target. In DEC, during this fee year, we are proposing fee increases to maintain current levels of service in the face of anticipated reductions in federal funds and upward budget pressures. Ultimately, FPR must adjust revenue projections from its harvesting contracts and expenditures from its Lands and Facilities Trust Fund to be sustainable over the long term.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Agency of Natural Resources

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Natural Resources Central Office	41	31	31	6,229,811	6,054,876	5,836,216	5,758,645
Fish and Wildlife	133	135	135	18,699,810	18,875,703	18,683,403	19,420,942
Forests, Parks and Recreation	102	100	103	24,083,011	19,007,722	20,026,388	19,333,702
Environmental Conservation	268	273	276	36,652,695	42,192,635	43,707,183	43,098,825
TOTAL	544	539	545	85,665,327	86,130,936	88,253,190	87,612,114
FUND TYPE							
General Fund				19,165,862	18,696,415	19,194,369	19,553,909
Fish & Wildlife Fund				17,001,458	17,531,844	16,261,144	16,877,322
Special Fund				26,147,945	30,643,489	32,393,489	33,560,279
American Recovery & Reinvestment				2,430,425	698,686	843,686	0
Act				18,202,861	15,796,383	15,796,383	15,010,161
Federal Revenue Fund				2,716,776	2,764,119	3,764,119	2,610,443
Interdepartmental Transfer							
TOTAL				85,665,327	86,130,936	88,253,190	87,612,114

Department Mission Statement

The mission of the Agency of Natural Resources Central Office is to provide both leadership for agency programs and the support that those programs need to protect, sustain, and enhance Vermont's natural resources for the benefit of this and future generations.

Description of Appropriations, Divisions, & Programs

The major components of the ANR Administration, Management and Planning appropriation are:

Secretary's Office - The Secretary's Office is responsible for the overall leadership and management of the Agency, oversight of legal services throughout the Agency, and coordination of Agency policy and public information.

Office of Planning and Legal Affairs – This Group represents the Agency in proceedings before the Environmental Court, the Public Service Board, and the Natural Resources Board. These proceedings may include: (1) Appeals of Agency actions such as the issuance or denial of permits, (2) Appeals of Act 250 permits to the Environmental Court from Environmental Commissions, and (3) the review of proposed projects seeking a certificate of public good before the Public Service Board. This team also manages the Agency's review of Act 250 applications and coordinates interagency staff review teams for Act 250 and coordinates staff review of other regulatory processes, including Public Service Board and federal EIS processes. The Group provides case management for large, complex projects in both pre application work and throughout the regulatory process. Finally, this group is responsible for internal planning and coordination among the departments and inter-agency coordination.

Administrative Services Division - The Administrative Services Division is responsible for providing financial management services for the Agency and its departments, preparation and management of the Agency budget, coordination with the Agency of Administration on finance and office operations, personnel administration, management of Agency offices and other facilities, and logistical support of the Agency's six regional offices.

Information Technology Division - The Information Technology Division is responsible for providing direct information technology services to the entire Agency and to the Agency and Act 250 regional offices, and the development and implementation of the Agency's Information Technology Plan.

Regional Offices - The ANR Central Office appropriation includes funding to support office operations of the Agency's six regional offices, five of which are shared by staff from the Natural Resources Board Act 250 program.

Other Central Office support includes:

An appropriation for payment in lieu of property taxes on lands owned by the Agency.

A pass-through for the Connecticut River Joint Commission, which coordinates with Vermont citizens, municipalities and the State of New Hampshire on issues related to the management and protection of the Connecticut River.

A pass-through for support of the Lake Champlain Citizen's Advisory Committee, which provides citizen input to the General Assembly, the Lake Champlain Basin Program, and the Agency on issues related to the management and protection of Lake Champlain.

A pass-through to the Green Up Day Committee for implementation of the Green Up Day Program.

Department Key Budget Issues

The ANR Central Office is budgeted essentially flat. The General Fund allocation is down due mainly to the adjustment to the fee for space cost allocation due to flooding caused by tropical storm Irene and the reallocation of the DHR internal service fund charges across the Departments.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Admin., Management & Planning	41	31	31	4,102,682	3,926,143	3,707,483	3,629,912
CT River Watershed Advisory Comm	0	0	0	3,800	0	0	0
Local Property Tax Assessment	0	0	0	2,123,329	2,128,733	2,128,733	2,128,733
TOTAL	41	31	31	6,229,811	6,054,876	5,836,216	5,758,645
FUND TYPE							
General Fund				5,676,379	5,427,446	5,208,786	5,131,215
Special Fund				17,797	54,484	54,484	54,484
Federal Revenue Fund				1,051	25,000	25,000	25,000
Interdepartmental Transfer				534,584	547,946	547,946	547,946
TOTAL				6,229,811	6,054,876	5,836,216	5,758,645

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	2,734,898	2,739,259	2,660,708	2,750,386
Operating Expenses	1,240,801	1,141,374	1,001,265	834,016
Grants	126,983	45,510	45,510	45,510
TOTAL	4,102,682	3,926,143	3,707,483	3,629,912
FUND TYPE				
General Fund	3,970,750	3,720,213	3,501,553	3,423,982
Special Fund	17,797	54,484	54,484	54,484
Federal Revenue Fund	1,051	25,000	25,000	25,000
Interdepartmental Transfer	113,084	126,446	126,446	126,446
TOTAL	4,102,682	3,926,143	3,707,483	3,629,912

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	3,800	0	0	0
TOTAL	3,800	0	0	0
FUND TYPE				
General Fund	3,800	0	0	0
TOTAL	3,800	0	0	0

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Local Property Tax Assessment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Operating Expenses	2,123,329	2,128,733	2,128,733	2,128,733
TOTAL	2,123,329	2,128,733	2,128,733	2,128,733
FUND TYPE				
General Fund	1,701,829	1,707,233	1,707,233	1,707,233
Interdepartmental Transfer	421,500	421,500	421,500	421,500
TOTAL	2,123,329	2,128,733	2,128,733	2,128,733

Department Mission Statement

The mission of the Vermont Department of Fish and Wildlife is the conservation of fish, wildlife, and plants and their habitats for the people of Vermont.

The fish, wildlife and plant resources of Vermont are a tremendous asset to the state and contribute to the quality of life of most Vermonters. In 2006, when asked, 97% of Vermonters said that wildlife habitats and lands were important to them. The Department is responsible for the conservation of wildlife in its broadest sense: 40 species of reptiles and amphibians, 91 species of fish, 252 species of birds, 58 species of mammals, more than 15,000 insect species, along with important wildlife habitats for present and future generations of Vermonters. To that end, native wildlife such as the beaver, moose, fisher, wild turkey, common loon, bald eagle, osprey, and peregrine falcon have been successfully restored through Department efforts. The Fish and Wildlife Department has conserved and manages over 120,000 acres of land for public use and as important habitat. In addition, the Department provides safe, high quality hunting, fishing, trapping, and wildlife viewing opportunities. Vermont currently ranks 3rd in the nation in participation in wildlife-associated recreation (combination of hunting, fishing, and wildlife watching) with 62% of Vermonters participating. These activities generate significant revenues for the state. In 2006, Vermonters and visitors spent more than $376 million dollars in fishing, hunting, and wildlife viewing activities.

Description of Appropriations, Divisions, & Programs

The **Support & Field Services** appropriation provides the funding for the Department's core services. These core services include: conserving, restoring and enhancing fish and wildlife habitat, wetlands and natural communities; inventorying, monitoring and managing game species to ensure sustainable population levels are maintained; inventorying, monitoring, and managing on-game species and developing recovery initiatives for species that are threatened or endangered; promoting and providing a diversity of hunting and angling opportunities; promoting and facilitating land management planning and stewardship in Vermont; managing wildlife habitat on 86 Wildlife Management Areas, maintaining public access to water bodies on over 175 Access Areas, providing viewing and photography opportunities of fish and wildlife; ensuring safe practices for those participating in fish and wildlife based recreational activities; maintaining full fish and wildlife response capabilities for citizens and agencies regarding threats to human life or safety; limiting the number of human injuries and fatalities that result from encounters with wildlife (i.e. moose and deer car collisions); informing and educating the public; and performing mission critical research. Also included in this appropriation is the funding to support watershed education efforts and projects that protect, restore, or enhance Vermont's watershed resources.

Key Divisions within the Department are as follows:

Financial Services and Licensing Division - The Financial Services and Licensing Division provides policy, legal, planning, personnel, and financial management leadership for the Department. It oversees the production, distribution, and sales of all hunting and fishing licenses and over fifteen types of other permits related to resource protection. It is also responsible for the management of over $8 million in federal grant dollars, ensuring the funds are spent appropriately and that all reporting requirements are met.

Fisheries Division - The Fisheries Division is responsible for the conservation and management of all fish and aquatic habitats throughout Vermont. Staff members are engaged in a wide variety of activities, including: monitoring populations of sport fish species, endangered species, and their habitats; cooperating in the research, management, and restoration of fish communities across the state; operating five state fish hatcheries that rear and stock trout, salmon and walleye annually for recreational and restoration purposes; maintaining 170 developed fishing access areas, and a variety of riparian lands that provide public access to waters of the state; monitoring fish health; regulating fish importation; preventing the spread of aquatic nuisance species; controlling sea lamprey in Lake Champlain; evaluating current and preparing new fishing harvest regulation recommendations for a variety of species; participating in the protection of aquatic species and critical aquatic habitat through regulatory processes. providing technical assistance; and preparing educational materials.

Law Enforcement Division - The Law Enforcement Division is an integral part of fish and wildlife conservation and management. Its primary duty is to enforce Vermont's fish and wildlife laws and regulations. Fish and Wildlife species are held in the Public Trust and this Division enforces laws related to the protection of these resources for the benefit of all Vermonters. The Division provides responses to citizen requests for Department assistance involving fish and wildlife resources including conflicts. The division also assists in search and rescue operations and provides many other additional law enforcement services to citizens and other law enforcement agencies.

Outreach Division - The Outreach Division is responsible for all major outreach and formal educational programs of the Fish and Wildlife Department. Programs are designed to improve the public's knowledge and appreciation of Vermont's fish and wildlife resources and their habitats as well as related laws, disease issues and management programs. Division staff supports the Department's mission by providing professional communications and education to the state's inhabitants and visitors alike. These efforts are a means to create awareness and achieve voluntary compliance with state laws, regulations and programs and encourage support for fish, wildlife and habitat conservation and protection programs.

Wildlife Division - The Wildlife Division is responsible for the conservation and management of all wildlife, plants, and their habitat throughout Vermont. Division staff are engaged in a variety of activities such as: conducting research in support of management actions and decisions; monitoring populations of rare, threatened and endangered plant and animal species; preparing harvest recommendations for wildlife species with open regulated hunting or trapping seasons; participating in the protection of critical wildlife habitat through regulatory processes such as Act 250; land acquisition

and management of 120,000 acres on the Department's 86 Wildlife Management Areas, monitoring wildlife diseases and the importation of wildlife into Vermont; and, technical assistance, planning and outreach to wildlife observers, landowners, hunters, school children, and natural resources professionals regarding wildlife in Vermont.

Department Key Budget Issues

The FY 2013 budget proposes an increase in general funds to offset license revenue reductions and reflect a more realistic revenue target. Hunter and angler revenues continue to track on level basis from FY 2011, however revenues earned from moose permits, the moose auction, and application fees for both moose and antlerless lotteries are down due to a significant reduction in the number of moose and antlerless permits allocated. It has become apparent through time that fee increases simply offset the national trend of declining overall hunting license sales.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Support & Field Services	133	135	135	18,699,810	18,875,703	18,683,403	19,420,942
TOTAL	133	135	135	18,699,810	18,875,703	18,683,403	19,420,942
FUND TYPE							
General Fund				1,313,602	983,713	2,062,113	2,341,129
Fish & Wildlife Fund				17,001,458	17,531,844	16,261,144	16,877,322
Special Fund				36,545	20,000	20,000	20,000
Interdepartmental Transfer				348,205	340,146	340,146	182,491
TOTAL				18,699,810	18,875,703	18,683,403	19,420,942

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	12,964,348	12,718,176	12,653,743	13,553,595
Operating Expenses	5,003,945	5,253,194	5,125,327	5,135,830
Grants	731,517	904,333	904,333	731,517
TOTAL	18,699,810	18,875,703	18,683,403	19,420,942
FUND TYPE				
General Fund	1,313,602	983,713	2,062,113	2,341,129
Fish & Wildlife Fund	17,001,458	17,531,844	16,261,144	16,877,322
Special Fund	36,545	20,000	20,000	20,000
Interdepartmental Transfer	348,205	340,146	340,146	182,491
TOTAL	18,699,810	18,875,703	18,683,403	19,420,942

Department Mission Statement

The mission of the Vermont Department of Forests, Parks and Recreation (FPR) is to monitor and maintain the health, integrity, diversity and value of important species, natural communities, and ecological processes by:

- Managing forests for sustainable economic growth;
- Providing and promoting opportunities for compatible outdoor recreation; and
- Furnishing related information, education, and service.

Description of Appropriations, Divisions, & Programs

Administration - The Administration Division is responsible for leadership and oversight of all Department programs, financial management, personnel management, policy development and legal services, as well as administering recreation grant programs.

Forestry - Forestry programs affect a broad and expanding constituency concerned with the sustainable use, management, protection and future condition of Vermont's forest landscape, representing 75% of the state. These forests provide the economic resource base for Vermont's diverse forest products industry through sustainable timber management, as well as providing the cornerstone of the state's recreation and tourism economies. Vermont's actively managed forest also provides critical biological diversity, natural communities and wildlife habitats.

The Forestry Division has responsibility for administration and oversight of the 1.5 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 343,000 acres of state-owned land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the forest products industry—including the growing biomass energy market—and the administration of forestry assistance programs.

State Parks - The State Park Division is responsible for planning for the operation, maintenance and preservation of the state park system and the protection of the natural resources within it. The State Park system currently includes 52 developed parks that, not including capital construction, contribute and estimated $60 million annually to Vermont's economy.

Land Administration - The Lands Division has responsibility for the administration and real estate activity of state-owned lands managed by the three departments with the Agency of Natural Resources (ANR) --approximately 343,000 acres. The Division also maintains ANR property records and maps; administers leases, licenses and special use permits for ANR lands; carries out land acquisitions and other transactions; assists with long-range management planning for ANR lands; surveys and maps

ANR lands, and coordinates development of ANR lands policies.

Vermont Youth Conservation Corps - FPR is the administrator of pass-through monies from AOT, trail funds, general funds and donations. This program educates youth in good conservation ethics through employment in natural resource related projects.

Forest Highway Maintenance - This program uses state funds to repair and maintain the ANR forest highway network. This network consists of approximately 600 miles of roads and essential to the interior maintenance of state forest land.

Department Key Budget Issues

The Parks Division expenditure budget for FY13 represents a 1.9% increase over FY12 to account for slight increases in temporary staff levels and marketing both of which can be directly tied to efforts to increase visitation. Also slightly increased are items for repair and maintenance of aging equipment and vehicle fleets. Worker compensation premiums have increased due to unusually high recent incidence of claims.

The Forestry Division FY13 budget includes federal funding for two limited service Forester positions that will assist county foresters in landowner outreach and UVA field inspections. A Forester position is also needed for the St. Johnsbury District to reduce the backlog of long-range management plans needing updating and to implement revenue generating timber sales. The Forestry budget continues to use a significant amount of Lands and Facilities Trust Funds. This level of usage is not sustainable in the long term.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration	10	10	10	4,217,683	3,445,743	4,342,551	3,384,241
Forestry	53	51	54	5,444,132	5,373,742	5,448,340	5,613,596
State Parks	34	34	34	8,599,804	7,801,387	7,854,758	7,946,727
Lands Administration	5	5	5	4,907,437	1,657,223	1,651,112	1,659,511
Youth Conservation Corps	0	0	0	763,612	574,702	574,702	574,702
Forest Highway Maintenance	0	0	0	150,343	154,925	154,925	154,925
TOTAL	102	100	103	24,083,011	19,007,722	20,026,388	19,333,702
FUND TYPE							
General Fund				5,050,633	5,029,349	4,903,015	5,125,418
Special Fund				10,903,555	10,186,467	10,186,467	10,263,830
American Recovery & Reinvestment Act				232,370	0	145,000	0
Federal Revenue Fund				7,381,612	3,366,906	3,366,906	3,519,454
Interdepartmental Transfer				514,841	425,000	1,425,000	425,000
TOTAL				24,083,011	19,007,722	20,026,388	19,333,702

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,025,083	980,517	1,965,783	975,288
Operating Expenses	987,459	649,734	561,276	593,461
Grants	2,205,141	1,815,492	1,815,492	1,815,492
TOTAL	4,217,683	3,445,743	4,342,551	3,384,241
FUND TYPE				
General Fund	1,079,173	1,174,865	1,071,673	1,113,363
Special Fund	1,546,410	1,307,878	1,307,878	1,307,878
American Recovery & Reinvestment Act	15,769	0	0	0
Federal Revenue Fund	1,576,331	963,000	963,000	963,000
Interdepartmental Transfer	0	0	1,000,000	0
TOTAL	4,217,683	3,445,743	4,342,551	3,384,241

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	4,409,930	4,377,380	4,431,978	4,550,319
Operating Expenses	492,957	495,362	515,362	562,277
Grants	541,245	501,000	501,000	501,000
TOTAL	5,444,132	5,373,742	5,448,340	5,613,596
FUND TYPE				
General Fund	3,037,013	3,008,767	2,993,365	3,096,073
Special Fund	856,521	975,069	975,069	975,069
American Recovery & Reinvestment Act	164,690	0	90,000	0
Federal Revenue Fund	1,244,806	1,259,906	1,259,906	1,412,454
Interdepartmental Transfer	141,102	130,000	130,000	130,000
TOTAL	5,444,132	5,373,742	5,448,340	5,613,596

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
State Parks

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	5,993,290	5,710,180	5,763,551	5,781,254
Operating Expenses	2,594,514	2,091,207	2,091,207	2,165,473
Grants	12,000	0	0	0
TOTAL	8,599,804	7,801,387	7,854,758	7,946,727
FUND TYPE				
General Fund	372,424	265,454	263,825	333,431
Special Fund	8,022,880	7,535,933	7,535,933	7,613,296
American Recovery & Reinvestment Act	51,911	0	55,000	0
Interdepartmental Transfer	152,589	0	0	0
TOTAL	8,599,804	7,801,387	7,854,758	7,946,727

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Lands Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	445,382	447,753	441,642	450,740
Operating Expenses	4,455,845	1,209,470	1,209,470	1,208,771
Grants	6,210	0	0	0
TOTAL	4,907,437	1,657,223	1,651,112	1,659,511
FUND TYPE				
General Fund	369,360	383,018	376,907	385,306
Special Fund	34,976	179,205	179,205	179,205
Federal Revenue Fund	4,461,775	1,050,000	1,050,000	1,050,000
Interdepartmental Transfer	41,326	45,000	45,000	45,000
TOTAL	4,907,437	1,657,223	1,651,112	1,659,511

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Youth Conservation Corps

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	763,612	574,702	574,702	574,702
TOTAL	763,612	574,702	574,702	574,702
FUND TYPE				
General Fund	42,320	42,320	42,320	42,320
Special Fund	442,768	188,382	188,382	188,382
Federal Revenue Fund	98,700	94,000	94,000	94,000
Interdepartmental Transfer	179,824	250,000	250,000	250,000
TOTAL	763,612	574,702	574,702	574,702

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	74,148	20,000	20,000	20,000
Operating Expenses	76,195	134,925	134,925	134,925
TOTAL	150,343	154,925	154,925	154,925
FUND TYPE				
General Fund	150,343	154,925	154,925	154,925
TOTAL	150,343	154,925	154,925	154,925

Department Mission Statement

The mission of the Vermont Department of Environmental Conservation is to preserve, enhance, restore, and conserve Vermont's natural resources, and protect human health, for the benefit of this and future generations

Description of Appropriations, Divisions, & Programs

By statute and through delegation from the Agency of Natural Resources, the Department of Environmental Conservation is charged with protecting public health and the environment. The department meets this challenge through: (1) permits for activities that require specific conditions, compliance inspections and enforcement to ensure public health and the environment are protected in a fair, effective manner; (2) financial assistance in the form of grants and loans; (3) public education and technical assistance; (4) monitoring environmental quality and public health; and (5) restoring natural resources. DEC believes that people must be treated fairly, honestly and openly; that programs must be efficient and cost-effective; that DEC must lead by example; that actions must be timely; and that the department must show respect for both Vermont's citizens and natural resources.

The Department administers various state and federal programs with responsibility for regulating the discharge or emission of pollutants into the air, water or soil. Many of these programs are administered under the authority of federal law with the approval of the United States Environmental Protection Agency. In this way, the State of Vermont retains control over decisions affecting its citizens and is eligible to receive federal funds to implement these programs.

The Department has four appropriations. Three appropriations cover the majority of the Department's work in seven divisions. Descriptions of each division are located below under their appropriation. The fourth appropriation is the Connecticut River Valley Flood Control Compact for Tax Losses.

Management and Support Services Appropriation

Commissioner's Office

The Commissioner's Office provides leadership, management, business, policy and planning services for all departmental divisions and programs. The Commissioner's Office includes the Environmental Assistance Office and the VT Geological Survey.

The Environmental Assistance Office (EAO) assists the public with permitting activities. Permit specialists provide assistance and identify needed permits for each applicant. Compliance specialists provide assistance to small businesses and municipalities to help them understand and comply with environmental requirements.

The VT Geological Survey is part of the EAO and conducts mapping, research and provides aid and advice about the state's geology, mineral resources and topography. Current emphasis is on bedrock and surficial mapping, applied studies, digital map products, data distribution, and education. Geological information plays a significant role in locating groundwater supplies, arranging waste disposal, understanding the movement of contaminants, and addressing natural hazards such as landslides, radioactivity, erosion, and earthquakes. Geological research helps locate the source of groundwater and earth materials upon which ecosystems are rooted and provides valuable information about the soil that supports agricultural production. The extraction of mineral resources includes dimension stone, crushed rock, and sand and gravel. Public service maps derived from the base geology relate to protecting the public health and safety and promoting the general welfare. The survey also includes the Radioactive Waste Management Program.

Reginald A. LaRosa Environmental Laboratory

The R. A. LaRosa Laboratory provides analytical services primarily to the science-based programs of the Department of Environmental Conservation, but at times also to other Vermont state agencies and departments, neighboring states' environmental programs, and federal agencies needing environmental analysis. The laboratory provides scientific information regarding the health of natural resources, threats to human health and the environment, and the presence, discharges or emissions of contaminants into the environment.

Compliance and Enforcement Division

The Compliance and Enforcement Division is charged with managing compliance matters in the department, as well as conducting enforcement of laws and regulations administered by the Agency, except for those programs managed by the Department of Fish and Wildlife. The goals of this program are to integrate all compliance and enforcement activities in a manner that ensures the highest integrity for DEC regulatory programs. Division activities include civil and criminal investigations; prosecution of administrative enforcement cases before the Environmental Court, and screening and referrals of criminal and civil cases (as appropriate) to the state's attorneys and the Attorney General.

Air and Waste Management Appropriation

Air Pollution Control Division

The Air Pollution Control Division administers a statewide program of air pollution prevention, abatement, and control, with the goal of protecting public health and the environment. Additionally, the division has been actively involved at the national level in efforts to document and reduce the impact of Midwestern power plants on the environment of Vermont and other eastern states. The division has been active in the development of a Northeastern States and Eastern Canadian climate action plan as well as a "cap and trade" program for carbon dioxide emissions within seven states in the Northeast, known as the Regional Greenhouse Gas Initiative ("RGGI"). The division has been at the forefront of greenhouse gas litigation against the auto manufacturers, and is one of a small number of states that have joined with California in adopting Low Emission Vehicles Rules. The division approaches the challenges of air quality management through risk assessment and risk management. The Planning and Technical Services Sections identify and assess risk: the Field Services, Engineering Services, and Mobile Source Control Sections implement risk management decisions.

Waste Management and Prevention Division

Through a combination of assistance, planning, regulation, permitting, and inspections, the Waste Management and Prevention Division oversees the management of solid and hazardous wastes to protect the public health and the environment. Hazardous and solid waste programs are managed to meet Vermont environmental law and regulatory standards and U.S. Environmental Protection Agency standards for the Resource Conservation Recovery Act. In addition to regulating the management and disposal of solid waste, the division oversees the investigation and remediation of sites contaminated by hazardous wastes from petroleum, chemical, and industrial release. The Petroleum Clean-up Fund is managed to remediate sites contaminated by petroleum. The Brownfield Program promotes and assists in the clean-up and reuse of contaminated properties. The Underground Storage Tank ("UST") Program is responsible for overseeing the management of USTs. In addition, the division maintains a 24-hour Spill Response Team to provide assistance in the control and clean-up of spills.

The Environmental Assistance program works to reduce pollution to all environmental media through pollution prevention planning and assistance provided to a variety of businesses and municipalities.

Office of Water Appropriation

Facilities Engineering Division

The Facilities Engineering Division assists in the planning, design, construction and first year operation phases for the new construction or upgrade of municipal and private potable water supply systems (including schools) and municipal wastewater systems. The division also administers the state and

federal grant and revolving loan programs that fund this work. It also plans and implements the original construction or improvement projects for state-owned dams, and for Fish and Wildlife and Forests, Parks and Recreation projects such as fishing access areas, fish culture stations, and state park facilities. The division also administers the Dam Safety and Hydrology Program, which involves safety inspections of non-power generating dams, review and permitting for dam alteration or construction projects, coordinates FERC hydroelectric licensing reviews, and assures that stream flows below dams, water withdrawals, and hydropower reservoirs meet minimum standards.

Watershed Management Division

The Watershed Management Division helps protect surface water quality and quantity for over 800 significant lakes and ponds, 7,000 miles of rivers and streams, and 300,000 acres of wetlands that exist within Vermont. The division conducts chemical, physical and biological environmental monitoring and provides guidance to citizen monitoring programs to determine current quality and threats to that quality. It publishes assessments of streams, rivers, lakes and wetlands and prepares watershed plans for each basin through public-private collaborations that work to identify waters that are experiencing difficulties and to develop and implement corrective strategies. The Division's work is carried out to assure compliance with the State's Water Quality Standards.

The Division is responsible for implementation of the state's Wetland Program, issuing wetland permits for allowed activities in state protected wetlands. It manages both state and federal Stormwater Programs, issuing permits for Erosion Prevention and Sediment Control (land disturbances greater than one acre), Multi-Sector Industrial Stormwater Permits and Operational Stormwater Permits for the construction of impervious surfaces. The Division also issues permits for aquatic nuisance control, lakeshore encroachment, mineral prospecting, and stream alteration activities.

The Wastewater Management Program administers the federally delegated permitting programs for municipal and industrial discharges. It also administers the permitting programs for indirect discharges and residuals management. These programs regulate the pollutants contained in the approximately 150 million gallons of wastewater being discharged to Vermont waters each day. In addition to permitting, these programs conduct inspections, compliance review, and technical assistance (with particular attention to small communities). The Division also oversees the wastewater operator certification program.

The Division's Ecosystem Restoration Program issues grants and provides technical assistance for local nonpoint source pollution management activities in lake and river watersheds. Finally, the division administers aquatic nuisance management, river management and flood hazard mitigation programs, and sponsors Project WET (Water Education for Teachers).

Groundwater and Drinking Water Protection Division

The Groundwater and Drinking Water Protection Division administers the wastewater system and

potable water supply rules from its five regional offices. These rules regulate soil-based wastewater systems and on-site water supplies with a design capacity of less than 6,500 gallons per day as well as all connections to the municipal water and wastewater systems. The program currently covers all single family residences, commercial development, public buildings, mobile home parks, and campgrounds and has been issuing approximately 3,000 permits annually. This division also licenses the designers of the systems it permits.

The Division is also responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through sanitary surveys, technical assistance, operator certification, compliance tracking for nearly 100 contaminants, a low interest loan program and permitting of all aspects of source water development, construction and operation. The division also oversees the state's groundwater protection and well driller's regulatory programs.

The Underground Injection Control (UIC) Program issues permits that regulate the discharge of non-sanitary wastewater into an opening in the ground.

The Indirect Discharge Permit Program issues permits for land-based sewage treatment and disposal systems greater than 6,499 gallons per day, including septic tanks, leachfields, and treatment plants and spray disposal systems. All of these systems use soil as part of the waste treatment process. Following primary and/or secondary treatment, the soil provides final effluent renovation and polishing before it reaches groundwater and, eventually, surface water. The Section also issues permits for the land application of dairy processing wastes that are generated during the production of cheese, ice cream and other dairy products. Land application directly on farm fields or by discharging to manure pits returns some of the nutrients back to the land. The program regularly reviews permittee compliance with permit conditions and monitoring requirements and conducts compliance visits. In addition, all sewage disposal systems authorized under Indirect Discharge Permits are required to be inspected annually by a Vermont Registered Professional Engineer and these reports are reviewed by program staff.

Connecticut River Valley Flood Control Compact - Tax Losses Appropriation

The Connecticut Valley Flood Control Compact appropriation facilitates the management of receipts from Connecticut and Massachusetts for tax losses in Vermont towns where the U.S. Corps of Engineers has built flood control projects.

Department Key Budget Issues

The Department of Environmental Conservation (DEC) FY'13 budget reflects a significant increase in our environmental permit revenues as part of the Agency of Natural Resources executive fee proposal cycle. These fee increases are necessary to maintain the existing level of service in our various DEC

program areas in light of expected budget pressures over the three year fee period.

One source of budget pressure is that the department faces uncertainty in the upcoming budget years in regard to our federal funding. The U.S. Congress has been and is likely to continue debating a substantial reduction to U.S. Environmental Protection Agency's (EPA) budget. The upper end of the range of cuts that have been proposed is 20% in the House of Representatives. While a cut of this magnitude is unlikely, a 10% reduction in EPA's budget is probable. These federal funds historically received by DEC cover a significant portion of program personnel and operating costs.

In addition, the department is experiencing pressures on program implementation from the public and our local and federal partners. These proposed fees, in conjunction with covering the federal funding cuts, will be used to aid in our ability to accomplish our existing core program functions in light of these increased programmatic pressures. We do not have any alternate funding sources available to help stabilize the department's budget. Our DEC general fund allocation is down by just under $300,000 due mainly to the FY'12 hiring freeze and the FY'13 adjustment to the fee for space cost allocation due to flooding caused by tropical storm Irene. As a result, our general funds remain tight in FY'13, and remaining special fund revenues which make up a considerable portion of DEC's budget are expected to remain flat.

DEC is also proposing some new fees and fee modifications that will enable the department to meet identified resource needs for enhanced service to Vermonters. One significant enhancement includes an onsite wastewater system low income loan program for homeowners who cannot afford to upgrade failed septic systems which would include one new position (1 FTE) to administer the program with the balance of funds collected to be used to provide a fund for repair and replacement of these failed septic systems. We are also proposing a $1.00/tire fee to be applied to the sale of new tires in Vermont. This fee is expected to raise approximately $550,000.00. The funds will be used, in part, to cover one new position (1 FTE) in our salvage yard program, but mainly to provide a revenue source to aid with cleaning up the legacy tire dumps that are scattered across Vermont. Under the Petroleum Clean-up Fund (PCF) we are also looking to enhance revenues by $300,000 within that program by increasing the fee on category 1 tanks (single-walled underground motor fuel storage tanks) from $100 to $1,000. The funds collected from these increased fees will go directly to the PCF to clean up releases of motor fuel.

In the end, DEC has built an FY'13 budget which will allow the department to meet its obligations to the people of Vermont, use resources more effectively and efficiently, provide programmatic enhancements while at the same time keeping front-line program staff in their positions to better serve in meeting the department's mission.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Management and Support Services	44	45	43	4,513,584	5,063,724	5,044,587	5,575,233
Air and Waste Management	69	76	78	15,216,236	18,615,730	20,342,461	19,001,667
Office of Water Programs	155	152	155	16,888,175	18,478,481	18,285,435	18,487,225
Tax-Loss-Connecticut River Flood Control	0	0	0	34,700	34,700	34,700	34,700
TOTAL	268	273	276	36,652,695	42,192,635	43,707,183	43,098,825
FUND TYPE							
General Fund				7,125,248	7,255,907	7,020,455	6,956,147
Special Fund				15,190,048	20,382,538	22,132,538	23,221,965
American Recovery & Reinvestment Act				2,198,055	698,686	698,686	0
Federal Revenue Fund				10,820,198	12,404,477	12,404,477	11,465,707
Interdepartmental Transfer				1,319,146	1,451,027	1,451,027	1,455,006
TOTAL				36,652,695	42,192,635	43,707,183	43,098,825

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,471,450	3,958,930	3,939,793	4,078,151
Operating Expenses	936,881	994,994	994,994	884,656
Grants	105,253	109,800	109,800	612,426
TOTAL	4,513,584	5,063,724	5,044,587	5,575,233
FUND TYPE				
General Fund	626,336	1,217,592	1,198,455	944,692
Special Fund	2,127,641	1,695,813	1,695,813	2,510,991
American Recovery & Reinvestment Act	0	230,000	230,000	0
Federal Revenue Fund	1,231,493	1,400,917	1,400,917	1,633,669
Interdepartmental Transfer	528,114	519,402	519,402	485,881
TOTAL	4,513,584	5,063,724	5,044,587	5,575,233

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	7,284,499	9,579,425	9,556,156	9,671,663
Operating Expenses	5,203,032	6,851,818	8,601,818	6,910,504
Grants	2,728,705	2,184,487	2,184,487	2,419,500
TOTAL	15,216,236	18,615,730	20,342,461	19,001,667
FUND TYPE				
General Fund	690,789	413,960	390,691	646,287
Special Fund	9,377,793	13,739,808	15,489,808	14,737,327
American Recovery & Reinvestment Act	1,769,909	378,384	378,384	0
Federal Revenue Fund	3,053,242	3,778,578	3,778,578	3,313,053
Interdepartmental Transfer	324,503	305,000	305,000	305,000
TOTAL	15,216,236	18,615,730	20,342,461	19,001,667

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Office of Water Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	13,233,280	13,597,174	13,404,128	14,019,115
Operating Expenses	1,730,777	2,208,956	2,208,956	1,787,564
Grants	1,924,118	2,672,351	2,672,351	2,680,546
TOTAL	16,888,175	18,478,481	18,285,435	18,487,225
FUND TYPE				
General Fund	5,804,653	5,620,885	5,427,839	5,361,698
Special Fund	3,653,384	4,915,687	4,915,687	5,942,417
American Recovery & Reinvestment Act	428,146	90,302	90,302	0
Federal Revenue Fund	6,535,463	7,224,982	7,224,982	6,518,985
Interdepartmental Transfer	466,529	626,625	626,625	664,125
TOTAL	16,888,175	18,478,481	18,285,435	18,487,225

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Operating Expenses	34,700	34,700	34,700	34,700
TOTAL	34,700	34,700	34,700	34,700
FUND TYPE				
General Fund	3,470	3,470	3,470	3,470
Special Fund	31,230	31,230	31,230	31,230
TOTAL	34,700	34,700	34,700	34,700

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Natural Resources Board	28	28	28	2,791,085	2,723,380	2,723,380	2,717,631
TOTAL	28	28	28	2,791,464	2,723,380	2,723,380	2,717,631
FUND TYPE							
General Fund				802,393	757,494	757,494	751,745
Special Fund				1,989,071	1,965,886	1,965,886	1,965,886
TOTAL				2,791,464	2,723,380	2,723,380	2,717,631

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Natural Resources Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	2,429,831	2,349,214	2,349,214	2,365,799
Operating Expenses	361,254	374,166	374,166	351,832
TOTAL	2,791,464	2,723,380	2,723,380	2,717,631
FUND TYPE				
General Fund	802,393	757,494	757,494	751,745
Special Fund	1,989,071	1,965,886	1,965,886	1,965,886
TOTAL	2,791,464	2,723,380	2,723,380	2,717,631

Agency Mission Statement

The mission for the Agency of Commerce and Community Development is to help Vermonters improve their quality of life and build strong communities.

Description of Departments in Agency

The Agency is comprised of the Departments of Administration; Economic, Housing and Community Development (DEHCD); the Department of Tourism and Marketing (VDTM); and the Office of the Chief Marketing Officer (CMO). The Agency reports annually to the Legislature on activities and outcomes. This narrative is an overview of our programs and activities. For specific information on FY11 activities, please refer to the Agency of Commerce and Community Development Annual Report.

Downsizing and Efficiencies: The Agency had gone through significant downsizing due to budget reductions in the last five years going from approximately 104 employees to approximately 85. However, we have not ceased many, if any activities. This has forced most program areas to become more efficient. Certain divisions have undertaken LEAN processes (business process improvements) and we have integrated a significant project management system for Information Technology; we are starting work in our Economic Development Division, with plans to implement throughout the Agency. We have utilized technology to automate certain functions as well as a major grants management system. However, concerns remain for our ability to respond to new opportunities or additional responsibilities. This has been particularly acute with long term recovery work associated with Hurricane Irene. The Agency has significant responsibilities but no new staff or resources. While existing staff have really stepped up, there is a concern long term for staff burn out. Having a downsized staff remains a concern for our ability to cross train staff to achieve redundancies in skill sets. This is a significant risk when we experience extended illness or vacancies in key positions

In order to track agency goals, we have shifted grants to outside partners (explained below) to performance based contracts. This will lead to better measures and outcomes for these partnerships.

Divisions:

Administration

Administration consists of the Office of the Agency Secretary, Deputy Secretary, Communications, IT Services, Administrative Services, Grants Management and Legal Counsel. Together they provide managerial direction, coordination, and support services to the agency. The department also includes the Office of the Chief Marketing Officer for the state of Vermont.

Economic, Housing and Community Development
The Housing and Community Development Division serves Vermont's regions, municipalities, housing development organizations**,** owners of older and historic buildings, and the visiting public through six principal functions: 1) administration of state and federal grant programs; 2) provision of technical assistance, including coordination of education and training for local land use decision-makers; 3) implementation of state and federal housing, planning, community development, and historic preservation policy, programs, and statutes; 4) management, maintenance, operation, and interpretation of the state-owned historic sites with an ongoing objective of increasing historic, educational, and economic value to Vermont citizens and tourists; 5) provision of funds that support local and regional planning efforts through the Municipal Planning Grants Program and Regional Planning Commissions; 6) provision of matching funds to historic buildings owned by nonprofits or local governments; to historic barns; and to Certified Local Government municipalities for planning and education.

The Economic Development Division provides support for businesses and job creation by assisting with finance, permitting, foreign trade, export finance, workforce training, business recruitment/expansion, government marketing, and captive insurance sales and marketing services. The Vermont Economic Progress Council is an arm of the department but operates under direction of a separate board. The department also funds and supports regional economic development efforts through the Regional Development Corporations and general business development through other partners.

Tourism and Marketing
The Department of Tourism and Marketing (VDTM) promotes Vermont as a travel destination in order to support a diverse and vital economy in deep collaboration with the tourism industry. The VDTM mission is accomplished through the development and implementation of a comprehensive umbrella marketing plan that integrates television, radio, newspaper, magazine print and media communications with VermontVacation.com, the state’s most comprehensive tourism database.

The department also supports and/or funds statewide initiatives including 5-1-1 travel information, travel and trade shows and familiarization trips. Informative and effective communication with the industry through newsletters, meetings, and conferences is also a priority of the Department.

Vermont Life Magazine promotes Vermont as a beautiful and interesting place to travel, do business, work and live.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
ACCD - Administration	20	19	19	3,536,556	3,896,275	3,867,668	3,871,483
Economic, Housing & Community	45	47	49	27,693,589	29,757,804	29,867,831	28,052,615
Development	18	16	17	4,025,244	3,783,699	3,818,060	3,856,706
Tourism and Marketing							
TOTAL	83	82	85	35,255,389	37,437,778	37,553,559	35,780,804
FUND TYPE							
General Fund				11,450,406	11,587,218	11,641,470	11,851,694
Special Fund				3,951,153	4,345,665	4,345,665	4,368,172
American Recovery & Reinvestment				1,087,112	1,002,416	1,002,416	0
Act				17,336,741	19,583,790	19,583,790	18,732,885
Federal Revenue Fund				627,388	712,689	699,218	773,053
Enterprise Fund				802,589	206,000	281,000	55,000
Interdepartmental Transfer							
TOTAL				35,255,389	37,437,778	37,553,559	35,780,804

Department Mission Statement

The mission of the Department of Administration is the oversight and coordination of agency efforts to implement programs, develop policy and meet statutory objectives in all areas of responsibility.

Description of Appropriations, Divisions, & Programs

The Department is responsible for serving the members of the agency in the areas of human resources, IT, legal, administrative support, facilities management, management and supervisory training, and the prioritization of agency initiatives. The Office of the Chief Marketing Officer for the State of Vermont adds the responsibility of supporting state-wide marketing coordination.

Appropriation Key Budget Issues

The proposed budget represents a small increase in FY13. This provides a minor offset to the significant cuts the Agency has experienced in the last five years. A challenge remains in our ability to cross train staff in critical functions to avoid lapses in the event of extended illness or vacancy. We lack adequate staff to fully cross train. While technology changes have helped, as noted in the DEHCD budget narrative, we lack staff to take on new opportunities or challenges such as long term recovery from Hurricane Irene.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Administration Division	20	19	19	3,536,556	3,896,275	3,867,668	3,871,483
TOTAL	20	19	19	3,536,556	3,896,275	3,867,668	3,871,483
FUND TYPE							
General Fund				2,647,420	2,690,275	2,661,668	2,746,483
American Recovery & Reinvestment Act				132,718	350,000	350,000	0
Federal Revenue Fund				273,542	800,000	800,000	1,100,000
Interdepartmental Transfer				482,876	56,000	56,000	25,000
TOTAL				3,536,556	3,896,275	3,867,668	3,871,483

Appropriation Key Budget Issues

The proposed budget represents a small increase in FY13. This provides a minor offset to the significant cuts the Agency has experienced in the last five years. A challenge remains in our ability to cross train staff in critical functions to avoid lapses in the event of extended illness or vacancy. We lack adequate staff to fully cross train. While technology changes have helped, as noted in the DEHCD budget narrative, we lack staff to take on new opportunities or challenges such as long term recovery from Hurricane Irene.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Administration Division

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	1,868,593	1,855,620	1,797,534	1,864,080
Operating Expenses	950,812	601,085	615,564	602,833
Grants	717,151	1,439,570	1,454,570	1,404,570
TOTAL	3,536,556	3,896,275	3,867,668	3,871,483
FUND TYPE				
General Fund	2,647,420	2,690,275	2,661,668	2,746,483
American Recovery & Reinvestment Act	132,718	350,000	350,000	0
Federal Revenue Fund	273,542	800,000	800,000	1,100,000
Interdepartmental Transfer	482,876	56,000	56,000	25,000
TOTAL	3,536,556	3,896,275	3,867,668	3,871,483

Department Mission Statement

The mission of the Department of Economic, Housing and Community Development is to lead a coordinated statewide effort to foster the growth of higher quality jobs that will develop a more vital and diverse economy through supporting existing businesses coupled with attracting new businesses to the state; to promote the production of housing that is affordable to all Vermonters; to preserve Vermont's built and archeological heritage; to promote vibrant communities through preservation of Vermont's historic downtowns and village centers; to support sound land use decision making at both the local and regional level; and to identify and protect the state's historic resources and promote our state-owned historic sites.

Description of Appropriations, Divisions, & Programs

Retention and Expansion: DEHCD's retention and expansion program assists new and expanding companies that operate in Vermont with facility site relocation and/or expansion support, financing and marketing information, entrepreneurship, state permits and regulation information, and workforce training initiatives. The Department partners closely with 12 Regional Development Corporations (RDCs) around the state.

The goal of this program is:

- to retain existing jobs and assist Vermont companies in adding new quality jobs for Vermonters
- to facilitate and coordinate delivery of programs and services from funded partners and state government
- to provide companies with "one-stop shopping" for information regarding doing business in Vermont
- to provide companies with a direct avenue for feedback regarding state policies and regulations
- to assist companies in weathering difficult economic conditions and pursuing new targets of opportunity
- to support entrepreneurial efforts to grow new businesses and create new jobs

Procurement Technical Assistance Center (PTAC): This nationally recognized program assists Vermont companies in securing government contracts and subcontracts as well as helping them through any technical issues they encounter as bidders, contractors or subcontractors. VTPTAC administers the state bid board that not only acts for state government, but also provides a place for local and regional government to post bids as well, providing one source for government contract bid posting in Vermont. VTPTAC serves over 2,026 subscribers to this bid board. Additionally, VTPTAC maintains the Vermont Business to Business Directory, a fully searchable database of over 15,000 Vermont businesses

available on the internet.

Vermont Training Program (VTP): VTP assists with business expansion and facilitates encourages the creation and retention of jobs in manufacturing and other sectors by providing training contracts to new and existing businesses, thereby increasing the skills of the Vermont workforce, improving wages, and Vermonters' standard of living.

International Trade: The Vermont Global Trade Partnership (VGTP) provides international trade related technical assistance, training, private consultation, database and marketing research, and trade show assistance to Vermont businesses to help them expand their international sales opportunities. Common topics covered include NAFTA, Import and Customs regulations, International Traffic in Arms Regulations (ITAR), the Export Administration Regulations, international banking, international commercial terms (INOCTERMS), and international education. The Director of International Trade works with partners in US Customs, Dept of Commerce, the Small Business Administration, VEDA-EXIM bank, the Vermont Chamber, the VT Small Business Development Center network, the VT Training Program, the Procurement Technical Assistance Center and others in serving Vermont's international trade needs.

Entrepreneurship: DEHCD develops and supports a focused approach that optimizes the utilization of Vermont's resources in its efforts to grow and retain up and coming start-up businesses – both technology-based as well as general business – through coherent and inter-related strategies for incubation and access to risk capital. DEHCD annually sponsors the Vermont Investors Forum a daylong program of presentations by Vermont businesses seeking equity capital. DEHCD also annually sponsors the Vermont Venture Network which holds monthly networking and educational meetings and Fresh Tracks Capital's annual Peak Pitch event which provides the opportunity for entrepreneurs to network and pitch their business ideas and financing requirements to potential equity investors. DEHCD also hosts North Country Angels, an angel investor's network that meets regularly to consider financing a wide variety of entrepreneurs.

Recruitment: The recruitment mission is to attract business to start-up, relocate and/or expand to Vermont. The DEHCD recruitment strategy continues to focus on increasing national perception and awareness of Vermont as a competitive location for a business to operate. We actively market our applicable financial incentives, specifically Vermont Employment Growth Incentive (VEGI), VT Training Program (VTP), and VT Economic Development Authority (VEDA), as well as VT's unique position as a regional EB-5 center. Historically, Vermont targets prospects in small to midsize operations, from 20 to 400 employees, which complements the States small scale and labor force. We are targeting recruitment efforts to those who have a predisposition to Vermont such as alumni, second home owners and tourists. This targeted approach is driven in part to limited resources to undertake recruitment but mostly due to the fact that most new companies to Vermont had some prior connection like those mentioned above. Due to budget restraints, we currently do not have a single person dedicated to recruitment. These duties have been picked up by other Agency personnel with specific expertise in this area.

Financial Services (Captive Insurance): The financial services program promotes Vermont's leading position as the top US captive insurance domicile and seeks out new and diversified opportunities in complimenting financial services industries.

The captive insurance program's target markets are Risk Managers and Chief Financial Officers, and the insurance brokers and consultants that work with these individuals. Originally the prime market was Fortune 1000 type companies, but this has expanded into more middle market companies. Another sector that has drawn specific interest is hospitals and doctors' groups looking for medical malpractice coverage as this is a very fast growing sector for the captive industry.

To market to this group, a combination of strategies is effectively utilized. The department partners with the Captive Insurance Division of BISHCA and the Vermont Captive Insurance Association whenever possible to maximize resources and effectiveness. Tactics include speaking events throughout the country through "Business Development Road Shows", speaking at conferences, media events, trade shows, electronic newsletters, direct marketing, networking and various other means of marketing Vermont.

The industry continues to be extremely competitive. Over 30 US states now compete with Vermont for this valuable industry. Offshore, Bermuda and the Cayman Islands are Vermont's biggest competitors. More than ever, Vermont has to invest now to both retain our existing captive insurance companies and to attract new companies.

Vermont continues to compete fiercely with "No Premium Tax States." Some of Vermont's largest competitors are state's that charge zero in premium tax; while Vermont's tax can be up to $200,000 per captive (Vermont has a $200,000 premium tax cap.) The marketing and leadership role that this department puts forward to the marketplace is vital in keeping Vermont's "Gold Standard" reputation. Without supporting and continuing to build this strong brand, Vermont would not be able to be the most expensive captive insurance domicile in terms of premium taxes. Vermont's 'Gold Standard Domicile' reputation is what allows it to position itself as a high end product that is worth the additional expense, because with it comes value. Appropriate level of funding of this program is vital to maintaining the continued revenue, jobs and related tourist activity of this industry and its resulting benefit to Vermont.

VT Economic Progress Council (VEPC): VEPC is an independent body governed by an eleven-member board, nine members appointed by the governor and two by the legislature. VEPC has one full-time staff and one part-time staff. VEPTC is attached to the Agency of Commerce and Community Development for administrative support. VEPC administers the application and authorization process for two programs: The Vermont Employment Growth Incentive (VEGI) program (including the Enhanced VEGI for Environmental Technology companies) and the Tax Increment Financing District program. Additionally, VEPC continues to jointly administer, with the Department of Taxes, the reporting, performance review, and recapture functions for the remaining authorizations made under the Economic Advancement Tax Incentive program.

Regional Development Corporations: The Department provides contracts to the state's 12 Regional Development Corporations (RDC's) and they report outcomes and activities to DEHCD. These organizations are part of the economic delivery systems for the state and all areas of the state are served. The RDC's are independent, non-profit corporations that provide assistance to Vermont businesses with expansion, start-up and relocation to Vermont. They are the "eyes and ears" for the Agency on key issues and opportunities around the state. Each RDC leverages the state dollars with other private and/or public dollars from local communities to fund their operations. The regional network is critical as the needs of the various regions around the state vary depending on the make up the regional economy. The RDC's are staffed by professionals and directed by independent boards of directors.

Housing and Community Development: The division offers a wide range of programs to support sustainable development of Vermont communities and improve the lives of their residents: preservation of Vermont's historic downtowns and village centers; local and regional land use planning; the Vermont Community Development Program; the Neighborhood Stabilization Program; state housing policy, including the Mobile Home Park Program and Charitable Housing Investment Tax Credit; the identification and protection of historic resources, including incentive programs; and the State-owned historic sites where history comes alive.

Two-hundred-forty-five mobile home parks are registered with the Mobile Home Park Program with a total of 7,210 lots. The Program launched a new online registration service in 2010 and began transitioning its database records of lot rent increases, park sales and park closures. Twenty percent of registrations were done on line last year.

Vermont Community Development Program: The Vermont Community Development Program (VCDP) assists communities with a wide range of community, economic and housing needs. VCDP staff are assigned regions of the state and provide technical assistance to municipalities, businesses, nonprofit organizations and housing developers. VCDP staff assist applicants meet the complex federal requirements of the program and typically receives 30 to 50 applications from municipalities and their project partners each year. Grant requests regularly outstrip the available resources. VCDP has been funded at a level of $7 to $8 million annually through the federal Community Development Block Grant Program administered by the U.S. Department of Housing and Urban Development (HUD). Budget pressures at the federal level have reduced this year's allocation to $6.2 million. State funding to support the VCDP program is established in the federal authorizing legislation and only requires a 2% match of the federal funds used for program administration. The efficiency of the program allows all other funding to be awarded to communities to support their critical community development needs. Grants are made available to all municipalities in Vermont with the exception of Burlington which receives its own allocation. The program funds projects in the categories of affordable housing, economic development, public services and public facilities. This year, the VCDP may receive an additional allocation of disaster CDBG funds for Irene recovery efforts.

The VCDP funding priorities are established in the HUD Consolidated Plan for Vermont. This plan is

developed every 5 years and then up-dated annually through an Action Plan. To develop the Consolidated Plan and the annual Action Plan the State must follow a Citizen Participation Plan that encourages participation by low-income people likely to benefit from projects and actions funded by VCDP. The top priorities identified in the 2010-2015 Plan were to support economic development projects that create new jobs or retained good jobs for low and moderate income Vermonters and provide more affordable housing options for low and moderate income Vermonters. Staff will develop a plan, with public input, for any additional disaster funds once the amount has been granted by HUD.

VCDP continues to fulfill its statutory purpose, which is to improve and maintain the economic and physical environment in Vermont's municipalities to enhance the quality of life for all Vermonters, particularly those of lower incomes. This overall goal is sustained by addressing the State's statutory legislative objectives of conserving, expanding, and improving housing; creating and retaining employment; and improving public facilities and services that support housing and economic development activities, or to eliminate a threat to public health and safety. The three goals stated in the current Consolidated Plan mirror those stated above. The three are 1) provide decent housing, 2) provide a suitable living environment, and 3) expand economic opportunities.

Vermont Downtown Program: The Vermont Downtown Program (VDP) is part of the Division for Community Planning and Revitalization, and supports community efforts to strengthen downtowns and village centers through training and technical assistance. There are incentives for both the public and private sector within the designated area, including tax credits for historic building rehabilitations and code improvements, transportation-related public improvements, and priority consideration for other State programs. Long-vacant upper floors in many downtowns are now being rehabilitated for housing and offices, storefronts and facades are being improved, and buildings are becoming more accessible and safe through code improvements.

One of the key incentives for VDP is the historic tax credits. Since FY 2007, the state has invested $8.1 million in the downtown tax credit program. During the same period, the total construction value of downtown tax credit program is $141 million. Thus, every $1 of downtown credit leverages $16 in outside investment. National studies estimate that one million dollars spent on new construction creates over 32 jobs.

The Downtown Program is also responsible for administering the various designation programs – downtowns, village centers, new town centers, growth centers and Vermont neighborhoods. The program provides incentives for communities to designate areas appropriate for dense and compact growth. Staff began a review of the programs in the spring of 2011 and reached out to stakeholders and other Agencies in order to review and draft recommendations for program improvements. Tropical Storm Irene put this work on hold and it will pick up early spring of 2012.

Community Planning: As well as administering the Downtown, Village, VT Neighborhood and Growth Centers programs, the Division also provides technical assistance to local and regional officials on smart growth planning tools, primarily via coordination of the Vermont Land Use Education &

Training Collaborative. This collaborative, primarily staffed by DEHCD, manages the Vermont Planning Information Center (VPIC) website, and has administered contracts for a series of publications and final editing.

The CP&R section also administers the Municipal Planning Grant Program (MPG) funded through the Property Transfer Tax. The Division annually awards and administers 30-40MPG grants per year. This year's appropriation is $408,700.

Regional Planning Commissions (RPCs): Finally, the Division administers state funding for the 11 Regional Planning Commissions (RPCs) in the form of a contract with reports on progress and outcomes. The RPC's are quasi-governmental organizations that operate under the Vermont Municipal and Regional Planning and Development Act (Title 24, Chapter 117, V.S.A.) and their adopted bylaws. They were formed by action of the municipalities for which they serve. All municipalities by law are members of their regional commission. These contracts supports local planning and bylaw development, regional land use planning, transportation planning, and work with other agencies relating to economic development, brownfields, energy, emergency management, and natural resource planning. The RPC's took on additional workload this year after Tropical Storm Irene. They worked with AOT and ANR on road and stream assessments and worked with DEHCD on long-term community recovery efforts.

Division for Historic Preservation: The Division for Historic Preservation (DHP) helps Vermonters identify, preserve, interpret, and promotes Vermont's historic resources as vibrant components of our communities valued by residents and visitors. The DHP directly supports preservation projects through listing buildings, districts, and archeological sites on the State and National Registers of Historic Places; Historic Preservation Grants for community buildings; Barn Grants for historic agricultural buildings; and the 20% federal Rehabilitation Investment Tax Credit (RITC) for income-producing historic buildings in downtowns and village centers. The Certified Local Government Program includes 13 towns with local historic preservation commissions that play an active role in heritage stewardship in their communities and share some of DHP's federal funds. Work has begun on the development of the new Archeology Heritage Center at the Vermont History Center which is due to be completed by spring of 2012. As required under federal and state laws, the DHP also annually reviews about 2,000 development projects for their impact on historic and archeological resources. Education and outreach play an important part of the DHP toolkit, reaching out to many diverse Vermonters through a variety of projects, programs and media.

State Historic Sites: Part of the DHP, the State Historic Sites tell stories of Vermont's past in the places where it happened. There are 10 sites open to the public, including the President Calvin Coolidge site in Plymouth Notch, two nationally significant Revolutionary War sites, and the Bennington Battle Monument. Revenues from ticket and gift shop sales provide approximately 40% of the sites' budget. The DHP also owns several bridges and the Forestdale iron blast furnace as well as being custodian of all underwater sites under Vermont waters, including exceptional historic shipwrecks. Six of these are open to recreational divers as VT's Underwater Historic Preserve. Visitations to the sites in 2011 were down due to closure at Chimney Point due to the Lake Champlain Bridge construction and closures after

Tropical Storm Irene. 55,915 people visited the State Sites in the 2011 season.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Economic, Housing & Community Dev	44	46	48	18,492,924	21,314,308	21,424,335	16,445,155
Historic Sites Operations	0	0	0	16,836	0	0	0
Historic Sites Special Improvements	0	0	0	63,354	13,000	13,000	13,000
Community Development Block Grants	0	0	0	8,945,843	8,046,530	8,046,530	11,210,494
Downtown Transp and Capital Imp Fund	1	1	1	174,632	383,966	383,966	383,966
TOTAL	45	47	49	27,693,589	29,757,804	29,867,831	28,052,615
FUND TYPE							
General Fund				5,605,407	5,875,933	5,910,960	6,021,558
Special Fund				3,949,133	4,345,665	4,345,665	4,368,172
American Recovery & Reinvestment Act				954,394	652,416	652,416	0
Federal Revenue Fund				17,063,199	18,783,790	18,783,790	17,632,885
Interdepartmental Transfer				121,456	100,000	175,000	30,000
TOTAL				27,693,589	29,757,804	29,867,831	28,052,615

Appropriation Key Budget Issues

Key Budget Issues and Challenges: The slight increase funding of DEHCD's budget this year stems from the many of the challenges the department faces. The primary challenge remains continuing the same level of service with smaller staff and additional work on Irene recovery efforts at the individual, business and community level. DEHCD will continue to the work began by the Irene Housing Task Force and work with communities and to redevelop and relocate housing. It will also lead an inter-agency effort to understand the priorities and gaps in recovery needs with the Community Recovery Partnership. Community meetings will finish by the end of February with a summary report and recommendations that build on past reports will be drafted in March for review. During this time, we will also continue to focus and work with AHS and the Long-Term Recovery Committees that are working on individual needs. We will also take the lead on developing a website that coordinates all the recovery information.

Another budget challenge includes our relationship with our outside partners. We partner with Regional Development Corporations (RDC's) to assist with the delivery of the Economic Development Program. We partner with Regional Planning Commissions (RPC's) to deliver community planning and development activities. We partner with regional and local housing groups to deliver affordable and workforce housing activities. In addition, we have other partners to undertake a variety of other in support of economic and community development. As our budget has been reduced, we have been forced to reduce these outside contracts. The result has been that key organizations are struggling to remain financially viable and able to undertake their work. Without these partnerships, it will force even more work by the department further stretching our stressed personnel and other resources.

Another challenge remains the reduction in funding for the Vermont Training Program (VTP). Due to a lack of funding from the Next Generation Fund and the loss of ARRA funding, the program is down by close to $1million dollars from as recent as FY11. We expect to commit all FY12 VTP funding by early March 2012. This will result in fewer grants for training Vermonters in FY12.

We have reduced our planning and housing staff to levels where we are struggling to provide much needed support to communities and outside groups to undertake important community planning, economic development and housing activities. With several retirements this last six months of calendar year 2011 offers us a chance to look at ways to fill this void.

Historic Preservation: Another challenge is the upkeep of our inventory of historic sites and the personnel to staff those sites. Capital improvements are necessary and part of our capital budget requests. As these properties age, the needs become greater. Core programs, such as archeology and the National Register, have been subject to position cuts. The Legislature, as requested by Vermonters, has passed important new legislation that requires the Division for Historic Preservation's (DHPs) attention and administration. Thus, existing and new work with fewer staff places significant burdens on DHP. The sites' nationally significant collections of records, objects, and artifacts are at risk unless a secure

and supported centralized, Internet-based system of digital data keeping is implemented. The lack of a collections manager stymies better use of and access to the collections by sites' staff, scholars, and interested Vermonters.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	7,459,119	7,892,289	7,840,116	7,994,679
Operating Expenses	1,177,987	1,294,316	1,341,316	1,480,643
Grants	9,855,818	12,127,703	12,242,903	6,969,833
TOTAL	18,492,924	21,314,308	21,424,335	16,445,155
FUND TYPE				
General Fund	5,604,476	5,875,933	5,910,960	6,021,558
Special Fund	3,747,881	3,948,699	3,948,699	3,971,206
American Recovery & Reinvestment Act	0	52,416	52,416	0
Federal Revenue Fund	9,039,390	11,337,260	11,337,260	6,422,391
Interdepartmental Transfer	101,177	100,000	175,000	30,000
TOTAL	18,492,924	21,314,308	21,424,335	16,445,155

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Operating Expenses	16,836	0	0	0
TOTAL	16,836	0	0	0
FUND TYPE				
General Fund	931	0	0	0
Special Fund	15,905	0	0	0
TOTAL	16,836	0	0	0

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Historic Sites Special Improvements

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	30,572	0	0	0
Operating Expenses	32,782	13,000	13,000	13,000
TOTAL	63,354	13,000	13,000	13,000
FUND TYPE				
Special Fund	10,715	13,000	13,000	13,000
Federal Revenue Fund	32,360	0	0	0
Interdepartmental Transfer	20,279	0	0	0
TOTAL	63,354	13,000	13,000	13,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	41,595	0	0	0
Operating Expenses	10,000	0	0	0
Grants	8,894,248	8,046,530	8,046,530	11,210,494
TOTAL	8,945,843	8,046,530	8,046,530	11,210,494
FUND TYPE				
American Recovery & Reinvestment Act	954,394	600,000	600,000	0
Federal Revenue Fund	7,991,449	7,446,530	7,446,530	11,210,494
TOTAL	8,945,843	8,046,530	8,046,530	11,210,494

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Downtown Transp and Capital Imp Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	77,488	78,828	78,828	79,041
Operating Expenses	5,114	0	0	0
Grants	92,030	305,138	305,138	304,925
TOTAL	174,632	383,966	383,966	383,966
FUND TYPE				
Special Fund	174,632	383,966	383,966	383,966
TOTAL	174,632	383,966	383,966	383,966

Department Mission Statement

The Department of Tourism and Marketing's (VDTM) key objective is to increase awareness of Vermont as a tourism, recreation and conference destination. To accomplish the objective VDTM markets Vermont to likely travelers from across the country, from around the world and from within Vermont itself, as well as encouraging the purchase of Vermont products and services. VDTM continues to promote Vermont in the key drive/fly markets of New York City, Boston, Montreal, and Philadelphia, as well as important secondary markets.

Vermonters continue to discover that the best tourism and recreation opportunities are right in their backyard. The success of the Department's initial in-state tourism program titled the "*Resident awareness campaign"* demonstrated that this is a market with considerable growth potential. Current efforts are focused on highlighting the Vermont tourism experience for a broad cross-section of Vermonters.

Description of Appropriations, Divisions, & Programs

Research: A benchmark study to measure the impact of travel and tourism on the Vermont economy during 2007 was completed during FY 2008 by Economic & Policy Resources, Inc., under contract to VDTM. The benchmarks, which are reconciled with independent economic measures, estimated that during 2007, $1.615 billion in direct spending by visitors making 14.3 million person trips to Vermont generated $206.9 million in revenue to the State of Vermont. The 2007 benchmark study shows a positive annual growth rate of 2.8 percent in person trips to Vermont. Vermont's tourism industry supports an estimated 37,490 jobs, approximately 12% of all jobs in Vermont. Component studies have focused on lodging establishments, Vermonters as visitors, second-home owners, and travel and tourism employees and proprietors. The benchmark study is performed on odd calendar years.

Advertising: The Fiscal 2012 and 2013 media strategy includes a combination of television, magazine, newspaper, radio, out of home (outdoor advertising) and online advertising. Advertisements are placed in publications, locations, and broadcast networks that attract potential visitors interested in outdoor recreation, cultural heritage, unique lodging, fine dining and the Vermont experience. The call to action on all advertising campaigns and printed materials directs consumers to VermontVacation.com and 1-800-VERMONT.

VDTM is developing multi-demographic campaigns targeted at drawing different markets. Most recently the Department has made a considerable effort to target a younger audience. This effort is in collaboration with Vermont Life Magazine and the Department of Economic Development. The goal is to attract a younger audience to the state through recreational activities and then promote industry in Vermont and ultimate employment opportunities. There has been a tremendous need for employees in the technical and engineering fields in Vermont. Our hope is to entice potential employees through Vermont's recreational draw and then promote relocation to Vermont.

To stretch media dollars, the Department reviews last-minute opportunities with potential to deliver a strong message to key markets. This poises us to take advantage of better-priced remnants in print. Our partnership with Cabot Creamery and the Vermont Ski Area Association and pooling of marketing dollars allows the Department to purchase more television spots than our budget alone would allow. The FTMI and Chamber matching programs have also been integral in increasing Vermont media and promotion exposure.

Sales: Regular communication and sales missions with travel agents and tour operators ensures that Vermont retains a strong presence in travel trade product offerings throughout the world. Motor coaches continue to be an integral part of the Vermont tourism mix. Hundreds of motor coach companies come to Vermont with thousands of travelers during all four seasons. Interaction with consumers at special events and consumer shows highlight Vermont as a vacation destination in a way that other promotional mediums cannot.

VDTM has in-country representation in France, Japan and Canada, as well as in the U.K. and Germany

through Discover New England. These contractors focus on public relations opportunities, familiarization trips, and selling Vermont as a premier vacation destination. Other efforts to attract international travelers include trade shows, sales missions, and the Internet. The Department has pages on VermontVacation.com translated into German, French, U.K. English and Japanese which complement lure pieces in the same languages.

Web/Technology: With over 300 pages of content, VermontVacation.com continues to be a tremendous resource for prospective visitors and the Vermont tourism industry. VDTM is encouraging more return visits through its monthly e-newsletter (20,000+ addresses) plus a presence on various social media sites to highlight happenings in Vermont and directing readers to the web for more information. In 2010 VDTM launched a new version of VermontVacation.com. This was accomplished by utilizing a content management system which allows staff of the Department to manage content and design of our site internally without requiring the resources of a contracted web developer. This enhancement has saved VDTM from the expenses of paying external organizations for IT support.

The Vermont Vacation Planner, the state's most comprehensive listing of lodging, dining, attractions, and events, is the most used portion of VermontVaction.com. The site sees an average of 150,000 searches for information each month. Vermont event listings from the Travel Planner are also distributed and used by other web sites, magazines, newspapers, radio and television in Vermont and throughout the Northeast.

Social Marketing
In addition to its Web site, VDTM communicated directly with Vermont visitors using eScapes, its e-mail marketing newsletter. The newsletter supports the overall web marketing effort with interest-specific seasonal promotions. Prospective travelers visiting VermontVacation.com "opt in" to receive quarterly e-newsletters highlighting the best of Vermont and targeting their chosen interests. In addition, VDTM uses social media channels such as Facebook, Twitter, YouTube and Flickr to provide a fully interactive experience, enabling Vermont's "fans" to comment on and recommend locations, attractions and/or events to others, help others in vacation planning. VDTM keys in on these conversations to develop Web and newsletter content of interest to potential travelers.

Public Relations: Media relations translate into millions of dollars in advertising value equivalency each year for Vermont, which is further enhanced by the value placed on editorial coverage by consumers. Creative stories describing the experience of a visit to Vermont in publications such as Conde Nast Traveler, the New York Times, the Boston Globe and many others have a far greater value than traditional marketing. Such stories continue the reinforcement of the Vermont brand and offer an insider's look at our state.

The Department continues to focus on expanding outreach efforts. The Department continues to populate VermontPressroom.com and Vermont.Gov with story ideas and markets its resources to journalists. The Department is attending more press events and meetings with journalists in major media markets.

Cultural Heritage: In 2005, Vermont launched its first-ever celebration of culture and heritage. In 2006 the program was expanded to include Independence Day activities. The goal is to showcase Vermont's rich cultural heritage through a broad range of events and experiences. During the summer of 2006, VDTM initiated a first-ever in-state promotion of Vermont Cultural Heritage Days with public service announcements and paid advertising to encourage Vermonters to explore their own state and participate in local events. The program received a tremendous amount of interest and continues into 2011.

Vermont and the Civil War Visitors Guide will feature approximately 25 sites located across Vermont that tell the many stories of Vermont's participation in the Civil War. Text and images will lead visitors to museums, historical societies, public monuments, historic buildings, and cemeteries where they will learn about Vermonters who supported the anti-slavery movement, who distinguished themselves on the battlefront, and who worked to support the war effort at home on their farms and in their businesses. The guide will be available in print format and on the web beginning in early March 2012. VDTM thanks noted Vermont Civil War historian Howard Coffin for his integral role in this project.

Vermont Life: Vermont life Magazine is a division of the Vermont Department of Tourism & Marketing. Under statute the Commissioner of the Department has general oversight over the magazines operation. Vermont Life has reached great accomplishments in both the publication quality and business activities including a stronger presence on the internet, additional collaborative promotion through Vermont's official travel web site VermontVacation.com. Vermont Life is focusing on increasing the sale of both in and out of state subscriptions and increasing the sales of products distributed through Vermont Life's catalogue.

Vermont Life is published quarterly in February, May, August and November as the State of Vermont's official magazine. The magazine explores the state's people, places and heritage. Vermont Life Magazine celebrated 60 years of publication in 2006. Vermont Life has one over 95 national and international magazine awards since 1990. In 2009 Vermont Life Magazine won the Most Improved Magazine award by the International Magazine Association along with two editorial honor awards.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Tourism and Marketing

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Tourism & Marketing	9	8	8	3,397,856	3,071,010	3,118,842	3,083,653
Vermont Life	9	8	9	627,388	712,689	699,218	773,053
TOTAL	18	16	17	4,025,244	3,783,699	3,818,060	3,856,706
FUND TYPE							
General Fund				3,197,579	3,021,010	3,068,842	3,083,653
Special Fund				2,020	0	0	0
Enterprise Fund				627,388	712,689	699,218	773,053
Interdepartmental Transfer				198,257	50,000	50,000	0
TOTAL				4,025,244	3,783,699	3,818,060	3,856,706

Appropriation Key Budget Issues

Key budget issues:
Level funding of the department's marketing budget does pose challenges. In the aftermath of the spring flooding event and tropical storm Irene the department had very little discretionary money to support the marketing pressures necessary during such events. We have, however, been able to leverage collaborative marketing dollars from the private sector in order to stretch the departments marketing budget. VDTM currently strives to use existing dollars to forge new partnerships in Tourism's core market; the metro areas of NY, Boston and Montreal. There is an excellent return on the dollars Vermont currently spends in these markets. The Department buys media at a fraction of the going rate and receives far more than the dollars spent as compared to Vermont's competitive neighbors. Decreasing tourism marketing dollars can threaten our positioning in the tourism market place. Experiences in other states that have reduced tourism marketing have resulted in the loss of skier days and tourism revenues. Tourism is an important contributor to the Vermont economy, we cannot afford to lose market share.

The Vermont Department of Tourism and Marketing is able to leverage general fund dollars by matching contributions by the private sector. This cooperative promotion allows for both private Vermont based businesses and the State of Vermont to increase exposure in the marketplace significantly. The Department currently has more requests to collaboratively market the Vermont brand than funding available

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Tourism & Marketing

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	1,238,944	1,313,796	1,307,179	1,282,608
Operating Expenses	2,015,412	1,613,714	1,668,163	1,657,545
Grants	143,500	143,500	143,500	143,500
TOTAL	3,397,856	3,071,010	3,118,842	3,083,653
FUND TYPE				
General Fund	3,197,579	3,021,010	3,068,842	3,083,653
Special Fund	2,020	0	0	0
Interdepartmental Transfer	198,257	50,000	50,000	0
TOTAL	3,397,856	3,071,010	3,118,842	3,083,653

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Life

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	592,337	663,467	650,062	720,000
Operating Expenses	35,051	49,222	49,156	53,053
TOTAL	627,388	712,689	699,218	773,053
FUND TYPE				
Enterprise Fund	627,388	712,689	699,218	773,053
TOTAL	627,388	712,689	699,218	773,053

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Department Mission Statement

The mission of the Vermont Arts Council is to advance and preserve the arts at the center of Vermont communities. We accomplish this through partnerships, grants, workshops, advocacy and information services. Specific goals include increasing participation in the arts, and supporting art-based programs that provide clear and demonstrable returns on the public investment made in them.

The Vermont Council on the Arts, Inc. d/b/a the Vermont Arts Council was organized as a 501(c)(3) not-for-profit corporation in 1964 to promote and support quality art activities and opportunities for all Vermonters and visitors to the state. In 1965, Congress passed PL 89-209 creating the National Council on the Arts and Humanities with funding for the states in both of these disciplines. The Vermont legislature authorized the Arts Council (Act 170 of 1965), as the agency to represent Vermont in state and federal arts programs, for the purpose of "increasing the opportunities for Vermont's citizens and visitors to view, enjoy and participate" in the arts.

Description of Appropriations, Divisions, & Programs

The Council's funding sources are a combination of State appropriations and collaborative projects; a Federal grant from the National Endowment for the Arts; and a small amount of private (corporate, individual, and foundation) funding.

With these funds, the Arts Council serves as the state's largest resource to Vermont's creative sector; a sector that employs nearly 6800 people year round (source: Dun & Bradstreet), and many more thousands on a seasonal basis. The sector also serves as a significant reason why tourists visit the state, and why Vermont is frequently cited as one of the best states in which to locate a business and raise a family. It also plays an increasing role in the quality of educational services provided to our youngest citizens—a role that in many communities in Vermont has been transferred from schools who have cut arts education to local community arts organizations who provide arts instruction and exposure in significant after-school or out-of-school settings. The particular skills offered through arts education are directly related to what are referred to as critical "21st –Century Learning Skills"—including critical thinking, collaborative problem-solving, experimentation and reflection, and creativity.

As a granting agency, its three funding areas are designed to:

- Support artists and arts organizations and help them to provide their audiences with excellent artistic products and services;
- Promote high quality arts education and lifelong learning in and through the arts;
- Support the development of healthy communities through funding strategies that positively impact the quality of local community life.

The Council supports and provides leadership in state and local partnerships that value the role of the

arts in local economic development, invest in physical improvements to our cultural infrastructure, and promote the products and services of Vermont's creative sector. Examples of Council collaborative activities are:

- Developing and implementing a series of workshops called "Breaking into Business" in which 50 artists/sole proprietor arts administrators gather for two days under the tutelage of business/marketing professionals, develop seed ideas in collaboration with their fellow attendees, and then spend a month developing a business plan and application which we then provide seed funding for—up to $500 per person;
- Collaborating with the Agency of Transportation, the Department of Tourism and Marketing, and the Agency of Commerce and Community Development to create and maintain an online interactive statewide Arts and Cultural Events calendar.;
- Coordinating the "Art in State Buildings" program to commission art works to enhance new and renovated public buildings in partnership with the Department of Buildings and General Services;
- Administering the "Cultural Facilities" grant program that enables local organizations to expand their cultural offerings in their communities in partnership with the Agency of Commerce and Community Development, Division of Historic Preservation, and the Vt. Historical Society;
- Overseeing a model transportation enhancement project based on creative improvements as part of the reconstruction of the Route 2 corridor through the village of Danville in partnership with the Vermont Agency of Transportation;
- Developing initiatives such as Head Start arts programs for underserved children and families and sustainable arts education programming in schools and communities throughout the state with local arts and municipal partners;
- Development of the Vermont Cultural Data Project, a powerful online management tool to help arts organizations improve their financial management and services to their communities. The Arts Council is paying only 25% of the development cost. The remainder is paid by Pew Charitable Trust and the Vermont Community Foundation;
- Engaging New Americans in a partnership with the Vermont Folklife Center to conduct a needs assessment of refugee and immigrant populations in order to determine how the Council would best serve their needs in areas of cultural retention, sharing their culture, and professional development including business and marketing skills.

The major goals the Council is pursuing to achieve its mission are:

1) To increase opportunities for everyone in Vermont to experience and/or participate in the arts

2) To demonstrate and promote the positive ("public value") benefits of investing tax dollars to support the arts through increased tourism, improved educational opportunities, and creating vibrant, livable communities

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3) To expand and sustain our capacity to serve our constituencies by upgrading our communications and grant-making systems and focusing on new ways to market and promote Vermont's arts sector.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Council on the Arts	0	0	0	507,607	507,607	507,607	507,607
TOTAL	0	0	0	507,607	507,607	507,607	507,607
FUND TYPE							
General Fund				507,607	507,607	507,607	507,607
TOTAL				507,607	507,607	507,607	507,607

Appropriation Key Budget Issues

Demands and pressures on the creative sector are stressing its operating infrastructure. Organizations that were initially founded to present art are taking leadership roles in significant community projects that speak to the economic vitality and quality of life of their community. The impact of this is that the organizational capacity of not-for-profit arts organizations is vulnerable, and many lack the necessary resources to participate effectively in creative economy efforts that are a vital part of improving the overall economic condition the State.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	507,607	507,607	507,607	507,607
TOTAL	507,607	507,607	507,607	507,607
FUND TYPE				
General Fund	507,607	507,607	507,607	507,607
TOTAL	507,607	507,607	507,607	507,607

Department Mission Statement

The Vermont Symphony Orchestra Association, Inc., a state-supported non-profit institution founded in 1936, exists for the purpose of fostering and encouraging the appreciation of music in all its various forms, with emphasis on orchestral, choral and chamber music. It seeks to raise the common standard of music education and enjoyment, and to provide, at moderate cost, quality performances for a broad and diverse public throughout the State of Vermont.

Description of Appropriations, Divisions, & Programs

The Vermont Symphony Orchestra (VSO) traditionally receives a single appropriation from the General Fund that is applied to support musical and educational programs around the state, with primary emphasis on the *SymphonyKids* education program and performances in underserved, rural areas.

Activities

The VSO is Vermont's nationally-recognized professional musical resource, providing residents of and visitors to the state with high-quality services and programs, especially in the area of music education. Its unique mission as a state orchestra is made possible through the collaborative efforts of the many communities it serves each year and the grass roots efforts of hundreds of volunteers across Vermont. During the season just completed (September 1, 2010 - August 31, 2011), the VSO performed 36 major presentations in 23 Vermont towns. These offerings included two major statewide tours—the foliage season Made in Vermont Music Festival (eight concerts), and the eight-concert Summer Festival—along with the Masterworks series in Burlington (five concerts); the Sunday Matinee Series in Rutland (three concerts), two Holiday Pops concerts; five Holiday presentations with Brass Quintet and Robert De Cormier's vocal ensemble Counterpoint; two *SymphonyKids* Orchestral Youth Concerts in Burlington; the free David M. Wilson Memorial Farmers' Night Concert in Montpelier; the Waltz Night gala; and a VSO Woodwind Quintet Family Concert in Bradford.

The recently-concluded 2010/2011 season reflected extraordinary activity for presentations and students served through the VSO's *SymphonyKids* statewide educational programs: 248 events *(up 12.7%)* were produced, involving 30,550 Vermont schoolchildren *(up 26.8%)* from 199 schools *(up 22.8%)* in 168 towns (including some in New York and New Hampshire) *(up 26.3%)*. The attendance represents **more than half of all Vermont K-6 schoolchildren**. No other orchestra in the country can lay claim to such a pervasive education program. Even with these growing figures, the ability to perpetuate *SymphonyKids* at this level is challenging, due to tightening school budgets and standardized testing mandates that limit scheduling opportunities. The semi-annual Orchestral Youth Concert tour has not been produced since 2008/2009 because many schools have been forced to eliminate field trips and extra activities requiring busing. The VSO continues to rely on substantial support for *SymphonyKids* from

the New Jersey-based Turrell Fund. As with most private foundations, however, funding from that source has been reduced over time because of a decline in the stock market, and Turrell is now focusing resources on 0-3 initiatives. Part of the 2010/2011 season growth is due to a one-time gift from the Vermont State Employees Credit Union (VSECU). The *SymphonyKids* program encompasses several offerings: the Musical Petting Zoo, Musicians-in-the-Schools (smaller ensembles), Orchestral Youth Concerts, and (our most recent addition) the Green Room Program for high school students. Special programs that feature visiting guest artists, composers, and other musical personalities supplement these mainstays.

The VSO presented a total of 316 concerts and programs during its 2010/2011 season, reaching 57,652 people statewide. 282 of the events were offered free of charge to audience members. Contrary to widespread public misperception about the reach of symphony orchestras, **fifty-six percent (56%) of the VSO community outreach partners are located in census tracts with median household incomes under $41,500.**

Market

The Vermont Symphony Orchestra was organized more than 75 years ago to serve all of the communities of Vermont. As the name implies, it is the only orchestra that provides services and programs throughout Vermont. Out of hundreds of professional U.S. orchestras, only several hold this statewide distinction, but among those few, the VSO is unmatched in the size and proportion of rural communities it annually serves, making it a unique American institution.

The significance of Vermont's rural setting is essential to understanding the VSO's market, challenges, and successes. The average U.S. orchestra in the VSO's budget class serves one metropolitan area; whereas the VSO market of 625,000 is spread over an entire state of 9,609 square miles, and one with great economic and demographic diversity as well as geographic features that isolate areas of the state from each other. There is no statistical data available on the number of communities served each year by other orchestras of similar budget size to the VSO, presumably because they each serve one principal community. By contrast, the VSO serves many communities.

Since 1939, the Vermont legislature has recognized the VSO's unique mission by annually granting a direct appropriation, making the VSO the oldest state-supported orchestra in the country. The most important component of the market that compels the Orchestra's existence is the 50,000-60,000 individuals who use VSO programs, half of whom are children. The in-school presentations and children's concerts add to each school district's ability to enrich the education of its students. A National Center for Education Statistics study supports the assertion that music and arts education have a significant positive impact on students' cognitive and reasoning skills. This study shows that students who take part in music programs routinely have higher achievement test scores than their classmates, and have higher grades in their classes. Children who experience music regularly from an early age have been shown to have an enhanced mathematical ability over their classmates. This and other studies only add to what we already know: children who learn to appreciate music and art early in life retain that

appreciation and equate it with an appreciation for other important cultural components and, in turn, help to improve society. It is the VSO's goal to reach an ever-increasing audience each year, in as many communities as possible.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Symphony Orchestra	0	0	0	113,821	113,821	113,821	113,821
TOTAL	0	0	0	113,821	113,821	113,821	113,821
FUND TYPE							
General Fund				113,821	113,821	113,821	113,821
TOTAL				113,821	113,821	113,821	113,821

Appropriation Key Budget Issues

Among the major indicators measuring the results and impact of VSO programs each fiscal year, the most important are:

1) Program usage statistics. These are arguably the most important indicators of success for a performing arts organization. Usage statistics include ticket revenues and attendance figures.

	Actual FY09	Actual FY10	Actual FY11	Estimated FY12	Estimated FY13
Ticket Sales	$365,296	$417,711	$467,445	$423,208	$435,900
Attendance	49,079	53,791	57,652	56,000	57,000

Annual figures vary based on the number of presentations. FY11 ticket sales and attendance were boosted by a concert featuring Yo-Yo Ma, a rain-free summer tour and extraordinary *SymphonyKids* bookings. FY12 estimates reflect a return to more typical numbers, unaffected by unusual circumstances. Given programmatic changes and the economic downturn, the relative stability of sales and attendance suggests strength and sustainability among the VSO's patronage. Projections for the next two years show modest increases, with a stable performance schedule.

2) The number and variety of programs/services offered and the number of different Vermont communities participating in those programs. The chart below shows historical and projected numbers of major events planned for each fiscal year, followed by the number of Vermont communities served:

	Actual FY09	Actual FY10	Actual FY11	Estimated FY12	Estimated FY13
Number of Programs	48	37	36	37	38
Number of Communities	25	22	23	23	24

Orchestral Youth Concert tours usually take place every other season, but have not been produced since 2009. Without Orchestral Youth Concerts, program and community counts have remained stable through a declining economy.

3) Statistical evidence of broadening community and business support across the state. Included below are the results and projections from annual individual and business fundraising efforts.

	Actual FY09	Actual FY10	Actual FY11	Estimated FY12	Estimated FY13
Individual Gifts	$306,498	$319,798	$322,183	$362,400	$373,300
Business Support	$279,288	$210,691	$217,965	$204,950	$211,100

Even during the recent economic downturn, giving remained strong for the VSO. Higher business support in FY09 included the final year of a special award for a three-year composer residency project, while reduced support is anticipated in the near future.

In January 2011, the VSO successfully completed its first-ever endowment campaign, raising slightly more than its $3.5 million goal. Even with this extraordinary drive—occurring during a financially difficult period—operating support has grown or, at least, remained fairly stable.

Broadening community support is also measured in terms of volunteer participation and non-cash giving. The number of active volunteers has grown to more than 400, while the value of in-kind contributions averages in excess of $200,000 annually.

National Endowment for the Arts and Vermont Arts Council funding has been inconsistent in recent years: FY08 support dropped by 36%; FY09 support nearly doubled the reduced FY08 level; FY10 support declined by 72%, but FY11 support rebounded to the FY09 level. Support from the national and state arts agencies is an ongoing concern for the VSO. Likewise, foundation support can be unreliable, given an uncertain stock market and shifting funding interests. The challenge is to find more stable sources of contributed revenues that will remain available during future economic downturns.

Pledge payment fulfillment (near completion anticipated by 2015) of the successful $3.5 million endowment campaign will bring the VSO's permanently restricted fund to a level that is closer to the national standard for orchestras (at least three times the annual operating budget). Adding these new funds to the VSO's existing modest endowment will eventually result in a new annual funding stream of approximately $160,000, based on a conservative 4% draw. This will help the VSO maintain its offerings, even during unpredictable economic times.

4) <u>Evidence of artistic and administrative excellence and financial results and evidence of economic impact</u>. The Vermont Symphony Orchestra has developed a consistent, superior level of artistic ability that is unparalleled locally, and is competitive at the regional and national level. This is indicated both through critical reviews of performances and from periodic review by outside agencies, some of which fund the VSO in a highly competitive environment. Annual reviewers include the Vermont Arts Council, the National Endowment for the Arts, and several private foundations. During the past seven years, the VSO enjoyed seven national broadcasts of performances on National Public Radio, including the premiere broadcast of a new work commissioned and performed in all 50 states by more than 70 orchestras. This, too, attests to the quality level the Orchestra has attained.

Senior administrative staff continuity during the past nine years and increasingly active governing and regional boards have played a role in the financial turnaround of the organization.
From FY01 to FY07, the VSO reduced its accumulated operating deficit by 80%, from <$585,964> to <$114,954> (audited year-end result). Unfortunately, FY08 and FY09 produced negative results. FY10 showed a $58,478 positive result, while preliminary results for FY11 reflect a surplus in excess of $75,000. While the operating results are becoming more consistently positive, uncertain equity and

bond markets add challenge to a new but critical responsibility: managing a substantial endowment fund. The VSO remains in a tenuous position, operationally: the accumulated operating deficit should be somewhere around <$328,000> (21.6% of the operating budget) following the FY11 audit. The FY13 budget anticipates a $50,000 surplus after endowment transfers, but several years of similar positive results are needed. The VSO's Governing Board of Directors and its six Regional Boards of Trustees are committed to conservative budgeting in order to eliminate the operating deficit within the next five years

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	113,821	113,821	113,821	113,821
TOTAL	113,821	113,821	113,821	113,821
FUND TYPE				
General Fund	113,821	113,821	113,821	113,821
TOTAL	113,821	113,821	113,821	113,821

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Historical Society

Department Mission Statement

The Vermont Historical Society engages both Vermonters and "Vermonters at heart" in the exploration of our state's rich heritage. Our purpose is to reach a broad audience through our outstanding collections, statewide outreach and dynamic programming. We believe that an understanding of the past changes lives and builds better communities.

Department Vision Statement:

The Vermont Historical Society will set the standard for statewide work in Vermont history. We will reach more people through expanded outreach, leadership in Vermont history education, accessible collections, and participation in public policy discussion. Our audiences will be engaged citizens who are informed about the past and motivated to create a better future.

Chartered by the legislature in 1838 and thus the oldest cultural heritage organization in the state, VHS collects, preserves and interprets objects and documents related to Vermont's past (22 V.S.A., sections 281-285). The Vermont Historical Society is the only institution in Vermont that collects artifacts and documents that reflect the entire history of the state, every geographical area, and every chronological period, including the present.

Description of Appropriations, Divisions, & Programs

Recent Programmatic Initiatives and Partnerships

Vermont Archeology Heritage Center

- Through a partnership between the VHS and the Vermont Division for Historic Preservation, the state's archeological resources are being relocated to the Vermont History Center in Barre. The center will be managed jointly by the VHS and DHP, with the VHS assisting with access for researchers, advising on the management of the collection, and working on the joint development of related public programming.

Vermont Heritage Galleries

- With the successful completion of the *Saving Vermont's Treasures Capital Campaign*, the VHS is creating three new exhibition galleries at the Vermont History Center. Complementing the award winning exhibition, *Freedom and Unity* at the Vermont History Museum in Montpelier, the new galleries will feature rotating exhibitions on themes in Vermont history, the history of Barre, and the collections of the VHS. The new galleries are expected to open in early 2012.

Collections Care Mentoring Program

- As an extension of the technical services provided through the League of Local Historical Societies and Museums, VHS recently launched a program that will provide community-based

cultural organizations assistance with issues associated with the care of collections, including emergency planning, collections storage, environmental controls, conservation and cataloging. The program matches the needs of the organizations with the skills and experience of trained museum professionals. The Mentoring Program is one of several services provided as a continuation of the Collections Care program of the Vermont Museum and Gallery Alliance (VMGA) that disbanded in 2010.

Vermont History Explorer Website (www.VermontHistory.org/Explorer)

- In the spring of 2010 VHS launched the Vermont History Explorer website for students and educators. This content-rich website includes lesson plans, activities, reading materials, primary source materials and many resources that aid educators in teaching Vermont history. Throughout the past year, VHS has been conducting workshops around the state to introduce the website to teachers and promote its use in the classroom, including workshops held in partnership with the Department of Education to introduce the website's use on smart boards.

Ongoing Programs:

Statewide Outreach

- Vermont Historical Society impacts the lives of Vermonters in every community of the state through a range of programs and activities, including:
- **Statewide Emergency Planning for Cultural Organizations**: under the leadership of the VHS, the Vermont Cultural Heritage and Art Recovery Team (VCHART) coordinates emergency planning and disaster response for local historical societies, museums, and other community-based repositories. VCHART links cultural organizations with first-responders and is conducted in cooperation with the State Libraries, the State Archives, and the Division for Historic Preservation. In the aftermath of Irene, VCHART assessed the condition of cultural collections and disseminated information on recovery.
- **League of Local Historical Societies and Museums**: nearly 200 community heritage organizations benefit from their association with VHS through technical assistance, an annual conference and awards program, an e-newsletter, and other activities that promote the work of local societies.
- **Educational Outreach**: schools and home-based educational units have access to resources that aid in the teaching of Vermont history, including traveling trunks, teacher professional development, lesson plans, and reading materials. VHS has partnered with the Department of Education to create new content-rich resources for classrooms that will promote attainment of *Grade Expectations for Vermont's Framework of Standards and Learning Opportunities* for third and fourth grade students. The new *Vermont History Explorer* website (www.vermonthistory.org/explorer) will provide a portal to vast historical resources for teachers and students.
- **Vermont History Expo**: now a bi-annual event, Expo brings together over a hundred local historical societies and other organizations for a statewide celebration of Vermont's history. Called "Vermont's Family Reunion," Expo is still the only event of its kind in the nation. The theme for Expo 2012 will be "Vermont in the Civil War."

- **Civil War Sesquicentennial**: VHS is leading efforts to coordinate a statewide commemoration of the 150th Anniversary of the Civil War. The VHS Executive Director serves as chair of the Vermont Civil War Sesquicentennial.
- **Town 250th Anniversaries**: The VHS, in partnership with the Vermont League of Cities and Towns and the Vermont Department of Tourism and Marketing has developed a toolkit to promote community-wide commemorations of the 250th anniversaries of Vermont towns occurring in the next four years.

Museum and Educational Programs

- **Freedom & Unity Exhibition:** over 10,000 people tour the exhibition at the History Museum in Montpelier annually, including almost 5,000 Vermont schoolchildren (who have free admission).
- **Museum collections:** VHS cares for a collection of over 25,000 objects that document the lives of Vermonters. The VHS also houses the state's collection of Civil War flags.
- **Public Programs:** offerings include Martin Luther King Day programs, Farmers Night at the Statehouse, historic games at events throughout the state, Annual Meeting and Conference and special events throughout the year.
- **Vermont Women's History Project**: provides research opportunities and public programs about the lives of Vermont women. Programs in 2011, conducted in partnership with the Vermont Commission for Women, documented the experiences of Vermont's women veterans.
- **Vermont History Day**: provides an opportunity for middle and high school students to research historical topics and present their findings through documentaries, exhibits, websites, research papers and dramatic performances. Nearly 200 students participate in the statewide competition each year, which is held as a preliminary for the National History Day competition.

Research and Publications Programs

- **Library Collections:** VHS cares for a collection of over 50,000 books and serials; 30,000 photographs; and thousands of manuscripts, broadsides, maps, films, audio recordings, and microfilm.
- **Research Services:** over 1,200 people conduct research at the Leahy Library at the Vermont History Center in Barre each year, including students, scholars and genealogists. Hundreds more are served remotely through email, phone and written correspondence.
- **Online Resources:** VHS is increasingly making research materials accessible through the website (www.vermonthistory.org), including photographs, manuscripts, diaries and letters. Working in conjunction with the Center for Digital Initiatives and the Department of Special Collections at UVM, the VHS is creating online versions of Civil War letters and diaries.
- **Publications Programs:** VHS publishes a variety of titles on Vermont history and promotes access to publications through the annual *Book List.* Recent publications, *We Go As* Captives, a narrative of the Royalton Raid, and *A Very Fine* Appearance, a collection of photographs of Vermont Civil War soldiers, have been very popular in Vermont and beyond. The semi-annual journal, *Vermont History,* is enjoyed by nearly 3,000 subscribers, with back issues accessible through the VHS website.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Historical Society

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Historical Society	0	0	0	795,669	807,694	807,694	807,694
TOTAL	0	0	0	795,669	807,694	807,694	807,694
FUND TYPE							
General Fund				795,669	807,694	807,694	807,694
TOTAL				795,669	807,694	807,694	807,694

Appropriation Key Budget Issues

The Vermont Historical Society has been running operating deficits since opening the Vermont History Center in 2002. Reserve funds and extraordinary draws on endowment funds have been used to balance budgets. This is no longer a sustainable course for the organization; the Board of Trustees and staff are committed to resolving this situation through a combination of immediate actions and long-term initiatives:

Immediate Responses

- **Expense Reductions:** VHS continues to identify areas for cost savings, including energy conservation, utilization of in-house design talent, and reductions in printing costs. In 2011, VHS utilized a program of Efficiency Vermont to exchange halogen lighting for energy efficient LED fixtures at both the Vermont History Center and the Museum at the Pavilion (providing long-term savings to the state as well). All VHS employees, including management, accepted a 3% salary reduction beginning in FY2011.
- **Revenue Enhancements:** Enlarged marketing efforts have resulted in increases in admissions, program participation fees and bookstore sales. An apparent "boomerang effect" from the success of the recently completed $900,000 *Saving Vermont's Treasures Capital Campaign* has been a significant increase in the annual fund and other unrestricted contributions through the first four months of FY2012. The Board of Trustees has been expanding their involvement in fundraising and other development activities as well.

Long-Term Initiatives

- **Debt Elimination:** The VHS is committed to eliminating $1million in debt remaining from the initial development of the Vermont History Center. An appropriation of $150,000 provided in FY2011 through the state's capital budget as a challenge grant to the VHS, was matched by the VHS, eliminating $300,000 of the liability.
- **Partnerships with State Agencies:** VHS also is developing partnerships with state agencies for mutual benefit. In the spring of 2010, VHS entered into a partnership with *Vermont Life Magazine* to serve as the magazine's retail outlet in the Capital Complex. VHS also has entered into a partnership with the Division for Historic Preservation to share space and operational responsibility for the Vermont Archeology Heritage Center.
- **Endowment Campaign:** Riding on the success of the recently completed *Saving Vermont's Treasures Capital Campaign,* the VHS plans to launch an endowment campaign early in 2012 that will more than double the organization's endowment portfolio.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	795,669	807,694	807,694	807,694
TOTAL	795,669	807,694	807,694	807,694
FUND TYPE				
General Fund	795,669	807,694	807,694	807,694
TOTAL	795,669	807,694	807,694	807,694

Department Mission Statement

The Vermont Housing and Conservation Board (VHCB) is a public body established in 1987 by amendment to 10 V.S.A. to add Chapter 15, with the purpose of improving the quality of life for Vermonters by implementing the dual goals of creating "affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, important natural areas, recreational lands, and historic properties."

The Board's programs serve lower income Vermonters (families earning below median income, with an emphasis on very-low income households) and all Vermonters interested in or users of agricultural, natural, and recreational lands, historic properties and affordable housing. The Board makes grants and loans to municipalities, to non-profit organizations, including land trusts and conservation groups, to housing cooperatives, and to qualifying state agencies.

A major VHCB goal is to assist communities in implementing local plans and activities which further the Board's statutory mission. The Board's awards support community-based projects that preserve affordable housing units, create or rehabilitate additional affordable housing, correct infrastructure deficiencies in mobile home parks, conserve and protect agricultural lands, natural and recreational land and historic properties. The Board's work results in re-investment in downtowns and surrounding neighborhoods while preserving the rural working landscape.

VHCB's program contributes to Vermont's economy in many ways: 1) it leverages more than $4 for every dollar appropriated; 2) affordable housing is critical to economic growth and attracting future employees, and housing construction is one of the most effective generators of jobs; 3) the working landscape is among Vermont's primary economic assets - investment in conservation supports travel, tourism and recreation; investment in agriculture promotes inter-generational transfers, expansion, efficiency and diversification.

Description of Appropriations, Divisions, & Programs

The vast majority of the Board's funds are used to provide grants and/or loans to eligible projects. In housing activities the Board generally provides funds for acquisition and rehabilitation and development of housing properties. For conservation activities the Board generally provides grants to assist in the purchase of an interest in real estate (an easement or purchase of land in fee). The programs are enhanced by matching federal funds administered by VHCB including the HOME Program, HUD Economic Development Initiative/Special Projects Grants, Lead Paint Hazard Reduction Program, Housing for Persons with HIV/AIDS, Farm Preservation Program, and an AmeriCorps program, all of which supplement the VHCB funds in projects. In FY2013, VHCB expects to be closing out several prior year federal programs, including HUD Economic Development Initiative/Special Purpose Grants (EDI/SPG) and a Neighborhood Stabilization Program (NSP) grant.

The VHCB works toward the goal of creating and preserving affordable housing by providing funds for projects with mechanisms which assure perpetual affordability, that serve the most economically distressed households, and by placing a priority on "at risk" housing where a lack of action may result in displacement of residents and where action is necessary to prevent the loss of federally subsidized housing projects. In recent years, because of a housing shortage, the Board has also prioritized developing new units. When reviewing a project the Board considers the availability of other amenities related to housing, including access to social services, transportation, recreation, and access to open space.

Objectives for the retention of agricultural land include the funding of projects which have a specific and current agricultural use, have the potential of being an economically viable farm unit, and/or where the loss of the farm would have significant negative impact on neighboring farms. The Board reviews potential farm applications with the help of an Agricultural Advisory Committee. State funds for purchasing conservation easements are matched on a one to one basis by funds from the federal Farms Preservation Program. VHCB has been able to match state funds with $32.6 million from this program to date.

The Farm Viability Program is now operating in partnership with the Agency of Agriculture, Food and Markets (VAAFM) and works closely with an advisory board, per 6 V.S.A. Section 4710. This program provides technical assistance and business planning to Vermont farmers.

The protection of natural areas and public recreation lands is supported through the funding of projects providing valuable public access to the state's water resources, and other important outdoor recreational lands, often in cooperation with the Agency of Natural Resources and local communities to provide opportunities for hunting, fishing, hiking, bird watching, and cross country skiing among other activities.

VHCB projects also focus on perpetually protecting areas essential to maintaining the ecological diversity or natural heritage of the state, including the perpetual protection of habitat containing one or more endangered species. Many of VHCB's conservation awards support the efforts of local communities to provide ongoing public access to locally important resources. Historic projects include buildings on, or eligible for, the national register of historic places that can be used or converted to affordable housing. VHCB also provides funds for historic buildings of outstanding statewide significance which will have intensive public use.

The Board's audited financials are presented in the state financial statements as a non-major component unit.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vt Housing and Conservation Board	0	0	0	19,771,060	21,612,916	21,612,916	28,407,233
TOTAL	0	0	0	19,771,060	21,612,916	21,612,916	28,407,233
FUND TYPE							
Special Fund				7,808,762	8,772,500	8,772,500	13,993,588
Federal Revenue Fund				11,962,298	12,840,416	12,840,416	14,413,645
TOTAL				19,771,060	21,612,916	21,612,916	28,407,233

Appropriation Key Budget Issues

The Governor has sought to maintain the state's commitment to affordable housing and land conservation during this challenging budget year.

The VHCB annual state appropriation comes mainly from Property Transfer Tax receipts. The budget recommendation is $13,688,640 for funding for VHCB from the Property Transfer Tax in FY13. Of this amount at least $1.64 million will be dedicated to supporting communities directly affected by flooding, assisting homeowners, mitigating flood hazards, and providing technical assistance.

In FY12, to supplement the Property Transfer Tax funding of $8,047,500, VHCB received $4,000,000 from the Capital Bill.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	17,781,060	21,612,916	21,612,916	28,407,233
Other Financing Uses Budget	1,990,000	0	0	0
TOTAL	19,771,060	21,612,916	21,612,916	28,407,233
FUND TYPE				
Special Fund	7,808,762	8,772,500	8,772,500	13,993,588
Federal Revenue Fund	11,962,298	12,840,416	12,840,416	14,413,645
TOTAL	19,771,060	21,612,916	21,612,916	28,407,233

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Humanities Council

Department Mission Statement

The Vermont Humanities Council (VHC) strives to make Vermont a state in which every individual reads, participates in public affairs, and continues to learn throughout life.

The VHC believes that engagement with the world of ideas, in interaction with others, contributes uniquely to richer lives, stronger communities, a more humane society, and a better world. Because the humanities and the world of ideas belong to everyone, the VHC has developed a broad range of programs that serve Vermonters of all ages and backgrounds. The humanities include history, literature, art history, and comparative religion. They are the tools of self-reflection; they help us better understand ourselves and others, and the past and present.

Description of Appropriations, Divisions, & Programs

The State of Vermont's allocation to VHC is essential to the pursuit of its mission by complementing federal funds and enabling it to leverage private donations. These funds pay for the critical programs that contribute toward a literate and engaged citizenry and vital, healthy communities.

In 2010 VHC sponsored nearly 1,250 programs; they occurred in 145 Vermont towns, including communities in every county.

VHC promoted literacy for Vermonters of all ages in a variety of ways:

- **Adult literacy students** were served through (a) 72 Connections sessions (21 multi-part programs), of which 35 were at prisons or probation sites; 391 adults participated; (b) programs at Vermont's parent-child centers and programs for pregnant and parenting teens; (c) a collaborative project with ten social service and educational organizations in Rutland and Bennington. A total of 275 women who are struggling to rise out of poverty read and discussed Mary Childers's compelling childhood memoir of growing up in poverty, *Welfare Brat*, and then met with Mary and discussed her story and its relation to their own circumstances. Moreover, (d) VHC professional development programs equipped 30 State of Vermont adult educators who work at Adult Education and Literacy Centers with the skills to lead reading and discussion programs; they, in turn, led reading and discussion programs that reached 272 adult students. VHC provided 624 books free to these AEL programs.

- 156 **at-risk middle-school students** took part in 10 theme-based, week-long humanities summer camps. For a significant number of the students who took part in this program in previous years, their Humanities Camp experience is identified by them, their parents, and their teachers as *the* factor that causes them to improve their attitudes toward school and themselves, identify job aspirations, and, upon graduating from high school, to be the first member of their family to go on to college. 820 free books were given to campers.

- 517 different **child care providers** and 545 different **parents (including incarcerated men and women)** took part in 368 VHC early literacy training workshops, thereby helping to ensure that the thousands of young children in their care are ready and able to learn when they enter school. 11,890 free books were distributed.
- 19 literacy **mini-grants** totaling $5,000 were awarded to other organizations to support literacy projects where a little help could make a big difference. Moreover, 550 books were donated to other literacy organizations.

These various humanities-based literacy programs — conducted in partnership with the Department of Education, Department of Children and Families, Department of Corrections, Adult Literacy Centers, local parent-child centers, and other service providers — serve low-income adults and families struggling with literacy.

In 2010 VHC also ran hundreds of events and other projects that engaged tens of thousands of the general public statewide.

- The number of communities participating in Vermont Reads, VHC's **statewide one-book community program**, reached an all-time high in 2010 with 102 towns reading and discussing Katherine Paterson's novel *The Day of the Pelican*. The program engaged more than 10,000 students and adults (confident and fragile readers alike) in reading and discussing the book and participating in events related to it. Schools, libraries, and scores of other groups — as well as adult literacy students at AEL centers and prisons — took part.
- VHC hosted 212 **free public lectures** or living history performances in libraries, schools, museums, and other community centers in 94 different towns. These events, and the 176 VHC **book discussions** that libraries hosted in 36 different towns, all promoted lifelong learning, reading, and vital libraries. They also contributed to community building, Vermont's "creative economy," and the quality of life in our state.
- **Health care professionals in seven Vermont hospitals** took part in "Literature and Medicine: Humanities at the Heart of Health Care," a national award-winning reading and discussion program that "renews the heart and soul of health care." Literature and Medicine discussions help health care professionals improve their communication and interpersonal skills while increasing their job satisfaction, cultural awareness, and empathy for patients. Since Lit and Med began in 2002, 13 of Vermont's 15 hospitals have taken part in the program.
- In addition, VHC provided 17 **general humanities grants** totaling $34,551 to schools, museums, historical and other community organizations to support their humanities programs. VHC's 2010 **annual autumn conference**, "Comedy and Satire: Ridiculing Vice and Folly," was very successful and drew a large audience. VHC produced for sale, in 2010, its first **music CD, "Vermont History through Popular Song,"** a collection of songs from the Vermont Historical Society's sheet music collection. It featured a booklet with historical information about each song. VHC participated in and helped promote the annual **Poetry Out Loud** program for high

school students, and continues to co-sponsor the **statewide middle school spelling bee**, the winner of which represents Vermont in the national championship.

- For the **Civil War's 150th anniversary** (2011-2115), VHC is incorporating Civil War topics into its existing programs and also started, on October 15, 2010, **The Civil War Book of Days, a weekly e-mail** bringing powerful and poignant words and news of important and interesting events from that week 150 years ago. And VHC's executive director has been an active member of the *Vermont Civil War Sesquicentennial Commission*.

- N.B.: In late 2011, special **disaster relief funds** from the NEH totally $30,000 will be distributed to four non-profit organizations recovering from Tropical Storm Irene flooding.

VHC will continue its commitment to literacy, lifelong learning, and community engagement.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Humanities Council

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Vermont Humanities Council	0	0	0	172,670	172,670	172,670	172,670
TOTAL	0	0	0	172,670	172,670	172,670	172,670
FUND TYPE							
General Fund				172,670	172,670	172,670	172,670
TOTAL				172,670	172,670	172,670	172,670

Description of Appropriations, Divisions, & Programs

The state allocation has and will continue to advance the work of leading Vermont toward full literacy. Vermont state participation is an essential component which complements federal funds and private donations. These appropriated funds not only pay for the material programs that we provide but demonstrate the State's commitment to a literate, well-read citizenry.

Examples of program successes:

1. Last year we were able to support over 2,500 humanities programs reaching Vermonters from every county.

2. In partnership with the Agency of Human Services, the Department of Health, local parent-child centers, and other service providers, we were able to furnish books through more than 100 Connections programs, the adult literacy student conference, and fifteen humanities camps which serve low-income families to develop a love of reading for all family members.

3. The Council's grants program, mini-grants, and Creating Communities of Readers grants provided over $250,000 to historical societies, community groups for literacy, museums, adult basic education centers and other service organizations.

4. Lectures and performances through our Speakers Bureau in more than 100 Vermont towns and the autumn conference challenged participants to learn about history, literature, philosophy, and other humanities ideas that foster community building.

5. Our Never Too Early program furnished approximately 500 childcare providers with books and training to learn how to stimulate the love of reading in young children.

6. The Council sponsored over 275 book discussion programs for general audiences throughout the state.

We firmly believe it is critical to Vermont's future that every citizen be able to read, write and discuss ideas. The Vermont Council on the Humanities will continue our commitment to literacy for all Vermonters and to the enrichment by the humanities in the personal lives and public discourse of our State.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Vermont Humanities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	172,670	172,670	172,670	172,670
TOTAL	172,670	172,670	172,670	172,670
FUND TYPE				
General Fund	172,670	172,670	172,670	172,670
TOTAL	172,670	172,670	172,670	172,670

Agency Mission Statement

The Vermont Agency of Transportation's vision is a safe, efficient and multimodal transportation system that promotes Vermont's quality of life and economic wellbeing.

VTrans' mission is to provide for the safe movement of people and goods in a reliable, cost effective and environmentally responsible manner.

Vermont has an extensive multi-modal transportation system. With oversight from the Vermont Legislature, VTrans is responsible for multimodal transportation planning, the development and implementation of a variety of transportation infrastructure including but not limited to roads, bridges, state owned railroads, airports, park and ride facilities, bicycle facilities, pedestrian paths, public transportation facilities and services, the maintenance of transportation infrastructure and DMV operations and motor carrier enforcement.

VTrans has approximately 1,274 employees organized in four divisions, Policy, Planning and Intermodal Development, Finance and Administration, Program Development and Operations. The Department of Motor Vehicles is also housed within the Agency of Transportation, has a main office in Montpelier and ten satellite offices statewide. The Operations Division, which has the largest number of employees, has the responsibility for maintaining the State's transportation infrastructure and is organized in nine districts. There are district garages strategically located throughout the State and these employees plow snow in the winter and perform other roadway and bridge maintenance during the summer. The Operations Division is VTrans front line employees and has a service ethic that is best described as "service beyond self."
VTrans interacts with all State agencies and agencies within the United States Department of Transportation as well as other federal agencies, numerous regional and state governments and international jurisdictions and cross-border organizations, local governments, transit agencies, airports, railroads and the other private and non-profit entities engaged in transportation related activities. In addition, Vermont's eleven Regional Planning Commissions and, in the Burlington region, the Metropolitan Planning Organization, develops regional transportation plans and provides input to VTrans in identifying and prioritizing transportation projects in their regions.

VTrans serves the entire population of the State of Vermont. It owns rail lines throughout the state and 9 state airports. There are three advisory councils to VTrans, Rail Council, Aviation Council and the Public Transit Council.

The transportation budget is composed of Federal, State and Local funds. Federal fund sources come from the Federal Highway Administration, Federal Transit Administration, Federal Railroad Administration and the Federal Aviation Administration. State funds are appropriated from the State Transportation Fund. The State Transportation revenues are derived primarily from three sources, the gas tax, the purchase and use tax and Department of Motor Vehicle fees. The gas tax is a declining

revenue source.

To meet these various objectives, VTrans has established a set of five goals that act as guiding principles in everything the Agency does. These goals are:

SAFETY: Make safety a critical component in the development, implementation, operation and maintenance of the transportation system.

EXCELLENCE & INNOVATION: Cultivate and continually pursue excellence and innovation in planning, project development and customer service.

PLANNING: Optimize the movement of people and goods through corridor management, environmental stewardship, balanced modal alternatives and sustainable financing.

PRESERVATION: Protect the state's investment in its transportation system.

ENVIRONMENTAL STEWARDSHIP: Build, operating and manage transportation assets in an environmentally responsible manner.

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
AOT Division Approps and Programs	1,010	1,007	1,038	469,634,048	469,746,849	464,021,849	499,153,036
AOT Department of Motor Vehicles	249	234	235	23,815,602	25,412,693	24,112,693	25,728,361
AOT Town Highway Programs	0	0	0	53,662,437	58,388,748	58,488,748	133,428,147
TOTAL	1,259	1,241	1,273	547,112,087	553,548,290	546,623,290	658,309,544
FUND TYPE							
Transportation Fund				178,246,505	191,578,076	191,578,076	201,274,518
Special Fund				15,744,917	19,009,937	19,009,937	24,306,637
American Recovery & Reinvestment Act				66,280,301	40,582,716	40,582,716	6,301,953
Federal Revenue Fund				244,097,374	276,191,518	269,266,518	390,536,639
Internal Service Fund				17,988,746	17,286,915	17,286,915	18,653,244
Transportation: Local Match				11,177,178	3,465,052	3,465,052	2,919,356
Interdepartmental Transfer				1,225,234	5,434,076	5,434,076	4,317,197
Transporation Bond Fund				12,318,109	0	0	10,000,000
TOTAL				547,078,364	553,548,290	546,623,290	658,309,544

Appropriation Key Budget Issues

The Aviation Program provides a safe environment for users of the system, preserving the aviation infrastructure, promoting aviation-related activities and education programs, and expanding travel opportunities at the 16 public use airports located throughout Vermont.

FY13 Aviation Key Budget Issues

Vermont's aviation assets (essential infrastructure including runways) remain in relatively stable, good condition. The focus in FY13 needs to be on a continuing, modest level of investment to maintain the current infrastructure. In addition, the Aviation Program will continue to make FAA mandated runway safety area improvements at all State owned airports, as well as upgrading assets when it makes sense for economic development, safety, and security purposes.

The proposed FY13 budget includes a modest investment, as well as continued support for Vermont's major commercial service airport – Burlington International Airport – which is municipally owned. The State match for Burlington International is currently at the highest level as allowed by statute. With FAA Reauthorization still undecided, federal funding participation is planned at 95 percent (5 percent match) in FY13. With major runway reconstruction projects on the horizon, the Aviation Program will continuing solid relations with our Federal partners to fund all eligible projects. A Public runway extension effort is planned for Middlebury with continued planning efforts in FY13. An additional Public/Private runway extension effort is planned for Newport. The Runway Safety Area project at the Rutland Southern Vermont Regional Airport is ongoing and will meet new FAA safety criteria and compliance standards. Routine FAA projects, such as equipment, maintenance, fencing, and lighting will now be combined into a single grant. In an effort to decrease operating expenses, aging snow removal equipment will be replaced with federally funded equipment at many of our airports greatly reducing possession charges.

Land-side infrastructure improvements are planned for FY13 to include the replacement of aging heating systems and aeronautical fueling systems, statewide. The shortcomings identified in the Airport System Plan will continue to be addressed this year. Statewide Private hangar development will be a primary focus, expediting the build out of the much needed hangar space on our airports, generating additional revenues.

Grid-tied and Off-Grid Solar technology will continue to be implemented statewide, reducing the Systems energy consumption. A 48KW solar array will be installed at the Rutland Southern Vermont Regional Airport, nearly eliminating the energy consumption for the airport. The Program will continue to replace our aging and failing Hazard Beacons with Off-Grid Solar Beacons.

Convenient air service is an integral component of moving people and goods, and has been determined

to be among those criteria reviewed by businesses evaluating Vermont. Cape Air, which provides commercial passenger service from the Rutland Southern Vermont Regional Airport to Boston, is at the highest passenger levels in twenty years and continues to provide a critical service to the region. In addition to the two commercial service options (Burlington and Rutland), airports must be able to accommodate corporate and business travelers in all weather conditions with 24-hour access. Appropriate runway length, good instrument approach capability (navigational aids), and lighting facilities are key components for providing a safe environment for business, recreational, and emergency responders. The commissioning of GPS approaches, statewide will be another focus, increasing safety and the functionality of our airports.

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Finance and Administration	121	117	119	12,742,890	12,006,786	12,006,786	11,766,498
Aviation	8	7	8	37,480,802	7,743,984	6,493,984	6,180,297
Transportation Buildings	0	0	0	2,038,517	2,111,000	2,111,000	2,961,000
Program Development	297	296	301	271,449,904	265,800,465	258,300,465	320,965,278
Rest Areas	0	0	0	584,190	7,445,000	7,445,000	6,143,000
Maintenance State System	497	502	515	67,912,447	67,266,792	70,291,792	69,401,991
Policy & Planning	32	32	34	8,080,463	10,039,294	10,039,294	10,098,944
Rail	10	12	16	30,756,933	54,639,361	54,639,361	27,343,988
Public Transit	7	4	5	20,599,156	25,407,252	25,407,252	25,638,796
Central Garage	38	37	40	17,988,746	17,286,915	17,286,915	18,653,244
TOTAL	1,010	1,007	1,038	469,634,048	469,746,849	464,021,849	499,153,036
FUND TYPE							
Transportation Fund				119,461,006	128,833,681	130,033,681	136,292,323
Special Fund				14,806,459	16,984,062	16,984,062	19,844,334
American Recovery & Reinvestment Act				61,219,736	40,582,716	40,582,716	6,301,953
Federal Revenue Fund				231,925,804	258,096,546	251,171,546	303,371,804
Internal Service Fund				17,988,746	17,286,915	17,286,915	18,653,244
Transportation: Local Match				10,657,631	2,528,853	2,528,853	1,372,181
Interdepartmental Transfer				1,222,834	5,434,076	5,434,076	4,317,197
Transporation Bond Fund				12,318,109	0	0	9,000,000
TOTAL				469,634,048	469,746,849	464,021,849	499,153,036

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	9,324,622	9,454,757	9,454,757	9,524,960
Operating Expenses	3,188,823	2,197,029	2,197,029	1,931,538
Grants	229,445	355,000	355,000	310,000
TOTAL	12,742,890	12,006,786	12,006,786	11,766,498
FUND TYPE				
Transportation Fund	11,904,537	11,028,070	11,028,070	10,882,996
Federal Revenue Fund	838,353	978,716	978,716	883,502
TOTAL	12,742,890	12,006,786	12,006,786	11,766,498

Appropriation Key Budget Issues

Transportation Buildings work includes:

- A systematic replacement cycle for facility components such as roofs, heating plants, and fuel storage tanks.
- New salt and sand sheds (to address environmental and operational efficiency issues).
- Major renovations when required (heating, new bays for additional trucks, connections to municipal sewer systems, electrical service upgrades, energy efficiency upgrades such as lighting, insulation, and windows).
- New brine making facilities to support winter maintenance operations.
- New garages to replace those which due to their poor condition are beyond rehabilitation or repair.
- Review of existing electrical systems and priority repair of systems that are substandard or unsafe.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,730,113	2,578,742	2,578,742	1,724,402
Operating Expenses	33,631,243	5,005,242	3,755,242	4,079,395
Grants	119,446	160,000	160,000	376,500
TOTAL	37,480,802	7,743,984	6,493,984	6,180,297
FUND TYPE				
Transportation Fund	3,282,692	3,396,984	3,271,984	2,983,547
American Recovery & Reinvestment Act	3,494,387	0	0	0
Federal Revenue Fund	30,703,723	4,347,000	3,222,000	3,196,750
TOTAL	37,480,802	7,743,984	6,493,984	6,180,297

Appropriation Key Budget Issues

The core appropriations within Program Development are Interstate, and State Highway Bridge; Paving; Roadway; Traffic Safety; Park and Ride; VT Local Roads Program; Municipal Mitigation Grant Program and Local Transportation Facilities. Under a separate appropriation, though managed by Program Development, is the Town Highway Bridge Program.

The ups and downs in fuel and material costs, continued lag in state revenues, and lack of a federal reauthorization makes for challenging times in project estimating and scheduling. Post summer 2011 flooding repair projects utilizing FHWA ER funds have added further complexity. Even so, as in previous years the primary focus for Program Managers in developing the FY13 budget was to apply asset management principles in concert with continued use of the VTrans' Project Prioritization Systems. Through this effort, the Agency has a clear and transparent method for choosing the projects to move forward in the project-development process.

General highlights for each of the core appropriations are as follows:

Bridge Program**: Preservation and enhancement of existing bridges and large culverts remains the primary focus. Design and construction of permanent bridges to replace temporary and flood damaged bridges will be a significant issue and will continue for several years ahead. The program inspects and develops projects for the Interstate, State, and Town Highway bridges. An ageing network of highway bridges highlights the significant challenge before us. The project selections and program emphasis areas are geared to optimize the rate of return on any state, federal, and local dollars applied to this need.**

Paving: Paving (or roadway surface preservation) remains one of the primary areas of focus for Program Development as it is recognized as a key activity for ensuring a safe and mobile transportation system. This year's budget for paving has been increased over FY '12 levels. This increase will provide funding to continue to reduce the number of miles of very poor highway segments and provide funding for preventive maintenance of the good and fair highway segments. This budget results in funding available to allow for an increase in the number of miles of highway addressed by the program as compared to historic funding levels. Preservation, preventive maintenance, and rehabilitation of our Interstate, State, and Class 1 Town Highways through innovative practices allows for an optimization of the dollars available.

Roadway: The Roadway Program aligns resources toward system preservation strategies such as needed ledge and slope repairs as well as small culvert and drainage system repairs. In addition several highway reconstruction projects will be under construction, such as the Bennington Bypass, US 7 in Brandon, US 2 in Danville and Cabot, Barre City Main Street and the Morristown Alternate Truck Route.

Traffic & Safety: Highway safety activities for this program are identified through the Highway Safety Improvement Program and the Strategic Highway Safety Plan. As crash data across the state indicates a steady decline in numbers within emphasis areas, this budget will look to refine the partnerships, coalitions and strategies associated with highway safety. Through this refinement, VTrans and other highway safety partners statewide will look to take the next step in reducing crashes through collaborative approaches. Specific safety projects that will be under construction during this year include: roundabouts in Cambridge, Waterbury and Manchester, traffic signal upgrades statewide including a new signal in Essex as well as a continued emphasis on traffic signs and pavement markings.

Local Transportation Facilities (LTF): The Agency remains committed to offering municipalities the opportunity to manage projects at the local level, and the Agency continues to leverage federal and state funds so that communities can deliver transportation infrastructure improvements on the local level. With this opportunity, however, comes the need to ensure compliance with federal aid requirements, and this activity is one of the LTF mandates. The FY13 Bicycle and Pedestrian Program budget proposal is approximately 5% greater than FY 12 and the Enhancement Program likewise anticipates an approximate 30% increase. There continues to be progress on the many earmark and scenic byway projects as well as a number of locally managed projects within the Roadway, Traffic & Safety and Town Highway Bridge Programs.

Park & Rides: The Park & Ride program is recognized as a critical area of investment considering the number of Vermonters that make significant daily commutes to work coupled with the trend towards gasoline price increases and global climate change. As a result, FY13 funding for this program remains stable, and important projects in Enosburg, Hartland, Putney, Royalton, Springfield, St. Johnsbury and a statewide signing project are slated for either completion or commencement of construction. It also contains funding for the rehabilitation of a historic rail building at the Vergennes Park & Ride facility for use as a welcome center and continuation of the popular municipal Park & Ride program.

The Agency goals of Safety, Planning, Preservation, and Excellence are the guiding principles in the FY13 Program Development budget.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Transportation Buildings

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	205,061	0	0	0
Operating Expenses	1,833,456	2,111,000	2,111,000	2,961,000
TOTAL	2,038,517	2,111,000	2,111,000	2,961,000
FUND TYPE				
Transportation Fund	1,487,055	1,001,000	1,001,000	1,856,000
Special Fund	530,699	1,110,000	1,110,000	1,105,000
Federal Revenue Fund	20,763	0	0	0
TOTAL	2,038,517	2,111,000	2,111,000	2,961,000

Appropriation Key Budget Issues

Our ability to address the maintenance needs of Vermont's aging infrastructure is still hampered by limited financial resources. Vermont continues to experience failures in its systems' components, as a number of bridges, culverts and pavements have exhausted their useful life. We recognize the critical importance of our transportation assets and continue to pursue funds to specifically address those needs.

Despite the ongoing fiscal constraints, the Maintenance Section was able to continue to focus on the areas of paving, bridge repair, culvert repair, and culvert replacement. We have continued to see a modest increase in infrastructure investment, and that has allowed us to expand our focus into other needed areas such as major structural repairs for bridges and roadway surfaces. Our increased emphasis on preventive maintenance for bridges will extend their useful life and lessen the need for more costly repairs and replacements in the future. Using current in-house talent, we have strengthened our bridge crews to include a certified bridge welding unit and bridge joint specialists, and have purchased our own concrete box forms to enable us to manufacture our own box culverts at a substantial cost savings. One of the top priorities of this bridge unit is to work towards eliminating all critical bridge reports. Maintenance has also created its own in-house paving/leveling section from existing talent. We are working in conjunction with Program Development to identify district projects which make the best use of our current funding levels so we can identify and meet infrastructure needs.

The traveling public continues to demand more from its transportation system. Commuting hours have expanded, travel patterns are changing, and there continues to be an increase in vehicle miles traveled. We are challenged to meet winter service needs with our limited resources. Fuel costs, operational costs, and the volatile cost of materials influence how we address these needs. Through experience and analysis, we are modifying the way we do business to work smarter to continue to meet the public's expectations. Exploration and experimentation with methodology and equipment to decrease salt and sand usage is underway. The use of salt brine has been adopted as a new tool to help winter maintenance, and is currently utilized in three of the nine maintenance districts. Salt brine can lower material, equipment and overtime costs while still meeting or exceeding current levels of service.

VTrans will continue its emphasis on developing and using asset management and performance measures. Inventory and condition rating of small culverts is underway and will allow for targeted investment. Better coordination with other parts of the Agency will result in shared efforts to improve systems and react to problems.

Vermont has made great strides in attaining real-time information for its transportation users. However, additional efforts are still necessary to better allow users of the network to make informed decisions when they travel. ITS systems such as 511 and Road Weather Information Systems (RWIS) continue to be enhanced to provide better information, and disseminate it to the traveling public. In addition to real time traveler information, ITS services provide our staff with timely and appropriate information about weather events for their use in performing snow and ice control activities. VTrans continues to pursue

the installation of fiber optic cable to provide better connectivity with State highway garages and the various ITS system components that will serve not only VTrans but the traveling public as well.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	41,200,300	36,255,937	36,255,937	36,309,069
Operating Expenses	215,996,822	199,450,849	191,950,849	247,286,883
Grants	14,252,782	30,093,679	30,093,679	37,369,326
TOTAL	271,449,904	265,800,465	258,300,465	320,965,278
FUND TYPE				
Transportation Fund	21,074,395	29,381,520	27,681,520	32,968,750
Special Fund	14,093,606	13,516,260	13,516,260	16,189,166
American Recovery & Reinvestment Act	39,523,425	5,328,993	5,328,993	0
Federal Revenue Fund	172,828,338	210,051,644	204,251,644	257,665,181
Transportation: Local Match	10,627,099	2,528,853	2,528,853	1,372,181
Interdepartmental Transfer	951,209	4,993,195	4,993,195	3,770,000
Transporation Bond Fund	12,318,109	0	0	9,000,000
TOTAL	271,449,904	265,800,465	258,300,465	320,965,278

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Rest Areas

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	145,021	270,000	270,000	170,000
Operating Expenses	439,169	7,175,000	7,175,000	5,973,000
TOTAL	584,190	7,445,000	7,445,000	6,143,000
FUND TYPE				
Transportation Fund	165,951	259,460	259,460	116,628
Special Fund	0	926,134	926,134	1,041,168
Federal Revenue Fund	418,239	6,259,406	6,259,406	4,985,204
TOTAL	584,190	7,445,000	7,445,000	6,143,000

Appropriation Key Budget Issues

Vermont is unique in that about two thirds of the active rail lines are state-owned, whereas most rail lines in the US are privately owned. VTrans primary focus is on the preservation and improvement of Vermont's rail infrastructure, both publicly owned and private, and encouraging increased use of rail for moving freight efficiently.

Vermont's rail infrastructure, especially bridges, must eventually meet the national standard of handling 286,000 pound rail cars in order for Railroads in Vermont to compete and be compatible with the National network. Achieving this standard will be essential to the support of future economic growth and will also provide the means for decreased truck traffic on Vermont highways.

In addition to bringing the rail infrastructure to the 286,000 standard, Vermont must continue to work to improve rail clearances to accommodate both high and wide loads such as double stack containers and tri level autoracks. Preserving and improving our rail infrastructure also provides opportunities for passenger and/or intercity rail transport that is economically feasible and optimizes services. One of our major clearance projects, the Bellows Falls Tunnel, has been completed. Enlarging the tunnel eliminated restriction for modern autoracks and modified double stack container trains, and opened up opportunities for further development of freight traffic on Vermont railroads.

Major work needs to be done on a significant number of state owned rail bridges to bring them to the 286,000 standard. VTrans must now inspect these bridges annually in order to comply with new FRA regulations, and we are developing a process to meet the new FRA bridge management regulations. We have a number of bridges in the pipeline for rehabilitation/replacement, and in the coming years we will work toward bringing the Bellows Falls-Florence-Rutland-Hoosick Junction corridor to the 286,000 standard.

SAFTEA-LU also provided an earmark to VTrans for improvements on the Western Corridor rail system. The Environmental Impact Study for the Middlebury Rail Spur project has been completed and the Record of Decision has been issued. Focus is now shifting to project delivery. In addition to the SAFTEA-LU earmark, VTrans is utilizing FRA funds to upgrade portions of the Vermont Railway between Bennington and Burlington to provide an improved infrastructure for increased freight usage and future passenger usage.

ARRA funding brought with it the High Speed Intercity Passenger Rail (HSIPR) grant for improvements to the New England Central Rail (NECR) line to allow for improved service with the Vermonter. Vermont received a $50,000,000 federal grant to be used as part of a $70,000,000 project. Being one of the first in the nation to secure this funding has brought a lot of focus to Vermont and our relationship with the NECR being much better than other state's enjoy with their railroads! This project has begun and we anticipate completion by the end of FY '12.

VTrans continues to make infrastructure improvements to the Washington County Railroad's Connecticut River line between White River Junction and Newport. These improvements allow freight trains to move more efficiently and safely, and allow for the introduction of passenger excursion trains along various portions of the line.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	34,766,308	35,559,722	35,559,722	34,893,490
Operating Expenses	33,106,625	31,657,070	34,682,070	34,458,501
Grants	39,352	50,000	50,000	50,000
Non Operating Exp Budget	162	0	0	0
TOTAL	67,912,447	67,266,792	70,291,792	69,401,991
FUND TYPE				
Transportation Fund	64,983,560	65,611,298	68,636,298	68,615,000
Special Fund	147,347	0	0	0
Federal Revenue Fund	2,772,049	1,555,494	1,555,494	686,991
Interdepartmental Transfer	9,491	100,000	100,000	100,000
TOTAL	67,912,447	67,266,792	70,291,792	69,401,991

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	2,870,486	3,181,304	3,181,304	3,823,747
Operating Expenses	968,585	1,197,710	1,197,710	1,289,488
Grants	4,241,392	5,660,280	5,660,280	4,985,709
TOTAL	8,080,463	10,039,294	10,039,294	10,098,944
FUND TYPE				
Transportation Fund	1,519,458	1,958,857	1,958,857	1,878,444
Federal Revenue Fund	6,298,871	7,739,556	7,739,556	7,773,303
Interdepartmental Transfer	262,134	340,881	340,881	447,197
TOTAL	8,080,463	10,039,294	10,039,294	10,098,944

Appropriation Key Budget Issues

The FY13 Public Transit budget closely resembles previous year budgets in terms of general programs, funding sources, and priorities. The overall public transit program is geared towards continuing efforts to strengthen a statewide, integrated public transit system to meet general public and human-service transportation needs. The Federal Transit Administration (FTA), through which much of the transit program's funding is acquired, requires a high level of coordination among the various facets of the program. This coordination of the various public transit funding sources and services is intended to achieve maximum service and utility.

Sources of operating funds have remained the same in FY13 as in recent years and funding levels are relatively static. Those funding sources are described in detail below. The need for capital funding, specifically for the replacement of vehicles, is enjoying a brief respite due to previous year's success with the FTA's "State of Good Repair Bus and Bus Facility" discretionary grant program. This boost in vehicle replacement funding will serve toward Vermont's ongoing efforts to maintain a fleet of vehicles that are in safe, good working order. Capital needs in advanced dispatch and operating software were luckily met through the same grant source this year. This will allow each transit provider to become more effective and provide a more coordinated service. Vermont was also awarded a specialized grant to meet the transit needs of veterans and their families through electronic coordination and access to specialized information about transit resources. Both of these new projects will require a 20% match.

We will need to implement both discretionary projects and fund the match for the dispatch software, hopefully from DVHA and match for the Veteran's Transportation and Community Living Initiative (VTCLI) as well as develop an implementation process.

FTA provides funding for public transit service in Vermont to two direct recipients, Chittenden County Transit Authority (CCTA) and the Vermont Agency of Transportation (VTrans). CCTA is a direct recipient and service provider and VTrans sub-contracts transportation serviceto regional transit providers. Actual transportation services are provided primarily through the 10 regional, not-for-profit transportation organizations, including CCTA. Funding is provided under the terms and conditions of annual grant agreements. These funds are distributed through a competitive process based on need and quality of applications.

Funding sources include:

Congestion Mitigation and Air Quality Program - this federal program (FHWA transfer) enables transportation agencies (for-profit and not-for-profit) to implement projects which reduce transportation related emmissions. Public transportation is one of the identified transportation control measures eligible for projects through the Clean Air Act if an increase in public transit ridership can reasonably be expected to result from the project. This expectation must be supported by a quantified estimate of the effects on emissions. The federal share for eligible projects is 80 %. The local match (non federal or state funds) requirement is 20 % during the 3-year demonstration period and is supplied by the affected municipalities and businesses. Many of these projects have successfully completed their

demo period with excellent ridership and state and federal funding to sustain them is included in this budget.

Non-Urbanized Transportation funds- assist non-urbanized areas (population less than 50,000) with transportation that is open to the general public. The federal funding share for eligible project administration and preventive maintenance is 80 %. The federal share for eligible operating assistance is 50 %. The local match requirement is 20 % and 50 % respectively, which is derived partially from Vermont state public transportation funds. Marketing, an essential tool in the success of public transit, is an eligible expense.

Urbanized Transportation funds - assists urbanized regions (at least 50,000 in population) with transportation that is open to the general public. Chittenden County is the only urbanized area in Vermont. The federal funding share is 80 %for admin and maintenance and 50% for operations. The local match is 20 and 50%, much of which is derived from Vermont state public transportation funds. VTrans allows CCTA to apply directly to the Federal Transit Administration for this funding.

Vermont Rural and Urban Preventive Maintenance Program funds - eligible preventive maintenance for vehicle maintenance functions and non-vehicle maintenance functions (i.e. repair of buildings, grounds and equipment, etc). The federal share is 80 % and the local match (non federal) is 20 %.

Rural Technical Assistance Program funds - restricted to Federal Transit Administration approved training and technical assistance expenses in non-urbanized areas through a scholarship of $3,000 to each subrecipient provided by VTrans' Public Transit Section. In addition, the Public Transit Section administers a statewide training program developed in consultation with the Public Transit Advisory Committee. The federal share is 100 %. And supports Vermont and Federal emphasis areas such as safety.

Elders and Persons with Disabilities Program - funds door-to-door human service transportation. Specifically, funds support transportation for elders (age 60+) and persons with disabilities as defined by the Americans with Disabilities Act (ADA). Service is provided for non-Medicaid transportation, transit to senior meal sites, adult day programs, essential shopping trips to the grocery store or pharmacy, and employment trips.

Each region has a Regional Elderly and Disabled Advisory Committee (REDAC) which recommends local allocations of E&D funds. REDAC representatives include the involved public transit providers, area agencies on aging, adult day services, community mental health centers or designated agencies, community action councils, all Agency of Human Services Field Services Directors in each planning region, consumer representatives, chambers of commerce, statewide advocacy groups, local human service agencies, and other concerned parties. REDACs meet at least quarterly to review eligibility approval, current service levels, service quality concerns, budget balances, funding issues, and matters that will improve services to consumers. Reviews of current service levels include verifying that services are the most cost effective and appropriate to meeting consumer needs, and use only authorized and appropriate modes of transportation. The federal funding share is 80 %. The local match requirement is 20 %, which is derived from local human service organizations participating in the REDACs or through volunteer, in-kind donations.

Job Access Reverse Commute Program funding - assists individuals successfully transition from welfare to work by reaching needed employment support services such as jobs, childcare and job-

training activities. The federal share is 50 % for operating match and 80% for capital. The local match requirement is 50 % for operating and 20% for capital which is derived from state funds. Vermont prepared and updates the local Human Service Transportation Coordination Plan required to access this federal funding. . The only currently funded JARC route in Vermont is Williston to Burlington.

New Freedom Program - enhance transportation to persons with disabilities beyond mandates associated with the American with Disabilities Act. Examples of eligible projects as identified by FTA include mobility management, door-to-door transportation outside of the ¾ mile Complementary ADA Paratransit mandate of a fixed route, installation of lifts beyond 600 pounds. The federal funding share for operating services is 50 % with 50 % local match. The federal share for capital projects is 80 % with 20 % local match. Projects funded through this program must appear in the local Human Service Transportation Coordination Plan. A portion of this funding is eligible for urbanized areas only.

GoVermont Program – their mission is to move people from individual travel in cars to more efficient transportation options. Through a one-stop clearinghouse of information and services relating to carpools, vanpools, public transit routes and park and ride locations, the Go Vermont program encourages Vermonters to examine their travel options and make educated transportation choices. The GoVermont Program's commitment to the economic well-being and quality of life for all Vermonters is demonstrated by the program's positive impacts such as the reduction of energy consumption, the reduction of traffic volume and improved air quality. Services provided through the Go Vermont program include automated matching for carpool, vanpool, and public transit routes, an emergency ride home service, as well as program development and marketing assistance to Vermont employers.

VTrans' Public Transit Section administers this program in-house and has worked with Maine to implement a bi-state coordinated and management of the automated matching software program. Also, VTrans entered into a contract with a vanpool management firm to increase our efforts in this area. VTrans has an enhanced database system to assist the general public with ride match possibilities and is implementing an intensive statewide marketing plan promoting the program. In FY11, the program entered into contracts to perform "Direct to Business" and "Direct to School" outreach functions and also provided funding assistance to the Upper Valley Transportation Management Area, the Northeast Kingdom's "Pool to School" program, and Vermont's first car sharing not-for-profit company, CarShare VT. Also in FY11, The Go Vermont program began a "Local Energy Committee Support" program, where these organizations can use their local knowledge and efforts to promote the Go Vermont program and services.

Capital Assistance funding – provides vehicle and other capital to the elders and persons with disabilities and the general public programs. This assistant must meet FTA vehicle and fleet regulations as well as maintenance and administrative equipment; bus shelters; bike/ski racks, etc.. The federal share for all capital assistance projects is 80%. The local match requirement is 10%, while the remaining 10% is derived from state funds.

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,594,338	4,271,926	4,271,926	3,695,897
Operating Expenses	27,162,595	50,367,435	50,367,435	23,648,091
TOTAL	30,756,933	54,639,361	54,639,361	27,343,988
FUND TYPE				
Transportation Fund	9,203,156	9,354,381	9,354,381	9,508,058
Special Fund	34,807	1,431,668	1,431,668	1,509,000
American Recovery & Reinvestment Act	16,026,176	33,773,723	33,773,723	6,301,953
Federal Revenue Fund	5,462,262	10,079,589	10,079,589	10,024,977
Transportation: Local Match	30,532	0	0	0
TOTAL	30,756,933	54,639,361	54,639,361	27,343,988

Appropriation Key Budget Issues

The VTrans Central Garage purchases, maintains, and administers the Agency's fleet of vehicles and equipment using an internal service fund. Vehicles and equipment are rented to the maintenance districts, DMV, and other VTrans' divisions. Rental income from those customers covers depreciation, fuel, service, and overhead.

We continue to focus returning our plow truck fleet to an 8 - 10 year replacement schedule, from which we have slipped in recent years. Timely replacements minimize costly repairs and breakdowns.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	833,914	511,561	511,561	724,629
Operating Expenses	173,133	182,347	182,347	168,280
Grants	19,592,109	24,713,344	24,713,344	24,745,887
TOTAL	20,599,156	25,407,252	25,407,252	25,638,796
FUND TYPE				
Transportation Fund	5,840,202	6,842,111	6,842,111	7,482,900
American Recovery & Reinvestment Act	2,175,748	1,480,000	1,480,000	0
Federal Revenue Fund	12,583,206	17,085,141	17,085,141	18,155,896
TOTAL	20,599,156	25,407,252	25,407,252	25,638,796

Department Mission Statement

The Department of Motor Vehicles' (DMV) mission is to administer motor vehicle and related laws, promote highway safety, and collect transportation revenues, while providing a high level of both customer service and satisfaction as well as to perform these tasks in a timely and cost-effective manner.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Central Garage

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,502,401	3,464,636	3,464,636	3,729,034
Operating Expenses	14,486,345	13,822,279	13,822,279	14,924,210
TOTAL	17,988,746	17,286,915	17,286,915	18,653,244
FUND TYPE				
Internal Service Fund	17,988,746	17,286,915	17,286,915	18,653,244
TOTAL	17,988,746	17,286,915	17,286,915	18,653,244

Description of Appropriations, Divisions, & Programs

The Department of Motor Vehicles (DMV) is responsible for issuing driver licenses, permits, motor vehicle registrations (including snowmobile and motorboat registrations), driver license suspensions and reinstatements, enforcement of motor-vehicle related laws, and collecting motor fuel revenue for the State of Vermont. The department also manages several safety programs, including those related to motorcycle training, school bus safety, vehicle inspections, and motor carrier safety. The Vermont DMV serves a resident population of over 620,000 as well as a significant number of nonresidents.

The Department's key performance indicators are:

- Wait time for counter services: 90% of customers served within 30 minutes.
- Telephone queue time: three minutes maximum.
- Mail processing backlogs: 3 days or less 90% of all workdays.
- Registration renewals processed by electronic means: 25% of all registration renewals mailed.
- Vermont Rider Education Program (VREP) student satisfaction rating: 4 (Above Average) or higher.
- Reduce the unsafe drivers and vehicles by identifying federal Motor Carrier Safety Assistance Program (MCSAP) Out of Service (OOS) violations through inspections.
- Assure compliance with the provisions of the federally mandated State Size and Weight Plan: % over Overweight violations detected.
- Classify all revenue by the end of the month in which it was collected: 100% of the time.

The Department is comprised of three divisions: Enforcement & Safety, Operations, and Support Services.

The Enforcement & Safety Division is comprised of a contingency of sworn law enforcement officers and non-sworn civilian staff. The Division has four sections – the Commercial Vehicle Enforcement Section, the Investigations Section, the Administrative Support Section and the New Motor Vehicle Arbitration Board.

Commercial Vehicle Enforcement Section:
Sworn law enforcement officers staff this section, whose primary mission is enforcement of laws and regulations pertaining to commercial-vehicle safety. Their duties include assuring that commercial drivers have proper credentials that vehicles meet state and federal equipment standards, and that vehicles fall within acceptable standards concerning length and weight restrictions.

The Commercial Vehicle Enforcement Program consists of the federally sponsored Motor Carrier Safety Assistance Program (MCSAP) as well as the Size and Weight program.

Investigations Section:
This section is comprised of a Criminal Investigative Unit, an Administrative Investigative Unit, and the Education & Safety Unit.

The primary focus of the Criminal and Administrative Investigative Unit is to regulate, monitor and investigate illegal or questionable activities relating to licensing, registration and title fraud; dealer and inspection regulations; and provide general law enforcement support services. The Education & Safety Unit is responsible for regulating, licensing and monitoring commercial driver training schools; third party testing programs; training and licensing school bus driver training instructors; Pupil Transportation Safety laws and issues; and the Vermont Motorcycle Awareness Program.

Administrative Support Section:
The Administrative Support Section provides support to all units within the Enforcement & Safety Division. The section is responsible for support functions relating to dealer licensing, inspection station licensing, mechanic certifications, junkyard licensing, abandoned vehicles, Vermont Rider Education Program information, and the Federal Motor Carrier Safety Administration, which consists of Driver/Vehicle Inspection Reports for motor carriers.

New Motor Vehicle Arbitration Board:
The Department administers the lemon law program for this Board, which hears lemon law claims for motor vehicles. A consumer may file a Demand for Arbitration after demonstrating a reasonable number of repair attempts, with at least one occurring within the manufacturer's express warranty. The Board determines whether the consumer is entitled to a pro-rated refund, comparable replacement vehicle, or the manufacturer demonstrates that the vehicle's repair history does not substantially impair the vehicle's use, market value or safety.

The Operations Division is DMV's largest division, encompassing 68 percent of total Department resources. It is responsible for all customer-service functions (Montpelier counter, branch offices, mobile van operations and telephone information services); mail processing; license suspension and reinstatement; crash reporting; the International Registration Plan; oversize permitting; commercial vehicle operations (including the collection and distribution of fuel taxes, maintenance of accurate and reliable records, tracking delinquent accounts, and suspension initiation on accounts that are in arrears); and all backroom operations (including mail processing, data entry, quality control, and imaging and retrieval of departmental records functions).

The Support Services Division is responsible for facility management for DMV office locations, budget planning and financial services, revenue collection, training, project management and implementation, stockroom and mailroom operations, and general support functions for the entire Department.

DMV Performance:
DMV continues to evaluate how it goes about doing its day to day work with particular emphasis on:

a) Improving internal operational efficiency.
b) Improving or enhancing the level of service we provide to our customers.
c) Improving highway safety

Specific accomplishments in each of DMV's key performance indicators include:

Counter Services

FY 11 Results: The percentage of customers receiving service within 30 minutes or less at all offices rose to 98%. This is an improvement from 96% in FY 10. We believe this can be attributed to the current economic conditions as we had fewer transactions and lower employee turnover rate.

In FY11 all offices met or exceeded the 90% target for average customer wait times being at or below 30 minutes.

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Telephone Wait Time

FY 11 Results: The average telephone wait time to speak with a Customer Service Specialist was 1.69 min/seconds in FY 11. In FY 10 it was 2.07 min/seconds and FY 09 was 1.20 min/seconds.

Mail Processing

FY 11 Results: The percentage of days that mail processing backlogs were backlogged 3 days or less was 96.3% - well above the performance benchmark of 90% for the fifth consecutive year. The primary reasons for success continue to be:

1. Increased use of the web for registration renewals.
2. Strategic use of overtime, temporary employees, and vacancy placement.
3. Impact of the economic recession on DMV business.
4. Use of the Tiger Team, who are deployed to units most in need of assistance.

Registration Renewals Processed By Electronic Means

FY 11 results: In FY 11, 25% of all registration renewals processed were by web, kiosk, or interactive voice response (IVR). This is the fifth consecutive fiscal year in which we have surpassed the established performance benchmark of 20% for electronic processing of registration renewals. Most customers renewing registrations electronically chose the Web over kiosk and interactive voice options. Due to the continued success of exceeding the benchmark of 15%, we have revised the benchmark to be 20% for FY 11 and forward.

The Department is planning for further expansion of transactions that can be processed by electronic means and has outlined a five year plan that is targeted to begin in FY13.

Fiscal '11	Web	IVR	Kiosk	Renewals	Duplicates	Total Online	Total Renewals	Total Online $
Fiscal '11	165,124	3,904	17,624	180,084	6,568	186,652	718,029	$12,827,567.75
Monthly Average	13,760	325	1,469	15,007	547	15,554	59,836	$1,068,963.98

Since 2005 the number processed online has increased every single year, it is expected to continue but it is likely to be a subtle change of about 5 – 8%

Vermont Rider Education Program (VREP) Student Satisfaction

FY 11 Results: The Vermont Rider Education Program has maintained an average student satisfaction rating of 4.8 (Above Average), on a scale of 1 to 5, for the eight (8th) consecutive year.

The popularity and success of the program in FY 10 had 1,542 students attending one of 154 courses. In FY 11 the number of students attending decreased to 1,348 (-12.5% or 194 students) with number of courses held decreasing to 136.

One reason for the decrease in the number of students may have been that in FY11 the program had one fewer training location than it had in FY10. One of the program's busiest training sites Ethan Allen, which is located in Colchester, was unavailable due to construction at the AOT facility. The program is expected to return to this facility during the second half of FY12.

Driver and Vehicle Violations

FY 11 Results: The total number of commercial motor vehicle inspections conducted by DMV Commercial Vehicle Enforcement (CVE) Inspectors in FY11 decreased by 5% (365) during FY2011. This decrease was due in part to one vacant position. DMV continues to focus on safety by cross training as a means of increasing the part-time New Entrant Audit program. This program front loads safety efforts by conducting New Entrant safety audits on new Vermont based motor carriers that have received their U.S. DOT number within the past 18 months.

Trucks selected for inspection in FY 11 were found to have an average of 2.07 violations per vehicle. In FY 10 there were 2.42 violations per vehicle and FY 09 was 2.25 violations per vehicle. Vehicle inspections are doing what they are intended to do; decreasing the number of unsafe drivers and vehicles on the road.

Commercial Motor Vehicle Size and Weight Program

FY 11 Results: The total number of commercial vehicles weighed increased during FY 2011 by 26% (1,780). The increase is due to the repair of a set of semi-portable scales and the purchase and implementation of one set of low speed Weigh In motion Scales (WIMS), which are used at Safety Check Points.

While the number of commercial vehicles weighed increased by 26% in FY 11; the percentage of overweight violations detected decreased by 24%. This decrease in part is due to the Maine and Vermont excess weight pilot project. This pilot project redirected traffic from State and local roads, placing them onto the interstate system.

Revenue Classification

FY 11 Results: The Department achieved this measure as revenue was properly classified by the end of the month 100% of the time.

VTDrives Project

Goal: Modernize the Department's computer systems to create one common name file and consolidate our many databases and current mainframe based system.

Strategy: .Implement the VTDrives system which will reduce the number of processing steps, automate functions that are now done manually and improve data accuracy and the time it takes for data to be updated to the system.

Performance Measure: Meet key project milestone dates for system design, user acceptance testing and user training.
Benchmark: Go live with the new system early in calendar year 2011.

FY 11 Results: User Acceptance Testing, the testing of individual system interfaces, and staff training were all main points of emphasis on this project in FY11. Although test results were encouraging in many of the modules, difficulties persisted in other areas. As a result the Department utilized its Independent Verification and Validation contractor to do a comprehensive code review during the second half of the fiscal year. The results of that review along with follow up meetings with the prime contractor pointed out significant problems with the system architecture and underlying code. As a result the project is currently on hold pending reaching agreement on how to best remediate the code to end up with a product that not only is functionally sound and meets our requirements, but also one that is maintainable in the future.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Department of Motor Vehicles	249	234	235	23,815,602	25,412,693	24,112,693	25,728,361
TOTAL	249	234	235	23,815,602	25,412,693	24,112,693	25,728,361
FUND TYPE							
Transportation Fund				22,325,191	22,643,786	21,343,786	22,630,649
Federal Revenue Fund				1,488,011	2,768,907	2,768,907	3,097,712
Interdepartmental Transfer				2,400	0	0	0
TOTAL				23,815,602	25,412,693	24,112,693	25,728,361

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Personal Services	16,084,883	16,488,866	15,188,866	16,717,817
Operating Expenses	7,675,713	8,873,827	8,873,827	8,960,544
Grants	55,006	50,000	50,000	50,000
TOTAL	23,815,602	25,412,693	24,112,693	25,728,361
FUND TYPE				
Transportation Fund	22,325,191	22,643,786	21,343,786	22,630,649
Federal Revenue Fund	1,488,011	2,768,907	2,768,907	3,097,712
Interdepartmental Transfer	2,400	0	0	0
TOTAL	23,815,602	25,412,693	24,112,693	25,728,361

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Town Highway Structures	0	0	0	3,399,594	5,833,500	5,833,500	5,833,500
Town Highway Emergency Fund	0	0	0	995,316	750,000	850,000	4,750,000
Town Highway VT Local Roads	0	0	0	373,185	390,000	390,000	375,000
Town Highway Class 2 Roadway	0	0	0	6,032,350	7,248,750	7,248,750	7,248,750
Town Highway Bridges	0	0	0	15,129,049	17,711,776	17,711,776	20,846,405
Town Highway Aid Program	0	0	0	24,982,744	24,982,744	24,982,744	26,482,744
Town Highway Class1 Suppl Grants	0	0	0	128,750	128,750	128,750	128,750
Town Highway Public Assistance Grants	0	0	0	1,586,657	200,000	200,000	66,500,000
Municipal Mitigation Grant Program	0	0	0	1,034,792	1,143,228	1,143,228	1,262,998
TOTAL	0	0	0	53,662,437	58,388,748	58,488,748	133,428,147
FUND TYPE							
Transportation Fund				36,460,308	40,100,609	40,200,609	42,351,546
Special Fund				938,458	2,025,875	2,025,875	4,462,303
American Recovery & Reinvestment Act				5,060,565	0	0	0
Federal Revenue Fund				10,683,559	15,326,065	15,326,065	84,067,123
Transportation: Local Match				519,547	936,199	936,199	1,547,175
Transporation Bond Fund				0	0	0	1,000,000
TOTAL				53,662,437	58,388,748	58,488,748	133,428,147

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	3,399,594	5,833,500	5,833,500	5,833,500
TOTAL	3,399,594	5,833,500	5,833,500	5,833,500
FUND TYPE				
Transportation Fund	3,399,594	5,833,500	5,833,500	5,833,500
TOTAL	3,399,594	5,833,500	5,833,500	5,833,500

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	995,316	750,000	850,000	4,750,000
TOTAL	995,316	750,000	850,000	4,750,000
FUND TYPE				
Transportation Fund	995,316	750,000	850,000	1,550,000
Federal Revenue Fund	0	0	0	3,200,000
TOTAL	995,316	750,000	850,000	4,750,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	373,185	390,000	390,000	375,000
TOTAL	373,185	390,000	390,000	375,000
FUND TYPE				
Transportation Fund	229,536	235,000	235,000	235,000
Federal Revenue Fund	143,649	155,000	155,000	140,000
TOTAL	373,185	390,000	390,000	375,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	6,032,350	7,248,750	7,248,750	7,248,750
TOTAL	6,032,350	7,248,750	7,248,750	7,248,750
FUND TYPE				
Transportation Fund	6,032,350	7,248,750	7,248,750	7,248,750
TOTAL	6,032,350	7,248,750	7,248,750	7,248,750

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Town Highway Bridges

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	3,936,412	3,600,000	3,600,000	4,200,000
Operating Expenses	9,131,252	14,111,776	14,111,776	16,646,405
Grants	2,061,385	0	0	0
TOTAL	15,129,049	17,711,776	17,711,776	20,846,405
FUND TYPE				
Transportation Fund	501,406	673,867	673,867	624,804
Special Fund	920,898	2,025,875	2,025,875	962,303
American Recovery & Reinvestment Act	5,060,565	0	0	0
Federal Revenue Fund	8,126,633	14,075,835	14,075,835	16,712,123
Transportation: Local Match	519,547	936,199	936,199	1,547,175
Transporation Bond Fund	0	0	0	1,000,000
TOTAL	15,129,049	17,711,776	17,711,776	20,846,405

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Town Highway Aid Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	24,982,744	24,982,744	24,982,744	26,482,744
TOTAL	24,982,744	24,982,744	24,982,744	26,482,744
FUND TYPE				
Transportation Fund	24,982,744	24,982,744	24,982,744	26,482,744
TOTAL	24,982,744	24,982,744	24,982,744	26,482,744

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2011	FY 2012		FY 2013
Major Object	**FY11 Actual**	**FY12 Budget As Passed**	**FY12 Estimated**	**FY13 Governor Proposed**
Grants	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750
FUND TYPE				
Transportation Fund	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Town Highway Public Assistance Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	42,210	0	0	0
Operating Expenses	71	0	0	0
Grants	1,544,376	200,000	200,000	66,500,000
TOTAL	1,586,657	200,000	200,000	66,500,000
FUND TYPE				
Special Fund	17,560	0	0	3,500,000
Federal Revenue Fund	1,569,097	200,000	200,000	63,000,000
TOTAL	1,586,657	200,000	200,000	66,500,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Municipal Mitigation Grant Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Grants	1,034,792	1,143,228	1,143,228	1,262,998
TOTAL	1,034,792	1,143,228	1,143,228	1,262,998
FUND TYPE				
Transportation Fund	190,612	247,998	247,998	247,998
Federal Revenue Fund	844,180	895,230	895,230	1,015,000
TOTAL	1,034,792	1,143,228	1,143,228	1,262,998

Department Mission Statement

The Transportation Board performs regulatory and quasi-judicial functions relating to transportation. These responsibilities include response to appeals, petitions and specific activities pursuant to Highways (19 V.S.A.); Aeronautics and Surface Transportation (5 V.S.A.); Scenery Preservation Council construction criteria (10 V.S.A. § 425); Scenic Roads (25 V.S.A., §§ 2501-2502); Eminent Domain (29 V.S.A., §§ 792-4; 30 V.S.A., §§ 113, 114, 117), and, as of the 2009 adjourned legislative session, disputes between national auto manufacturers and Vermont new-car dealers. (9 V.S.A., §§ 4083-4100; 19 V.S.A. § 3).

Description of Appropriations, Divisions, & Programs

The Transportation Board performs regulatory and quasi-judicial functions related to transportation. Responsibilities include hearing:

1. Appeals from agency decisions regarding measurement, description or reclassification of town highways. (19 V.S.A. § 305).
2. Small (less than $2,000) - claims appeals of agency decisions (19 V.S.A. § 20).
3. Appeals, when requested in writing, of highway decisions by the secretary of transportation when assuming powers and duties of a select board in unorganized towns and gores (19 V.S.A. § 16).
4. Appeals, when requested in writing, regarding legal disputes over agency contracts and certain highway access permits.
5. Provide appellate review, when requested in writing, regarding the fairness of rents and fees charged for the occupancy or use of state-owned properties administered by the agency.
6. Disputes involving the decision of a select board under subdivision 302(a)(3)(B) or subsection 310(a) of 19 V.S.A. not to plow and make negotiable a Class 2 or Class 3 town highway during the winter.
7. Appeals by one municipality of a neighboring municipality's intent to close a road that runs through both.
8. Conduct public hearings on matters of public interest, after which it shall transmit its findings and recommendations to the secretary and the chairs of the Senate and House committees on transportation in a report which shall be a public document.
9. Conduct compensation hearings and make damage awards where the Agency of Transportation and affected landowners are unable to agree on the amount of compensation.
10. Designate state scenic roads and corridors (19 V.S.A. § 2501(a)).
11. Approve new highway or public ways opening into or connecting with established limited-access

highways.

12. Issues regarding rail-highway grade crossings, farm crossings and other railroad-related responsibilities outlined in Title 5.
13. Requests for airports and restricted landing areas pursuant to Title 5, § 207 (a-h).
14. Contract appeals against municipalities on projects that involve federal funds.
15. Enforce all provisions and hear and determine all disputes arising out of 9 V.S.A. chapter 108, the Vehicle Manufacturers, Distributors, and Dealers Franchising Practices Act.
16. Maintain the accounting functions for the duties imposed by chapter 108 of Title 9 separately from the accounting functions relating to its other duties.
17. Hear and determine disputes involving a determination of the agency under section 309c of this title that the municipality is responsible for repayment of federal funds required by the Federal Highway Administration.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Transportation Board

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Transportation Board	1	1	1	81,088	87,000	87,000	83,000
TOTAL	1	1	1	81,088	87,000	87,000	83,000
FUND TYPE							
Transportation Fund				81,088	87,000	87,000	83,000
TOTAL				81,088	87,000	87,000	83,000

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Transportation Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2011	FY 2012		FY 2013
	FY11 Actual	FY12 Budget As Passed	FY12 Estimated	FY13 Governor Proposed
Personal Services	66,225	75,977	75,977	70,496
Operating Expenses	14,863	11,023	11,023	12,504
TOTAL	81,088	87,000	87,000	83,000
FUND TYPE				
Transportation Fund	81,088	87,000	87,000	83,000
TOTAL	81,088	87,000	87,000	83,000

Department Mission Statement

The State borrows money for capital purposes through the issuance of general obligation bonds, the payment of which is backed by the full faith and credit of the State. General Obligation bonds are used for numerous purposes including construction and renovation of state office buildings and state recreational, cultural, health, correctional and educational facilities; making grants to municipalities for the purposes of funding wastewater and drinking water facilities upgrades; transportation projects funding, and other capital projects

The State Treasurer may borrow temporary funds, through various methods, revenue anticipation notes, lines of credit and a tax-exempt commercial paper program, for the purpose of defraying the expenses and budget deficits of government incurred by the appropriations authorized in the General Appropriations Act. The proceeds of temporary borrowing, together with certain other available monies in the General Fund are used to make such payments, as set forth in the General Appropriations Act, in advance of receipt of taxes, revenues and other funds.

In addition to General Obligation debt, the State may also sell revenue-backed Transportation Infrastructure Bonds (TIBs). These bonds are secured only from motor fuel transportation infrastructure assessments of 2% of the sales price of gasoline and 3 cents per gallon of diesel fuel. TIBs are used to finance the rehabilitation, reconstruction or replacement of state and municipal bridges and culverts, and state roads, railroads, airports and necessary buildings which, after such work, have a remaining useful life of at least 30 years.

The amount necessary each year to pay the maturing principal and interest are included in and made part of the annual appropriations bill for the expense of State Government.

The Capital Debt Affordability Advisory Committee (CDAAC) completes an annual review of the size and affordability of the State tax-supported general obligation debt, including the projected debt service required to pay these obligations.

Economic trends, the bond market and legislative actions will determine the interest rates on borrowing. Estimates are based on the latest information available.

STATE OF VERMONT
FISCAL YEAR 2013 BUDGET RECOMMENDATIONS
Debt Service

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2011 Pos. #	FY 2012 Pos. #	FY 2013 Pos. #	FY 2011 FY11 Actual	FY 2012 FY12 Budget As Passed	FY 2012 FY12 Estimated	FY 2013 FY13 Governor Proposed
Debt Service - Principal	0	0	0	71,912,125	72,390,394	72,390,394	72,656,785
TOTAL	0	0	0	71,912,125	72,390,394	72,390,394	72,656,785
FUND TYPE							
General Fund				65,804,621	64,575,793	64,575,793	59,941,850
Transportation Fund				3,477,901	3,371,825	3,371,825	2,482,442
Special Fund				1,962,039	625,950	625,950	628,150
American Recovery & Reinvestment Act				667,564	1,437,142	1,437,142	1,253,280
Debt Service				0	2,379,684	2,379,684	8,351,063
TOTAL				71,912,125	72,390,394	72,390,394	72,656,785