

STATE OF VERMONT FISCAL YEAR 2010



BUDGET RECOMMENDATIONS

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STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Administration

Agency Mission Statement

The Agency of Administration exists to insure the fiscal integrity of the state, to provide centralized support services for state government as well as providing selected services to Vermont municipalities and Vermont citizens, and to carry out the policy objectives of the Governor and the laws of Vermont.

Description of Departments in Agency

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

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

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

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

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

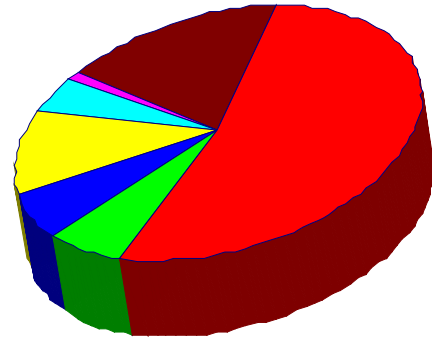
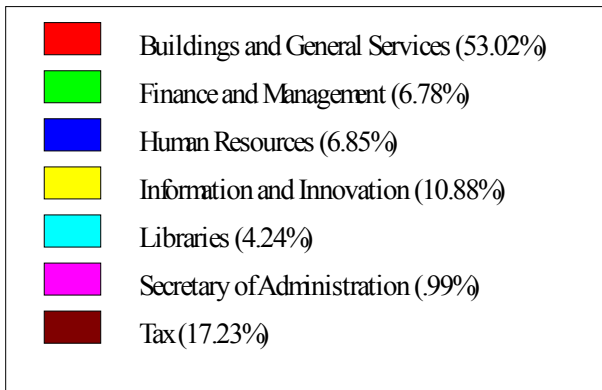
Human Resources - provides leadership to and works in partnership with State government in order to promote managerial and work force excellence while fostering an understanding and observance of regulatory requirements.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Secretary of Administration	5	6	5	1,011,656	1,058,412	1,208,337	865,169
Information and Innovation	61	62	61	6,682,578	7,129,823	9,529,019	9,502,524
Finance and Management	51	52	46	5,320,596	5,742,098	5,820,110	5,924,108
Human Resources	55	53	48	6,059,905	6,156,302	5,928,534	5,985,107
Libraries	36	34	32	3,792,659	3,671,687	3,556,375	3,702,434
Tax	188	187	178	14,999,875	15,116,143	15,294,655	15,039,790
Buildings and General Services	444	432	410	47,131,375	44,031,602	45,042,942	46,292,920
TOTAL	840	826	780	84,998,644	82,906,067	86,379,972	87,312,052
FUND TYPE							
General Fund				31,164,881	29,313,388	28,579,537	26,884,009
Special Fund				2,491,354	1,760,490	4,403,784	4,328,913
Federal Revenue Fund				826,719	823,729	823,729	855,215
Enterprise Fund				142,609	146,092	134,070	146,500
Global Commitment Fund				175,000	416,113	408,379	591,268
Internal Service Fund				46,850,342	46,818,110	48,735,185	51,094,710
Interdepartmental Transfer				3,347,739	3,628,145	3,295,288	3,411,437
TOTAL				84,998,644	82,906,067	86,379,972	87,312,052

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Administration**



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Secretary of Administration

Department Mission Statement

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

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

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

Description of Appropriations, Divisions, & Programs

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

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

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Secretary of Administration**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Secretary's Office	5	6	5	1,011,656	1,058,412	1,208,337	865,169
<hr/> TOTAL	<hr/> 5	<hr/> 6	<hr/> 5	<hr/> 1,011,656	<hr/> 1,058,412	<hr/> 1,208,337	<hr/> 865,169
FUND TYPE							
General Fund				796,318	829,122	1,068,147	676,776
Global Commitment Fund				70,000	76,613	68,879	188,393
Interdepartmental Transfer				145,338	152,677	71,311	0
<hr/> TOTAL				<hr/> 1,011,656	<hr/> 1,058,412	<hr/> 1,208,337	<hr/> 865,169

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Secretary's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	798,933	848,494	928,356	795,758
Operating Expenses	60,912	59,918	51,788	69,411
Grants	151,811	150,000	228,193	0
<hr/>				
TOTAL	1,011,656	1,058,412	1,208,337	865,169
FUND TYPE				
General Fund	796,318	829,122	1,068,147	676,776
Global Commitment Fund	70,000	76,613	68,879	188,393
Interdepartmental Transfer	145,338	152,677	71,311	0
<hr/>				
TOTAL	1,011,656	1,058,412	1,208,337	865,169

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Information and Innovation**

Department Mission Statement

Vision Statement:

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

Mission Statement:

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

Strategic Goals:

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

Description of Appropriations, Divisions, & Programs

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

Detailed below are DII's core operational duties. The department provides access to communications for most of the state's workforce. DII coordinates the state's land based telephone service, providing

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Information and Innovation

day-to-day telephone service as well as equipment installation and repair, toll-free calling, voice mail, call distribution, and calling cards. Cell phone service is also coordinated by DII staff including service plans, cell phones, and paging services.

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

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

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

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

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

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

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

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

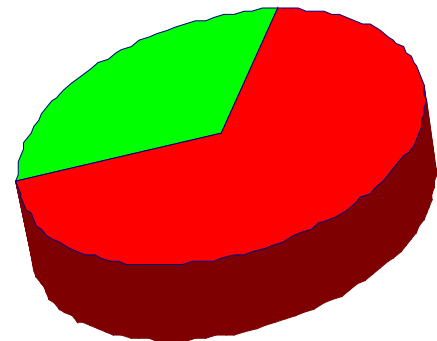
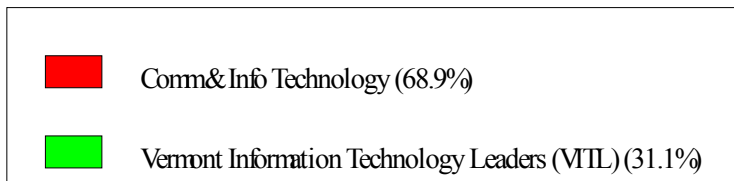
DII's role continues to evolve, just as technology itself continues to evolve.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Information and Innovation**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Information and Innovation**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Information Technology Leaders (VITL)	0	0	0	726,664	865,350	3,076,404	2,955,674
Comm & Info Technology	61	62	61	5,955,914	6,264,473	6,452,615	6,546,850
TOTAL	61	62	61	6,682,578	7,129,823	9,529,019	9,502,524
FUND TYPE							
General Fund				509,718	414,836	364,308	88,166
Special Fund				226,664	226,174	2,481,174	2,616,174
Global Commitment Fund				105,000	339,500	339,500	339,500
Internal Service Fund				5,841,196	6,149,313	6,344,037	6,458,684
TOTAL				6,682,578	7,129,823	9,529,019	9,502,524



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Information Technology Leaders (VITL)**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	726,664	0	55,000	90,000
Grants	0	865,350	3,021,404	2,865,674
<hr/>				
TOTAL	<hr/> 726,664	<hr/> 865,350	<hr/> 3,076,404	<hr/> 2,955,674
FUND TYPE				
General Fund	395,000	299,676	255,730	0
Special Fund	226,664	226,174	2,481,174	2,616,174
Global Commitment Fund	105,000	339,500	339,500	339,500
<hr/>				
TOTAL	<hr/> 726,664	<hr/> 865,350	<hr/> 3,076,404	<hr/> 2,955,674

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Comm & Info Technology**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Comm & Info Technology**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,617,781	4,842,221	4,836,945	4,874,023
Operating Expenses	883,133	1,022,252	1,015,670	912,827
Grants	455,000	400,000	600,000	760,000
<hr/> TOTAL	<hr/> 5,955,914	<hr/> 6,264,473	<hr/> 6,452,615	<hr/> 6,546,850
FUND TYPE				
General Fund	114,718	115,160	108,578	88,166
Internal Service Fund	5,841,196	6,149,313	6,344,037	6,458,684
<hr/> TOTAL	<hr/> 5,955,914	<hr/> 6,264,473	<hr/> 6,452,615	<hr/> 6,546,850

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Finance and Management

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

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

Budget and Management

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

Financial Operations

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Finance and Management

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

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

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

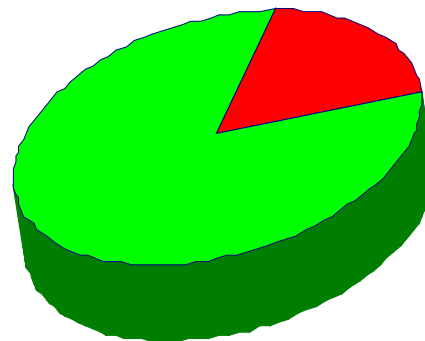
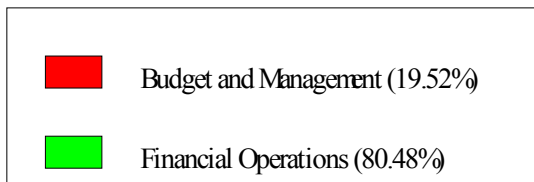
The Payroll Section is responsible for issuing accurate and timely payments of salaries, expenses and other benefits to all Executive, Legislative, and Judicial branches of state government.

The Technical Services Section performs two primary roles, technical support and functional support. Technical support responsibilities include support for all the modules within VISION, support of interfaces to and from VISION, technical report writing, database administration, and hardware support. Functional support responsibilities include providing on-going training to end users in the departments, providing support services for problems and issues as they are called in to a central helpdesk. Other responsibilities include seeking, researching, and developing and upgrading system enhancements that will continue to improve the functionality and best practices of the VISION system.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Finance and Management**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Budget and Management	12	11	11	1,133,840	1,125,970	1,205,368	1,156,434
Financial Operations	39	41	35	4,186,756	4,616,128	4,614,742	4,767,674
<hr/>							
TOTAL	51	52	46	5,320,596	5,742,098	5,820,110	5,924,108
FUND TYPE							
General Fund				1,006,433	945,847	944,100	778,405
Special Fund				0	67,637	67,637	0
Global Commitment Fund				0	0	0	63,375
Internal Service Fund				4,186,756	4,548,491	4,547,105	4,767,674
Interdepartmental Transfer				127,407	180,123	261,268	314,654
<hr/>							
TOTAL				5,320,596	5,742,098	5,820,110	5,924,108



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Budget and Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	994,251	969,417	1,080,592	1,011,091
Operating Expenses	139,589	156,553	124,776	145,343
<hr/> TOTAL	<hr/> 1,133,840	<hr/> 1,125,970	<hr/> 1,205,368	<hr/> 1,156,434
FUND TYPE				
General Fund	1,006,433	945,847	944,100	778,405
Global Commitment Fund	0	0	0	63,375
Interdepartmental Transfer	127,407	180,123	261,268	314,654
<hr/> TOTAL	<hr/> 1,133,840	<hr/> 1,125,970	<hr/> 1,205,368	<hr/> 1,156,434

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Financial Operations**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,969,936	3,354,394	3,353,008	3,340,774
Operating Expenses	1,216,820	1,261,734	1,261,734	1,426,900
<hr/>				
TOTAL	<hr/> 4,186,756	<hr/> 4,616,128	<hr/> 4,614,742	<hr/> 4,767,674
FUND TYPE				
Special Fund	0	67,637	67,637	0
Internal Service Fund	4,186,756	4,548,491	4,547,105	4,767,674
<hr/>				
TOTAL	<hr/> 4,186,756	<hr/> 4,616,128	<hr/> 4,614,742	<hr/> 4,767,674

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Resources

Department Mission Statement

MISSION:

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

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

Description of Appropriations, Divisions, & Programs

DESCRIPTION:

The Administrative Services Division includes the Benefits Unit and a Fiscal Information Management Unit (FIM). The Benefits Unit designs and delivers competitive benefit programs to state employees, retirees and their dependents; such plans include medical, dental, life, long term disability, flexible spending, and employee assistance. FIM supports all analytical needs of the department which includes financial accounting, and insurance premium rate setting. The Division also handles compensation analysis, which encompasses all pay issues that are not determined under the salary provisions of the labor contracts, such as administration of exempt pay, market factor adjustment for certain classes of classified positions, requests for authority to hire into range, and approval of bonuses.

The Labor Relations Division negotiates, implements, and administers four collective bargaining agreements for the state's unionized workforce. The division advises and supports our human resource partners, management and the public on personnel policy and procedure advice. The Human Resources Information Systems unit is also part of this Division. The unit is responsible for functional oversight of the enterprise HR system, ensuring data quality control and entering personnel actions for those departments that do not do so on a decentralized basis, as well as providing guidance to users on proper use of the system.

The Recruitment and Classification Division is responsible for two distinct, but related functions, each of which focuses on analysis of the functions of a position. One function is to provide recruitment services for departments and agencies throughout state government, including all advertising for jobs

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Resources

with the State of Vermont. The other function is to conduct classification review of positions and designate categories of employment under state law.

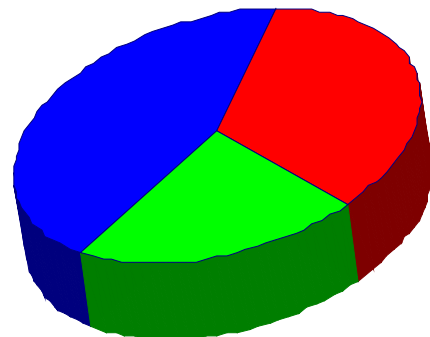
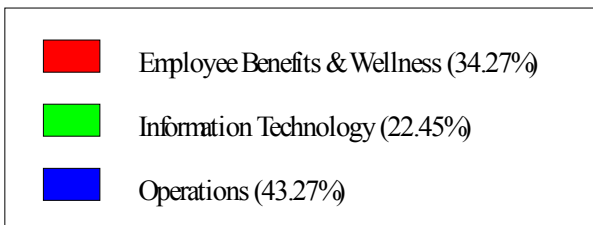
The Workforce Development and Wellness Division engages state employees and organizations in learning and skill-building, facilitating behavioral and cultural change to achieve healthy and effective worksites. This work is accomplished through workforce planning and training for departments and agencies throughout state government; and the provision of a coordinated wellness program for state employees and retirees.

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Resources

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Operations	25	30	26	2,218,744	2,966,820	2,748,745	2,589,826
HR Workforce Planning & Emp Services	10	0	0	1,274,738	0	0	0
Employee Benefits & Wellness	14	14	13	1,543,522	1,883,992	1,875,160	2,051,373
Information Technology	6	9	9	1,022,901	1,305,490	1,304,629	1,343,908
TOTAL	55	53	48	6,059,905	6,156,302	5,928,534	5,985,107
FUND TYPE							
General Fund				2,660,113	2,211,227	2,160,318	1,907,431
Special Fund				384,822	297,761	295,616	280,835
Internal Service Fund				2,566,423	3,189,482	3,179,789	3,355,428
Interdepartmental Transfer				448,547	457,832	292,811	441,413
TOTAL				6,059,905	6,156,302	5,928,534	5,985,107



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,000,058	2,338,000	2,159,757	2,016,798
Operating Expenses	218,686	628,820	588,988	573,028
<hr/>				
TOTAL	2,218,744	2,966,820	2,748,745	2,589,826
FUND TYPE				
General Fund	1,770,197	2,211,227	2,160,318	1,907,431
Special Fund	0	297,761	295,616	280,835
Interdepartmental Transfer	448,547	457,832	292,811	401,560
<hr/>				
TOTAL	2,218,744	2,966,820	2,748,745	2,589,826

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
HR Workforce Planning & Emp Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	847,007	0	0	0
Operating Expenses	427,731	0	0	0
<hr/> TOTAL	<hr/> 1,274,738	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	889,916	0	0	0
Special Fund	384,822	0	0	0
<hr/> TOTAL	<hr/> 1,274,738	<hr/> 0	<hr/> 0	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,271,687	1,450,506	1,441,674	1,655,935
Operating Expenses	271,835	433,486	433,486	395,438
<hr/>				
TOTAL	<hr/> 1,543,522	<hr/> 1,883,992	<hr/> 1,875,160	<hr/> 2,051,373
FUND TYPE				
Internal Service Fund	1,543,522	1,883,992	1,875,160	2,011,520
Interdepartmental Transfer	0	0	0	39,853
<hr/>				
TOTAL	<hr/> 1,543,522	<hr/> 1,883,992	<hr/> 1,875,160	<hr/> 2,051,373

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Information Technology**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	547,840	811,108	811,108	853,893
Operating Expenses	475,061	494,382	493,521	490,015
<hr/> TOTAL	<hr/> 1,022,901	<hr/> 1,305,490	<hr/> 1,304,629	<hr/> 1,343,908
FUND TYPE				
Internal Service Fund	1,022,901	1,305,490	1,304,629	1,343,908
<hr/> TOTAL	<hr/> 1,022,901	<hr/> 1,305,490	<hr/> 1,304,629	<hr/> 1,343,908

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries**

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.

- We provide 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;
- We provide consultation, training and other services to librarians, public library board members and elected officials and offer resources, services and grants to qualifying libraries in order to strengthen their capacity to deliver quality library service;
- We enable resource sharing between all types of libraries;
- We provide 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/State Librarian's Office - the State Librarian serves as administrative head of the department and secretary to the Board of Libraries. The State Librarian's Office provides administrative support to the Board and for the Board's geographic naming activities; administers state and federal plans, and grants; receives and distributes state documents; arranges for and designates depositories of

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

state documents. [Location: 109/111 State St., Montpelier (FTE-4.5 in FY09)]

Statewide Library Development - including Regional Libraries/Library Consultants and Children's Services Consultant - provides a service of advice and consultation to all libraries in the state, including library staff, trustees, and administrators and other local officials, in order to assist them in professional library practices and in realizing their potential; maintains a general library collection of a sufficient size and scope to reinforce and supplement the resources of local libraries.

Statewide Library Development compiles and publishes annual statistics covering all libraries in the state; participates in seminars, workshops and other programs to increase the professional competence of librarians in the state; develops and implements minimum standards for public libraries; targets library and information services to underserved rural communities, including children (from birth through age 17). [Locations: 109/111 State St., Montpelier FT: 2), Midstate Regional Library, Berlin (FTE: 3.5); Northeast Regional Library, St. Johnsbury (FTE-3), Southeast Office, Bellow Falls (FTE-1); Southwest Office, Rutland (FTE-1) in FY09]

Reference & Law Information Services - including the Law & Documents Library, Reference and Interlibrary Loan Services, University of Vermont Access Office, Technical Services and Continuing Education - provides and maintains a law library to serve the supreme court, the attorney general, other members of the judiciary, the legal profession, members of the legislature, officials of state government and the general public; maintains a collection of state documents and acts as a federal depository library; provides reference and information services to state government, citizens and local libraries; provides centralized cataloging and other related technical services to libraries; encourages the formation of and maintains central records of library holdings; assists libraries in accessing information in all formats; encourages libraries in different areas, and of different types to share resources through interlibrary loan and other means; acts as a liaison to the libraries of the University of Vermont and maintains an office at the University to provide statewide access to the resources of its library collections; organizes and conducts an annual program of seminars, workshops and other training opportunities to increase the professional competence of librarians in the state; maintains a certification program for public librarians.

[Locations: 109/111 State St., Montpelier; Bailey/Howe Library, University of Vermont, Burlington (FTE: 10.5 in FY09)]

Special Services to the Visually and Physically Handicapped and State-Supported Institutions - provides a service of advice and consultation to libraries in state institutions; provides and maintains reading materials for the blind and physically handicapped and selected state institutions; targets library and information services to persons having difficulty using a library. In FY09 new software was installed with an online catalog available for the public. Another new service includes downloadable audio books for the visually and physically handicapped. Both the catalog and downloadable books bring new annual costs. Special Services Unit, Berlin Midstate Regional Library Annex (FTE: 4.5) in FY09]

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

Vermont Automated Libraries System (VALS) - serves as one of the primary access point for state information, and provides advice on state information technology policy; provides and maintains computers, computer systems, networks, and related databases necessary to the operation of the Department and of the Department's services to state government, local libraries and citizens; conducts seminars, workshops and other programs to increase the professional competence of librarians in the state in the area of technology; establishes electronic linkages among or between libraries as well as electronically linking libraries with educational, social, or information services; assists libraries in accessing information through electronic networks; assists with the costs for libraries to acquire or share computer systems and telecommunications technologies. Assists libraries in cooperative acquisition of online resources and statewide database licensing. We expect to launch a new Interlibrary Loan (ILL) interface that will make it easier for Vermont librarians to conduct ILL transactions. [Location: 109/111 State St., Montpelier) FTE: 3 in FY09]

Related Activities:

Vermont Public Library Foundation/Freeman Foundation - During the 2000 legislative session, the State Librarian was authorized to form the Vermont Public Library Foundation (VPLF)(22 VSA §610) to enhance local public library services through private fundraising. In FY2007, the Foundation began working with Dr. Burnett Rawson of Essex Jct. who established the Winnie Belle Learned Fund (WBLF) of the VPLF in honor of his benefactress. In FY2007, the VPLF awarded a total of \$8,000 to seven libraries as a result of this new fund. In FY2008, the VPLF has awarded an additional \$20,000 to nine more libraries from this Fund. In FY2008, the VPLF also awarded a total of \$10,000 to five libraries from the interest earned from the Freeman Foundation Endowment (funding which remained at the end of the Freeman Foundation grant project). In December 2008 Dr. Rawson made a gift of \$75,000 to the Winnie Belle Learned Fund. VPLF expects to award approximately \$30,000 in grants to 19 libraries in January 2009 and will announce an award program from Freeman Foundation Endowment funds soon after.

Vermont Online Library (VOL) - In January, 2007 a new \$406,000 two-year contract (with two one-year extensions) was finalized to continue the "Vermont Online Library" (VOL), designed to provide access to a wealth of information designed to serve the state's most common research needs. VOL includes resources for student research and homework help, business research, professional development for educators, and consumer health research, information on current issues and biography, all tailored to different age ranges. VOL's purpose 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.

During FY2007, 292 libraries participated and their users (either from the library or from home) initiated 2.4 million searches and retrieved more than 510,000 full text documents. This is a model of cooperation between all types of libraries and will save libraries that previously offered this type of service thousands of dollars annually, while providing additional databases. This also provides a low-cost

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

opportunity for libraries that could never afford to offer such access individually.

In FY09 DOL expects to cover 53% of the cost (using 66% general and 33% federal funds). Libraries will contribute \$96,000 (47%) (see special funds). The VOL collection of databases now includes HeritageQuest, a resource for genealogists and others researching family and local history, but it is not certain whether we will be able to renew the contract in 2009, due to reductions in the General Fund.

Vermont Humanities Council (VHC) - In FY2009, DOL continues its support of the VHC's "First Wednesdays" program series with a \$3,500 reimbursement (general funds) to partially cover the cost of the programs as well as a \$350 grant (federal funds) to each participating library. This once-a-month humanities forum brings nationally renowned speakers to libraries for public lectures on the first Wednesday of each month, October through May, and is offered in the following communities: Brattleboro, Burlington, Manchester, Middlebury, Montpelier, Newport, Norwich, Rutland and St. Johnsbury.

Motion Picture Public Performance License - In FY2009, DOL continues to make available to public libraries a statewide motion picture performance license which permits libraries to show films to groups in the library. Almost all videos/DVD's owned by libraries (or rented from video stores) are not licensed under Copyright Law for public performance - but for "Home Use Only." The statewide motion picture license allows for such performance of films from a wide range of major studios. The cost of the license is \$12,000 annually. DOL also negotiated a similar contract for schools which reduced the cost of the license to each school by 50%, schools paid for their licenses, with DOL managing the contract with the vendor.

Other Organizations/Groups with which the Department has worked in FY2008/09, providing professional expertise and technical advice include: American Academy of Pediatrics/Vermont Chapter; Children's Literacy Foundation (CLiF); Children's Literacy New England; Foundation Center (NY); ECHO Lake Aquarium and Science Center; Fleming Museum, Health Sciences Libraries of Vermont and New Hampshire; Library of Congress National Book Festival; National and Vermont Federations for the Blind; New England Library Association (NELA); WCAX-TV ("Across the Fence"); Vermont Public Radio; Vermont Center for the Book (Red Clover Award); Vermont PTA (Dorothy Canfield Fisher Book Award); Vermont Association for the Blind; Vermont Community Foundation; Vermont Out-of-School Network (VOOST); Vermont 2-1-1 Collaborative; Vermont School Library Association (VSLA)(formerly Vermont Educational Media Association (VEMA)); Vermont Historical Society; Vermont Library Association (VLA); Vermont Statewide Information, Referral and Assistance Coordinating Council; Windham County Regional Planning Commission; Windham County Reads; Vermont Institute for Government; Vermont State Colleges Library Council; Association of Vermont Independent Colleges (AVIC). State agencies and departments with which the DOL regularly cooperates include the Dept. of Information and Innovation; Secretary of State's Office; Attorney General's Office; Dept. of Education; Dept. of Disabilities, Aging, & Independent Living.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries**

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Libraries	36	34	32	3,792,659	3,671,687	3,556,375	3,702,434
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	36	34	32	3,792,659	3,671,687	3,556,375	3,702,434
FUND TYPE							
General Fund				2,529,110	2,601,964	2,474,907	2,616,539
Special Fund				349,407	152,482	164,227	132,500
Federal Revenue Fund				826,014	823,729	823,729	855,215
Interdepartmental Transfer				88,128	93,512	93,512	98,180
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL				3,792,659	3,671,687	3,556,375	3,702,434

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

Appropriation Key Budget Issues

General Funds - The Governor's recommended FY2010 General Fund for the Department is \$2,623,050. This funding level allows the department to maintain its current service levels and prevents the closure of the Northeast Regional Library in St. Johnsbury.

Federal Funds - The consolidated Federal FY2008 budget passed by Congress in December, 2007 resulted in a 6.6% decrease (about \$58,000) in federal funds for state library agency programs in Vermont. The decrease was allocated over two state budget years - FY2008 and FY2009. Congress has not passed a budget yet for FY10 so we do not know what our appropriation will be.

On average, DOL uses the majority of its federal funding within the DOL budget to support statewide services. In FY09 20 of 33 positions at the Department are partially federally funded. It should be noted that LSTA funding requires Maintenance of Effort (MOE); the FY10 MOE is \$941,032. MOE is based on only part of expenditures from the general fund and special funds. For example, expenditures from the Law and Documents section of our department do not count towards MOE.

Special Funds - The Department is the beneficiary of a private bequest from the Trust of Elva S. Smith to "aid in the development and maintenance of library service to the children of Vermont." Over the years the income has reached as much as \$50,000 in annual income and has been used to purchase children's books for regional libraries, for the statewide summer reading program and for grants (\$10,000) to local libraries in support of children's services. In December 2009 we received just \$26,637 in income, a sharp drop from previous years; as a result of this drop in income for the 2009 calendar year, we will see a decline in what we can provide from this fund. The Smith bequest is used to pay a portion of the salary of the State Children's Consultant; it also funds grants to local libraries in support of summer programs for children (\$5000) and other projects overseen by the State Children's Consultant, including the Green Mountain Book Award and the Dorothy Canfield Fisher Award for outstanding works of literature for children and teens. The next payment from this bequest will come in December 2009 for the following calendar year.

DOL has also been the recipient of grants from the Bill & Melinda Gates Foundation. The grant program that provided funds directly to state library agencies ended in FY08. Currently, DOL is helping to administer the Gates Foundation Opportunity Online Hardware grants program for eligible public libraries, but there are no funds for DOL; 100% of these funds will go to local libraries.

Special funds also include the local library share of the Vermont Online Library (VOL) contract for online information resources of \$96,000. This is unchanged from FY2008 and FY2009. In addition, DOL receives some special funds in memorial gifts (Special Services Unit) and income from the sale of publications and photocopy fees.

Interdepartmental Transfers - DOL manages the statewide contract for Westlaw online legal services.

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

DOL receives transfers from other departments in state government for their use of these legal databases.

The projected amount for FY10 is: \$98,180.

Performance Program Information

Outcomes and outcome achievements/performance measures are based on the Department's Five-Year Plan which is reviewed and revised as needed, and approved by the federal Institute of Museum and Library Services (IMLS) as required by the Library Services and Technology Act (LSTA). A new federal five-year plan was approved by IMLS in October, 2007. Goals of the current plan are:

- GOAL 1. Vermonters will have electronic access to high-quality information resources.
- GOAL 2. Vermonters will have access to the wealth of information and materials available in Vermont's libraries and beyond, through enhanced and expanded resource sharing and cooperative efforts among libraries.
- GOAL 3. Vermonters will have access to a wide range of high quality library services to meet their lifelong learning, informational, recreational, and occupational needs and interests.
- GOAL 4. Vermont children, Vermonters with disabilities or who have difficulty using a library as well as Vermonters of diverse geographic, cultural, and socioeconomic backgrounds will have equitable access to a wide range of high quality library services to meet their lifelong learning, informational, recreational, and occupational needs and interests.

Outcome/performance measurements are prepared annually based on monthly reports and statistics from each DOL division. Detailed individual daily work logs are kept and analyzed along with reports of visits to and from local libraries, technical assistance reports, and amount of time spent in strategic areas of technology, public library support, literacy, training, and direct service. Measurement indicators are kept in accordance with national reporting requirements and standards for library and information services. Because there are too many to list in this document, only selected measurement indicators are included. Complete statistics are available upon request.

The following indicators illustrate use, as well as trends and change in use, of department services:

DEPARTMENT-WIDE INDICATORS

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

Service	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Projected	FY09 Projected
Circulation of library materials ¹ - Circulation to libraries - Circulation to individuals	82,331 51,901 30,430	81,034 49,919 31,115	83,906 55,302 28,604	84,500	85,000
Circulation of library materials - Special Services/Library for the Blind	65,325	64,293	67,737	68,500	69,000
Specific requests for information (including for book, periodicals, topical research requests) ²	68,856	71,538	68,131	70,000	70,500
Consulting/Assistance requests from local libraries (excluding technology/VALS assistance)	2,977	2,572	2,962	3,000	3,100
Technology/VALS Assistance requests from local libraries	1,500	1,663	1,644	1,700	1,750
Workshops - taught/sponsored ³ - attendees (staff from all types of libraries) - Librarians receiving certification ⁴	83 1,175 11	92 1,169 25	72 1,300 14	80 1,400 15	85 1,450 15
Summer Reading Program (Children's) - children participating ⁵ - libraries participating	6,775 163	6,605 152	5,986 148	6,250 155	6,750 160
Vermont Online Library (VOL) database searches (from library or home/office)	1,116,186	1,621,815	2,415,495	2,750,000	3,000,000

¹Circulation numbers for regional libraries & central collections. Circulation numbers reflect only the circulation of library materials directly to the public or the initial circulation to local libraries and do not reflect repeated circulation of those materials by the local libraries to their users. 80 public libraries took at least 1 collection as did 39 school libraries in FY07 ((83 and 55 respectively in FY06).

²Requests between participating libraries using DOL's online network - VALS, but not directly handled by DOL staff - are not included above, were just over 52,600 requests in FY07 (51,000 in FY06).

³Does not include online courses offered through DOL's partnership with WebJunction. Gates Foundation funded training program ended in FY06.

⁴To receive the "Certificate of Public Librarianship," librarians must complete 150 workshop credit hours within five years.

⁵Based on the number of certificates awarded at the end of program. Local libraries held 2,882 (2,588 in FY06) programs related to the summer reading program with 55,451 (58,364 in FY06) children attending (19 per program, 22 in FY06).

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Libraries

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,013,698	2,027,969	1,989,281	2,078,222
Operating Expenses	1,563,448	1,581,218	1,504,594	1,561,712
Grants	215,513	62,500	62,500	62,500
<hr/> TOTAL	<hr/> 3,792,659	<hr/> 3,671,687	<hr/> 3,556,375	<hr/> 3,702,434
FUND TYPE				
General Fund	2,529,110	2,601,964	2,474,907	2,616,539
Special Fund	349,407	152,482	164,227	132,500
Federal Revenue Fund	826,014	823,729	823,729	855,215
Interdepartmental Transfer	88,128	93,512	93,512	98,180
<hr/> TOTAL	<hr/> 3,792,659	<hr/> 3,671,687	<hr/> 3,556,375	<hr/> 3,702,434

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tax

Department Mission Statement

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

Division/Program Description:

Administration

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

Administration also encompasses all mailroom/stockroom operations, including processing all out-going mail, preparation and distribution of tax forms, refund checks, delinquency notices/bills and any special mailings to taxpayers. It also includes coordinating all aspects of the "substitute forms program", which has grown significantly now that a majority of our tax return and tax remittance processing is performed with imaging/scanning equipment.

Compliance

Compliance is the enforcement division of the Department of Taxes. In addition to standard audit

STATE OF VERMONT
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Tax

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

FY2008 ended with an accounts receivable balance of \$150.4 million dollars, up from \$127.1 million in FY07. Some of the increase comes from further implementation of the use of federal data to pursue non-filers. One project is to compare data from DOL (Department of Labor) with federal and state income tax returns to identify wage earners in VT who have not filed income tax returns. We have also taken some firm positions with corporate entities, so some of the future collections will depend upon the outcome of related appeals. During the last fiscal year, approximately \$52.8 million dollars in delinquent taxes were collected, up from \$51.5 million in FY07. To supplement our in-house collection activities, the department also places delinquent accounts with private collection agencies, as authorized by 32 VSA §3109.

In addition to tax collection, Compliance administers the refund offset program for 21 State and Federal agencies; such as Child Support, Defender General, Judicial, VSAC and the Internal Revenue Service. We sent more than \$4.2 million to participating agencies in FY08.

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

Information Systems

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

During 2007 and 2008, a portion of the Division's resources focused on a project to migrate the processing of Corporate Income, Business Income, Fuel Gross Receipts and Property Transfer taxes from the legacy mainframe system to a new integrated tax system called VIRCS-ETM (Vermont Integrated Revenue and Collection System - Enterprise Tax Management). This project is expected to complete in 2009. VIRCS-ETM gives the Department the technology it needs to eventually process all taxes on one system.

As changes to the income sensitized property tax assistance program occurred, the division met the

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Tax

challenges of modifying the underlying computer systems used to administer the programs. In 2007 systems were changed to replace checks to the property owners with payments made directly to the towns so that tax bills would reflect any credits. In 2008 changes were made to support a system of netting the property tax adjustments against each Town's statewide education property tax rather than sending the money to the Towns.

The Division continues to support property tax administration statewide. It provides support to towns and municipalities using the CAPTAP II software for their listing and tax billing needs. A major milestone in this area was the automation of the annual process of certifying parcels enrolled in the Current Use program resulting in a significant time savings for both the Towns and the Department.

In order to continue to promote electronic filing channels, Vermont Bizfile was updated in 2008 to allow Sales & Use, Meals and Rooms and Withholding taxpayers to file returns early while scheduling their payments for a date in the future via ACH Debit. An additional accepted payment method (ACH Credit) was implemented as well.

Also, Vermont taxpayer participation in the Fed/State E-file program has continued to increase annually. This program allows Vermont taxpayers to have both their Federal and State personal income tax returns processed electronically. Taxpayers can choose to have their refunds direct deposited to their bank accounts. The IS division has been participating, along with most other state tax entities, in working groups to standardize and adopt what is referred to as Fed/State modernized e-File (MeF) for Personal Income tax.

Property Valuation and Review

Property Valuation and Review (PVR) provides administrative support for Vermont's property tax system, staff support for the development of property tax policies and administration of several property tax related programs. Most major functions assigned to the Division involve taxes and programs that are primarily administered by municipal governments; hence PVR works extensively with local governments in performance of its duties.

Specific programs and functions include the following programs: 1) Education Grand List Equalization Study (EEGL); 2) Use Value Appraisal Program (Current Use); 3) Computer Assisted Property Tax Administration Program (CAPTAP II); 4) Vermont Mapping Program (VMP); 5) State-level Real Estate-based Taxes (Real Estate Withholding, Property Transfer & Lands Gains); 6) Property Valuation Appeals from local assessments; 7) State-funded payment in lieu of taxes programs to municipal governments (PILOT); 8) Educational Programs for Municipal Listers and Appraisers; and 9) technical assistance to local assessment officials in the valuation of property and the administration of the property tax. In addition, the Division frequently performs other functions, such as providing staff support for Executive and Legislative studies and commissions and appraisal of State-owned property.

Revenue Accounting & Returns Processing

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Tax

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

Taxpayer Services

The Taxpayer Services Division administers 27 taxes, 6 licensing programs, 1 property tax program and 1 renter rebate program. We are now in the eighth year of using the Vermont Integrated Revenue Collection System (VIRCS) for individual income and business trust taxes and we continue to revise our procedures and processing methods to realize efficiencies from this system. With VIRCS as its basic tool, the Division provides on-going taxpayer assistance, distributes educational materials, encourages voluntary compliance with Vermont tax laws, and examines tax returns and documents for accuracy and completeness. The Division also distributes applications for the Telephone Lifeline and V-Script programs and verifies income for the Lifeline program.

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

The Division staff responds to taxpayer questions, assists in completing tax forms and helps resolve taxpayer problems. Taxpayers receive assistance by telephone, letter, fax, e-mail and walk-in visits. We annually handle approximately 160,000 calls through our telephone "call center". We also have an automated telephone system where taxpayers can telephonically check their refund status. Taxpayers can also use this 24/7 service to access their estimated income tax payment amount; the status of their homestead declaration; the status of their property tax adjustment claim. 2008 was the first year all this information was accessible via our website.

Vermont is a full member in the national Streamlined Sales Tax Project (SSTP). As a full member Vermont is entitled to require collection and remittance of the sales tax by participating out of state

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tax

vendors who would otherwise have no obligation to collect and pay these taxes. This resulted in a number of changes to sales tax administration including making it destination based.

C-corporations conducting a unitary business with other affiliated corporations are now required to file their returns on a unitary basis. Construction of and conversion to a new software program, ETM (Enterprise Tax Management), is underway and expected to be complete in 2009. Corporate and Business Income, Fuel Gross Receipts and Property Transfer will be the first tax types administered in the ETM system. ETM will be a significant upgrade from the mainframe technology currently used to manage these taxes.

The Division is continuing to expand its on-line presence for individual and business taxpayers. For example, we offer an electronic funds transfer program (EFT) to all employers to pay their withholding taxes. We also offer individual income taxpayers the "Fed/State" efile program through hundreds of registered tax preparers. Approximately 180,000 individual income taxpayers filed via Fed/State in 2008. On-line income tax filers can make payments electronically, free-of-charge, via ACH debit and instruct us to electronically send their refund directly to their bank account. We also offer ACH credit an on-line tax payment program to all taxpayers using most major credit cards. Our VTBizFile application allows businesses to electronically file and pay their tax returns. In 2008 our online filing service **VTBizFile** was enhanced with many new improvements. Businesses can now file their Sales and Use, Meals and Rooms, and Withholding tax returns and pay their tax due by ACH Debit, by using a major credit card, or by ACH Credit, an enhancement added in 2008. **VTBizFile** now offers taxpayers the option of warehousing their returns; they can file their return early and schedule the date of their payment any date up to and including the due date of the return. Businesses who file on **VTBizFile** have ready access to their filing and payment history for returns they filed online, so they never have to worry about losing their returns.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tax**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration / Collection	188	187	178	14,999,875	15,116,143	15,294,655	15,039,790
<hr/>							
TOTAL	188	187	178	14,999,875	15,116,143	15,294,655	15,039,790
FUND TYPE							
General Fund				13,956,374	13,952,707	13,699,579	13,593,386
Special Fund				837,501	966,436	1,345,130	1,249,404
Interdepartmental Transfer				206,000	197,000	249,946	197,000
<hr/>							
TOTAL				14,999,875	15,116,143	15,294,655	15,039,790

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration / Collection

Appropriation Key Budget Issues

Administration/Collection Appropriation Summary:

The Administration/Collection appropriation for FY10 supports all six (6) of the department's operating divisions: Administration, Compliance, Information Systems, Property Valuation & Review, Revenue Accounting & Returns Processing and Taxpayer Services.

This budget supports 167 full-time classified, 2 full-time limited service and 11 full-time exempt employees who administer 34 general fund and special fund taxes, licenses and fees; as well as local option taxes for eleven (11) municipalities. Full-time employees are augmented by tax season temporaries. The work program for FY2010 includes: taxpayer education and assistance; tax examination and problem resolution; conducting office and field audits; accounts receivable collection; criminal investigations; and finally, processing and depositing all tax returns, bills and payments to the correct taxpayer and tax receipt accounts. Additional responsibilities include the administration of property tax assistance programs, the split grand list and the renter rebate program.

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

Performance Program Information

FY 2010

Department of Taxes
Revenue Accounting and Returns Processing

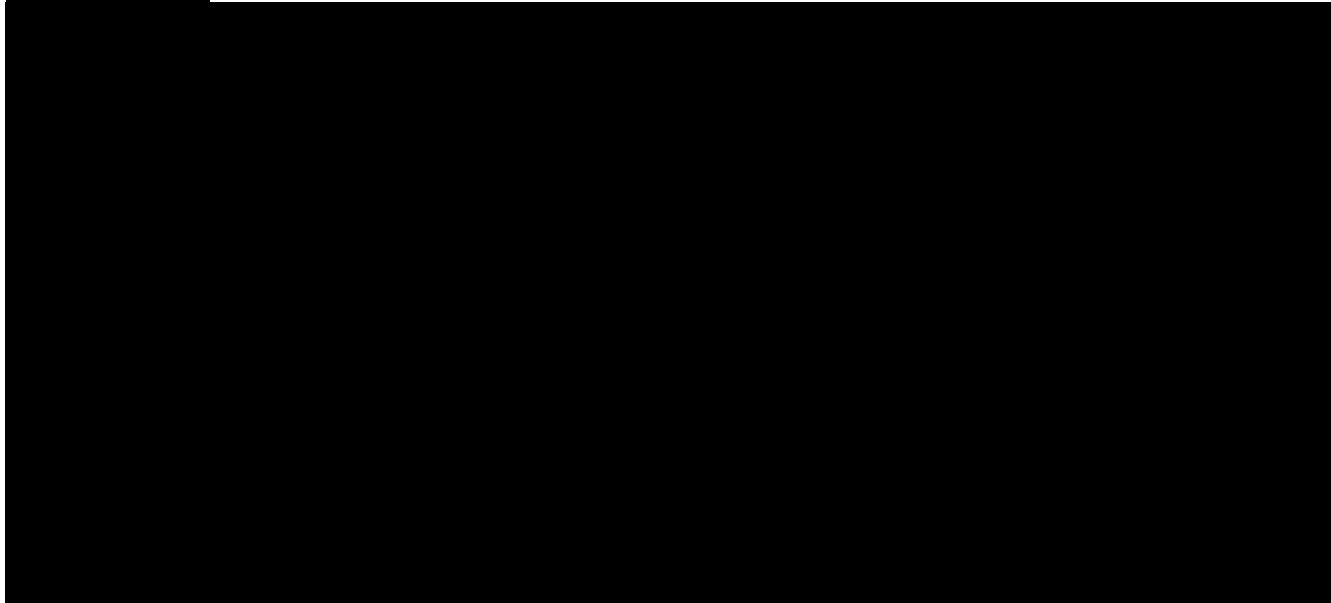
Program Outcome Statement:

The purpose of the Revenue Accounting and Returns Processing unit is to receive all incoming tax

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration / Collection

returns and bills; extract, sort and deposit all payments to the correct taxpayer and tax receipt account within an average of 24 hours from receipt; accurately data capture, via keyboard or scan/image, all taxpayer and tax return information and finally; reconcile all tax receipt accounts and bank accounts related to incoming receipts and outgoing refunds within 15 days of statement receipt.

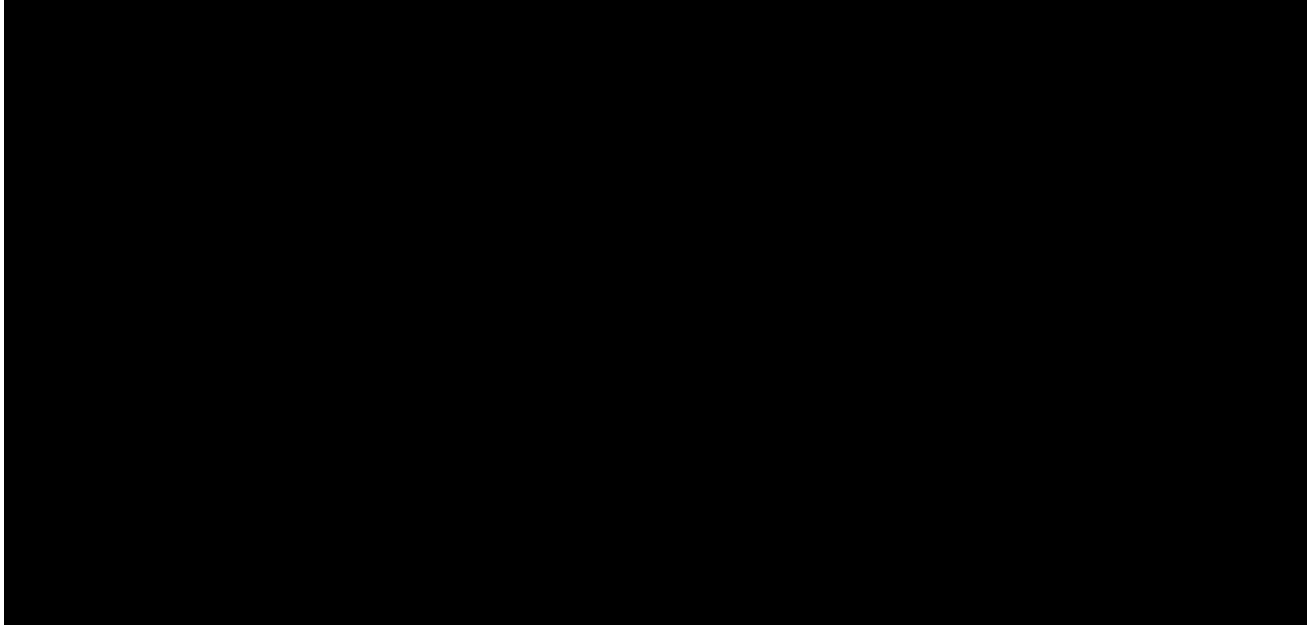
Key Indicators:



Story Behind Baseline Performance:

The RAARP section consists of 17 permanent, full-time employees and 38 tax-season temporaries. This Division is responsible for all revenue accounting and returns processing needs of the Department. Those duties include: receipt, opening, extraction and routing of all incoming mail; return validation and control for data entry or doc prep for scanning/imaging; data capture of all documents via traditional keyboard entry or scanning/imaging technology; daily bank deposits and related cash management functions, including electronic funds transfers and credit card payments; bank account/general ledger reconciliations and finally; preparing GAAP/FMIS reporting, as needed.

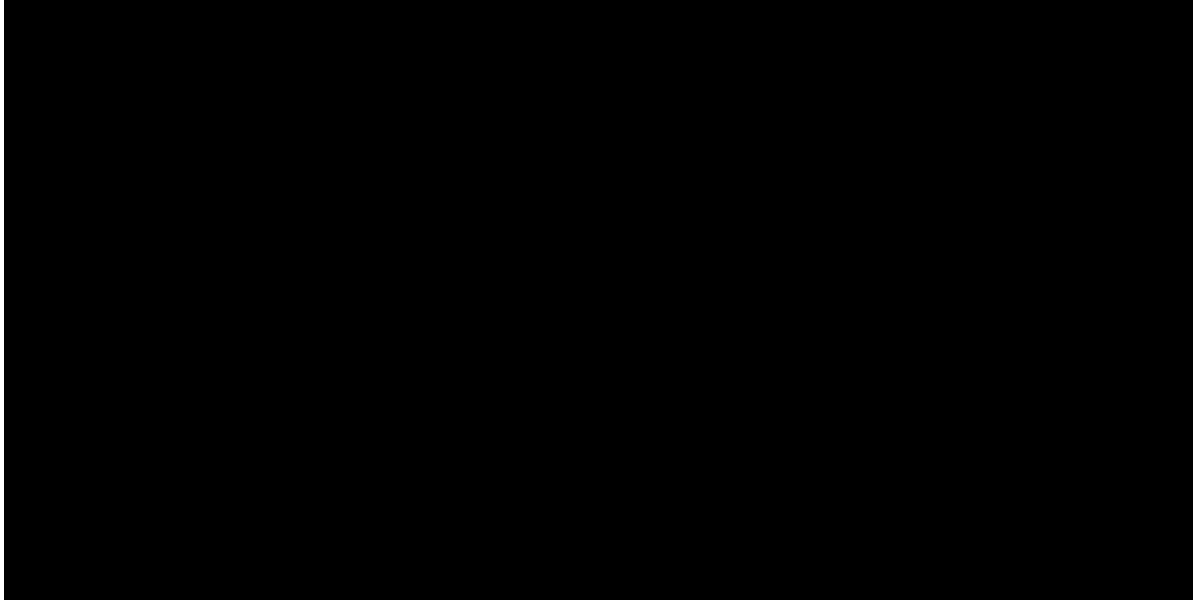
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration / Collection



Strategies:

1. Continue to reduce the number of paper return filers by actively promoting the Fed-State e-file program to all paid income tax preparers and by offering free, web-based filing service to low income Vermonters. Also, expand the electronic filing option for business trust taxpayers (VTBizFile) to include all withholding taxpayers not currently enrolled in our EFT payment program and to promote the new, free ACH debit payment option.
2. Continue using color-coded personal income tax return envelopes and PO Boxes for “paid” vs “refund” PIT returns. Also, continue using special payment vouchers in IFPS workflow to allow check processing without the need to scan, DV and extract the companion PIT return.
3. Strengthen the “substitute forms” process to ensure that all professionally prepared returns are “readable” by our IFPS equipment, prior to receipt by RAARP.
4. Reduce the number of refund checks issued by expanding the direct deposit option, whenever possible.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration / Collection**



Performance Measures:

<i>What/How Much We Do</i>	<u>CY05</u>	<u>CY06</u>	<u>CY07</u>	<u>CY08*</u>	<u>CY09*</u>
*Estimates					
1. Trays of Mail	3,070	3,051	3,043	3,161	3,100
2. All Paper Returns Processed	1,093,218	1,007,812	905,547	873,992	865,000
3. Tax Returns Filed Electronically					
- Fed-State Program	114,353	143,027	162,066	183,270	190,000
- All Other Returns	104,725	143,011	165,114	163,051	175,000
4. PIT Refund & Act 185 Checks	314,217	312,505	188,232	180,000	175,000
5. "Problem" Checks (Lost,Void,etc.)	5,323	1,537	6,297	2,952	3,500
	(2 years)		(2 years)		
6. Refund Direct Deposits	47,997	59,366	66,798	76,652	80,000
7. "Problem" Direct Deposits	302	362	392	412	450
8. Deposit Items (All Taxes)	616,951	625,654	643,997	622,819	660,000
9. Protested (Rejected) Payments	571	859	1,484	915	950
10. EFT Tax Payments Processed*	98,145	120,708	140,841	148,483	158,000
*Also included in No. 8 count above					

What Do We Propose To Do To Improve Performance?

1. Continue to develop and support new and on-going electronic alternatives to paper returns and checks.

FY10 Key Budget Issue:

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration / Collection

Maximize the efficiencies resulting from the new, permanent home for all RAARP functions on the 3rd floor of 133 State Street.

FY10 Budget

The FY2010 budget reflects a continuation of all the steps taken in FY05-09 to meet or exceed our processing goals, as well as the processing deadlines mandated by Act 60, with special emphasis on the goal of 10% per year increases in electronically filed returns.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration / Collection

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	12,077,044	12,212,179	12,410,317	12,047,125
Operating Expenses	2,922,831	2,903,964	2,884,338	2,992,665
<hr/> TOTAL	<hr/> 14,999,875	<hr/> 15,116,143	<hr/> 15,294,655	<hr/> 15,039,790
FUND TYPE				
General Fund	13,956,374	13,952,707	13,699,579	13,593,386
Special Fund	837,501	966,436	1,345,130	1,249,404
Interdepartmental Transfer	206,000	197,000	249,946	197,000
<hr/> TOTAL	<hr/> 14,999,875	<hr/> 15,116,143	<hr/> 15,294,655	<hr/> 15,039,790

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Buildings and General Services

Department Mission Statement

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

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

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

Description of Appropriations, Divisions, & Programs

ADMINISTRATIVE SERVICES

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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Buildings and General Services

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; and (3) to maintain an inventory of space to facilitate proposed back charging of space to users.

ENGINEERING AND CONSTRUCTION

The mission of the Engineering & 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.

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Buildings and General Services

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.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Buildings and General Services

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 now expanded, working with Fleet Management, to provide for the sale of used fleet vehicles at the BGS facility in Middlesex, VT.

RISK MANAGEMENT - INSURANCE SERVICES

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

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

The first focus of these programs is to protect our human resources, our employees. Loss Prevention works to prevent accidents through training, loss investigation, and on-site occupational safety and health surveys. Workers Compensation works to secure the best possible care for injured workers. The

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Buildings and General Services

Liability program has the goal to treat all of the claimants in a fair and equitable fashion and everyone is treated with respect.

INFORMATION CENTERS

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

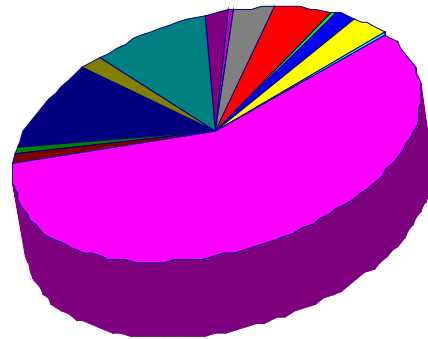
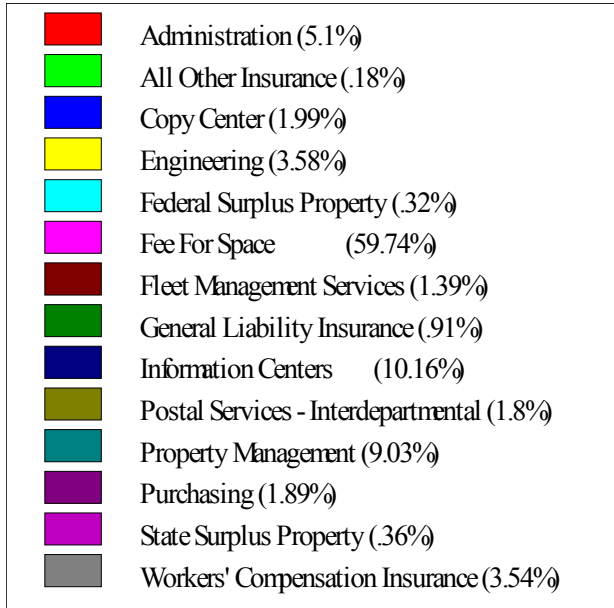
Core responsibilities involve marketing, promotions and customer relations in an attempt at influencing the buying practices and purchasing behaviors of the Vermont tourists. In addition, providing clean, safe, and well lighted accommodations for truck drivers as well as the motoring public are essential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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Buildings and General Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration	25	27	25	2,333,024	2,547,001	2,326,440	2,360,190
Engineering	23	23	22	2,462,241	2,446,603	2,168,526	1,658,340
Information Centers	57	58	55	5,402,232	4,872,185	4,723,760	4,702,400
Purchasing	12	13	11	946,063	1,048,897	985,892	876,450
Public Records	19	0	0	1,522,783	0	0	0
Postal Services - Interdepartmental	14	14	12	20,000	866,340	696,323	835,000
Postal Services - External	0	0	0	716,565	0	0	0
Copy Center	14	12	13	748,340	874,476	781,293	920,000
Fleet Management Services	9	8	7	584,339	716,919	583,000	645,000
Federal Surplus Property	1	1	1	142,609	146,092	134,070	146,500
State Surplus Property	1	1	1	168,015	127,608	135,900	166,780
Property Management	22	21	21	1,512,169	4,084,343	4,085,960	4,181,630
All Other Insurance	1	0	0	64,255	127,307	86,670	85,000
General Liability Insurance	3	0	3	467,109	432,367	503,910	420,500
Workers' Compensation Insurance	16	23	17	1,436,995	1,621,038	1,667,970	1,639,238
Fee For Space	227	231	222	28,604,636	24,120,426	26,163,228	27,655,892
TOTAL	444	432	410	47,131,375	44,031,602	45,042,942	46,292,920
FUND TYPE							
General Fund				9,706,815	8,357,685	7,868,178	7,223,306
Special Fund				692,960	50,000	50,000	50,000
Federal Revenue Fund				705	0	0	0
Enterprise Fund				142,609	146,092	134,070	146,500
Internal Service Fund				34,255,967	32,930,824	34,664,254	36,512,924
Interdepartmental Transfer				2,332,319	2,547,001	2,326,440	2,360,190
TOTAL				47,131,375	44,031,602	45,042,942	46,292,920

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Buildings and General Services**



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,018,387	2,193,312	2,042,830	2,087,834
Operating Expenses	314,637	353,689	283,610	272,356
<hr/>				
TOTAL	2,333,024	2,547,001	2,326,440	2,360,190
 FUND TYPE				
Federal Revenue Fund	705	0	0	0
Interdepartmental Transfer	2,332,319	2,547,001	2,326,440	2,360,190
<hr/>				
TOTAL	2,333,024	2,547,001	2,326,440	2,360,190

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Engineering**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,924,238	1,932,163	1,636,530	1,239,475
Operating Expenses	538,003	514,440	531,996	418,865
<hr/> TOTAL	<hr/> 2,462,241	<hr/> 2,446,603	<hr/> 2,168,526	<hr/> 1,658,340
FUND TYPE				
General Fund	2,462,241	2,446,603	2,168,526	1,658,340
<hr/> TOTAL	<hr/> 2,462,241	<hr/> 2,446,603	<hr/> 2,168,526	<hr/> 1,658,340

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Information Centers

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,848,814	3,520,072	3,345,040	3,331,451
Operating Expenses	1,515,750	1,306,663	1,288,720	1,325,949
Grants	37,668	45,450	90,000	45,000
<hr/>				
TOTAL	5,402,232	4,872,185	4,723,760	4,702,400
FUND TYPE				
General Fund	4,901,495	4,822,185	4,673,760	4,652,400
Special Fund	500,737	50,000	50,000	50,000
<hr/>				
TOTAL	5,402,232	4,872,185	4,723,760	4,702,400

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Purchasing**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	635,808	730,292	643,090	671,569
Operating Expenses	310,255	318,605	342,802	204,881
<hr/> TOTAL	<hr/> 946,063	<hr/> 1,048,897	<hr/> 985,892	<hr/> 876,450
FUND TYPE				
General Fund	946,063	1,048,897	985,892	876,450
<hr/> TOTAL	<hr/> 946,063	<hr/> 1,048,897	<hr/> 985,892	<hr/> 876,450

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Records**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	808,515	0	0	0
Operating Expenses	714,268	0	0	0
<hr/>				
TOTAL	1,522,783	0	0	0
FUND TYPE				
General Fund	1,377,016	0	0	0
Special Fund	145,767	0	0	0
<hr/>				
TOTAL	1,522,783	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Postal Services - Interdepartmental**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	0	670,777	538,250	650,910
Operating Expenses	20,000	195,563	158,073	184,090
<hr/>				
TOTAL	<hr/> 20,000	<hr/> 866,340	<hr/> 696,323	<hr/> 835,000
 FUND TYPE				
General Fund	20,000	40,000	40,000	36,116
Internal Service Fund	0	826,340	656,323	798,884
<hr/>				
TOTAL	<hr/> 20,000	<hr/> 866,340	<hr/> 696,323	<hr/> 835,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Postal Services - External**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	581,195	0	0	0
Operating Expenses	135,370	0	0	0
<hr/> TOTAL	<hr/> 716,565	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
Internal Service Fund	716,565	0	0	0
<hr/> TOTAL	<hr/> 716,565	<hr/> 0	<hr/> 0	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Copy Center**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	550,627	642,126	572,720	725,873
Operating Expenses	197,713	232,350	206,473	194,127
Other Financing Uses Budget	0	0	2,100	0
<hr/> TOTAL	<hr/> 748,340	<hr/> 874,476	<hr/> 781,293	<hr/> 920,000
FUND TYPE				
Internal Service Fund	748,340	874,476	781,293	920,000
<hr/> TOTAL	<hr/> 748,340	<hr/> 874,476	<hr/> 781,293	<hr/> 920,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fleet Management Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	432,404	562,573	435,560	475,587
Operating Expenses	151,935	154,346	147,440	169,413
<hr/> TOTAL	<hr/> 584,339	<hr/> 716,919	<hr/> 583,000	<hr/> 645,000
FUND TYPE				
Internal Service Fund	584,339	716,919	583,000	645,000
<hr/> TOTAL	<hr/> 584,339	<hr/> 716,919	<hr/> 583,000	<hr/> 645,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Federal Surplus Property**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	64,994	68,567	67,200	83,564
Operating Expenses	77,615	77,525	66,870	62,936
<hr/> TOTAL	<hr/> 142,609	<hr/> 146,092	<hr/> 134,070	<hr/> 146,500
FUND TYPE				
Enterprise Fund	142,609	146,092	134,070	146,500
<hr/> TOTAL	<hr/> 142,609	<hr/> 146,092	<hr/> 134,070	<hr/> 146,500

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Surplus Property**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	60,901	63,768	65,770	80,720
Operating Expenses	107,114	63,840	70,130	86,060
<hr/> TOTAL	<hr/> 168,015	<hr/> 127,608	<hr/> 135,900	<hr/> 166,780
FUND TYPE				
Special Fund	46,456	0	0	0
Internal Service Fund	121,559	127,608	135,900	166,780
<hr/> TOTAL	<hr/> 168,015	<hr/> 127,608	<hr/> 135,900	<hr/> 166,780

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Property Management**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,188,615	1,139,014	1,169,930	1,196,597
Operating Expenses	323,554	2,945,329	2,916,030	2,985,033
<hr/> TOTAL	<hr/> 1,512,169	<hr/> 4,084,343	<hr/> 4,085,960	<hr/> 4,181,630
FUND TYPE				
Internal Service Fund	1,512,169	4,084,343	4,085,960	4,181,630
<hr/> TOTAL	<hr/> 1,512,169	<hr/> 4,084,343	<hr/> 4,085,960	<hr/> 4,181,630

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
All Other Insurance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	37,725	98,919	56,430	33,028
Operating Expenses	26,530	28,388	30,240	51,972
<hr/> TOTAL	<hr/> 64,255	<hr/> 127,307	<hr/> 86,670	<hr/> 85,000
FUND TYPE				
Internal Service Fund	64,255	127,307	86,670	85,000
<hr/> TOTAL	<hr/> 64,255	<hr/> 127,307	<hr/> 86,670	<hr/> 85,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
General Liability Insurance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	326,210	299,547	358,140	295,114
Operating Expenses	140,899	132,820	145,770	125,386
<hr/> TOTAL	<hr/> 467,109	<hr/> 432,367	<hr/> 503,910	<hr/> 420,500
FUND TYPE				
Internal Service Fund	467,109	432,367	503,910	420,500
<hr/> TOTAL	<hr/> 467,109	<hr/> 432,367	<hr/> 503,910	<hr/> 420,500

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,108,663	1,242,185	1,290,350	1,329,914
Operating Expenses	328,332	378,853	377,620	309,324
<hr/> TOTAL	<hr/> 1,436,995	<hr/> 1,621,038	<hr/> 1,667,970	<hr/> 1,639,238
FUND TYPE				
Internal Service Fund	1,436,995	1,621,038	1,667,970	1,639,238
<hr/> TOTAL	<hr/> 1,436,995	<hr/> 1,621,038	<hr/> 1,667,970	<hr/> 1,639,238

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fee For Space

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	12,033,499	11,993,881	12,461,911	12,684,951
Operating Expenses	16,571,137	12,126,545	13,701,317	14,970,941
<hr/> TOTAL	<hr/> 28,604,636	<hr/> 24,120,426	<hr/> 26,163,228	<hr/> 27,655,892
FUND TYPE				
Internal Service Fund	28,604,636	24,120,426	26,163,228	27,655,892
<hr/> TOTAL	<hr/> 28,604,636	<hr/> 24,120,426	<hr/> 26,163,228	<hr/> 27,655,892

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Geographic Information System

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 2010 BUDGET RECOMMENDATIONS
Geographic Information System**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Geographic Information System	0	0	0	430,210	430,210	408,700	408,700
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 430,210	<hr/> 430,210	<hr/> 408,700	<hr/> 408,700
FUND TYPE							
Special Fund				430,210	430,210	408,700	408,700
<hr/> TOTAL				<hr/> 430,210	<hr/> 430,210	<hr/> 408,700	<hr/> 408,700

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Geographic Information System**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	430,210	430,210	408,700	408,700
TOTAL	430,210	430,210	408,700	408,700
FUND TYPE				
Special Fund	430,210	430,210	408,700	408,700
TOTAL	430,210	430,210	408,700	408,700

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Executive Office

Department Mission Statement

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

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

Description of Appropriations, Divisions, & Programs

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Governor's Office	15	15	14	1,662,135	1,720,550	1,552,444	1,603,815
National and Community Service	4	4	0	1,235,927	2,160,392	1,616,925	0
<hr/>							
TOTAL	19	19	14	2,898,062	3,880,942	3,169,369	1,603,815
FUND TYPE							
General Fund				1,537,435	1,583,578	1,398,674	1,410,315
Federal Revenue Fund				1,173,811	2,103,864	1,577,195	0
Interdepartmental Transfer				186,816	193,500	193,500	193,500
<hr/>							
TOTAL				2,898,062	3,880,942	3,169,369	1,603,815

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Governor's Office

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 2010 BUDGET RECOMMENDATIONS
Governor's Office**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,274,174	1,323,037	1,229,686	1,217,326
Operating Expenses	387,961	397,513	322,758	386,489
TOTAL	1,662,135	1,720,550	1,552,444	1,603,815
FUND TYPE				
General Fund	1,478,658	1,527,050	1,358,944	1,410,315
Interdepartmental Transfer	183,477	193,500	193,500	193,500
TOTAL	1,662,135	1,720,550	1,552,444	1,603,815

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
National and Community Service**

Description of Appropriations, Divisions, & Programs

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
National and Community Service

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	200,672	202,006	148,701	0
Operating Expenses	98,300	122,923	91,627	0
Grants	936,955	1,835,463	1,376,597	0
TOTAL	1,235,927	2,160,392	1,616,925	0
FUND TYPE				
General Fund	58,777	56,528	39,730	0
Federal Revenue Fund	1,173,811	2,103,864	1,577,195	0
Interdepartmental Transfer	3,339	0	0	0
TOTAL	1,235,927	2,160,392	1,616,925	0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislative Council**

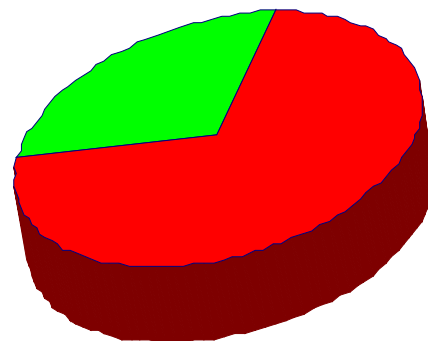
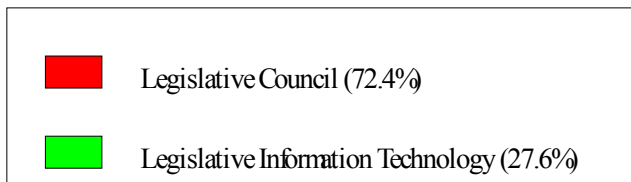
Department Mission Statement

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 2010 BUDGET RECOMMENDATIONS
Legislative Council**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Legislative Council	24	24	24	2,114,107	2,318,884	2,318,884	2,342,977
Legislative Information Technology	4	4	4	622,023	900,221	900,221	892,958
<u>TOTAL</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>2,736,130</u>	<u>3,219,105</u>	<u>3,219,105</u>	<u>3,235,935</u>
FUND TYPE							
General Fund				2,736,130	3,219,105	3,219,105	3,235,935
<u>TOTAL</u>				<u>2,736,130</u>	<u>3,219,105</u>	<u>3,219,105</u>	<u>3,235,935</u>



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislative Council

Appropriation Key Budget Issues

This budget provides no funding for the deputy legislative council director position. This budget includes the impact of a furlough equivalent to 5% of salaries above \$60,000.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislative Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,951,872	2,155,192	2,155,192	2,164,007
Operating Expenses	162,235	163,692	163,692	178,970
<hr/> TOTAL	<hr/> 2,114,107	<hr/> 2,318,884	<hr/> 2,318,884	<hr/> 2,342,977
FUND TYPE				
General Fund	2,114,107	2,318,884	2,318,884	2,342,977
<hr/> TOTAL	<hr/> 2,114,107	<hr/> 2,318,884	<hr/> 2,318,884	<hr/> 2,342,977

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislative Information Technology

Appropriation Key Budget Issues

This budget includes the impact of a furlough equivalent to 5% of salaries above \$60,000.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislative Information Technology**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	360,755	387,751	387,751	393,601
Operating Expenses	261,268	512,470	512,470	499,357
<hr/> TOTAL	<hr/> 622,023	<hr/> 900,221	<hr/> 900,221	<hr/> 892,958
FUND TYPE				
General Fund	622,023	900,221	900,221	892,958
<hr/> TOTAL	<hr/> 622,023	<hr/> 900,221	<hr/> 900,221	<hr/> 892,958

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislature

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 2010 BUDGET RECOMMENDATIONS
Legislature**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Legislature	19	19	19	7,057,652	7,434,333	7,434,333	7,329,891
<hr/> TOTAL	<hr/> 19	<hr/> 19	<hr/> 19	<hr/> 7,057,652	<hr/> 7,434,333	<hr/> 7,434,333	<hr/> 7,329,891
FUND TYPE							
General Fund				7,024,773	7,434,333	7,434,333	7,329,891
Special Fund				994	0	0	0
Interdepartmental Transfer				31,885	0	0	0
<hr/> TOTAL				<hr/> 7,057,652	<hr/> 7,434,333	<hr/> 7,434,333	<hr/> 7,329,891

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislature

Appropriation Key Budget Issues

This budget funds the Legislature at 18 weeks, which is consistent with the intent of the General Assembly as expressed in Sec. 5.012.1(d) of Act 192 of 2008; however, various reductions in contract expenses and other operating expenses were necessary in order reach the targeted funding level. This budget also funds the Commission on Health Care Reform and includes the cost-of-living adjustments to the Legislature, as per 32 V.S.A. 1051 and 32 V.S.A. 1052.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Legislature**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,789,556	4,014,859	4,014,859	3,872,884
Operating Expenses	3,268,096	3,419,474	3,419,474	3,457,007
<hr/>				
TOTAL	7,057,652	7,434,333	7,434,333	7,329,891
FUND TYPE				
General Fund	7,024,773	7,434,333	7,434,333	7,329,891
Special Fund	994	0	0	0
Interdepartmental Transfer	31,885	0	0	0
<hr/>				
TOTAL	7,057,652	7,434,333	7,434,333	7,329,891

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

Statute Regarding Functions of Joint Fiscal Committee:

2 V.S.A. Chapter 15 § 503

Functions:

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

Description of Staff Responsibilities:

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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

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 2010 BUDGET RECOMMENDATIONS
Joint Fiscal Committee**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Joint Fiscal Committee	12	12	12	1,297,856	1,298,032	1,329,661	1,309,197
<hr/> TOTAL	<hr/> 12	<hr/> 12	<hr/> 12	<hr/> 1,297,856	<hr/> 1,298,032	<hr/> 1,329,661	<hr/> 1,309,197
FUND TYPE							
General Fund				1,297,856	1,298,032	1,329,661	1,309,197
<hr/> TOTAL				<hr/> 1,297,856	<hr/> 1,298,032	<hr/> 1,329,661	<hr/> 1,309,197

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Joint Fiscal Committee**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,208,439	1,210,211	1,242,667	1,214,565
Operating Expenses	89,417	87,821	86,994	94,632
<hr/> TOTAL	<hr/> 1,297,856	<hr/> 1,298,032	<hr/> 1,329,661	<hr/> 1,309,197
FUND TYPE				
General Fund	1,297,856	1,298,032	1,329,661	1,309,197
<hr/> TOTAL	<hr/> 1,297,856	<hr/> 1,298,032	<hr/> 1,329,661	<hr/> 1,309,197

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Sergeant at Arms

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Sergeant at Arms**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Sergeant at Arms	6	6	6	575,826	612,553	612,553	619,517
<hr/> TOTAL	<hr/> 6	<hr/> 6	<hr/> 6	<hr/> 575,826	<hr/> 612,553	<hr/> 612,553	<hr/> 619,517
FUND TYPE							
General Fund				575,826	612,553	612,553	619,517
<hr/> TOTAL				<hr/> 575,826	<hr/> 612,553	<hr/> 612,553	<hr/> 619,517

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Sergeant at Arms**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	514,971	541,207	541,207	519,586
Operating Expenses	60,855	71,346	71,346	99,931
<hr/> TOTAL	<hr/> 575,826	<hr/> 612,553	<hr/> 612,553	<hr/> 619,517
FUND TYPE				
General Fund	575,826	612,553	612,553	619,517
<hr/> TOTAL	<hr/> 575,826	<hr/> 612,553	<hr/> 612,553	<hr/> 619,517

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lieutenant Governor

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lieutenant Governor**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Lieutenant Governor	2	2	2	155,244	161,613	161,613	163,634
<hr/> TOTAL	<hr/> 2	<hr/> 2	<hr/> 2	<hr/> 155,244	<hr/> 161,613	<hr/> 161,613	<hr/> 163,634
FUND TYPE							
General Fund				155,244	161,613	161,613	163,634
<hr/> TOTAL				<hr/> 155,244	<hr/> 161,613	<hr/> 161,613	<hr/> 163,634

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lieutenant Governor**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	140,905	143,693	143,693	146,651
Operating Expenses	14,339	17,920	17,920	16,983
<hr/> TOTAL	<hr/> 155,244	<hr/> 161,613	<hr/> 161,613	<hr/> 163,634
FUND TYPE				
General Fund	155,244	161,613	161,613	163,634
<hr/> TOTAL	<hr/> 155,244	<hr/> 161,613	<hr/> 161,613	<hr/> 163,634

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

Department Mission Statement

Mission Statement

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

Description of Appropriations, Divisions, & Programs

Significant Recent Achievements of the Auditor's Office

During this fiscal year the office has completed audits and reviews in the following areas:

- Internal Controls of eight agencies including the agencies of Administration and Human Services.
- The Vermont Communication Board (VCOMM) proposed contract of \$ 12 million for a "Voice Radio Interoperability Solution" managed in part by the Department of Public Safety. The review of the RFP and bid-awarding process resulted in the Board's and Department's decision to cancel the award and to reassess the project which is expected to result in different goals and a much lower price.
- The Agency of Transportation's Rail Section's contracting process.
- Review of Internal Controls over Disbursements at Orange County.

Statutorily Required Audits

In fiscal year 2008, the Auditor's Office was required to complete audits of (1) the State's Basic Financial Statement Audit, (2) the federally-mandated Single Audit of all programs receiving federal funds, and (3) a compliance audit of the Economic Advancement Tax Incentives program. Each of these audits was completed by their mandated deadlines, except for the VEGI audit which was issued June 12, 2008. This was due to the fact that the audit was focused on the first year of activity in this new program which ended December 31, 2007. These audits were performed in accordance with generally accepted government auditing standards, and made significant recommendations for improvement in the State's processes.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

- *CAFR (Basic Financial Statement Audit).* 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 provision of laws and regulations. The CAFR audit is performed annually and this year the audit was performed by KPMG with a very significant contribution of hours from our Office. The audit for the period ending June 30, 2008 was completed on time.

- *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.

- *Vermont Economic Progress Council (VEPC) and Department of Taxes.* The Office conducted a compliance and internal control review of the Vermont Economic Growth Incentive program, jointly administered by the Vermont Economic Progress Council and the Department of Taxes. There were a number of findings and recommendations made. The full report can be found on the Auditor's website.

Other Audits and Reviews

As time and staff resources permit, the State Auditor's Office completes performance audits and other reviews. These audits and reviews are initiated based upon the Office's assessment of risk areas within State government or as a result of whistleblower allegations.

Examples of the former are two payment integrity audits in 2007 of the State's largest program, Medicaid.

The first report, on Medicaid's pharmacy program, identified approximately \$2.2 million in potential improper payments.

The second report, on physician and institutional Medicaid claims, questioned another \$900,000 in payments and found errors in the Medicaid payment system's pre-payment computerized audits that could result in other inappropriate payments.

As a result of these findings, the Office made about 20 recommendations that are intended to reduce the likelihood of future errors and waste and to develop a process to continue to identify potential improper payments in the future.

Other examples include:

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

One of the Auditor's reports noted that the Vermont State Colleges (VSC) might have earned an extra \$620,615 over 30 years if it had engaged in a public bid of its three unused broadcast licenses in the Castleton State College area in Rutland County. VSC re-opened negotiations with the firm and secured an additional \$500,000 in rental fees over the life of the contract.

Another review examined the fairness of the process by which a vendor, with the high bid of \$12.5 million, was selected last year in response to the State of Vermont's RFP for a "Voice Radio Interoperability Solution." The review found a fair and honest bid process but one that had problems with evaluation criteria. Partly in response to the review, the State decided to cancel contract negotiations and conduct a new process with new specifications due to changing regulations and technologies.

Other Significant Activities

The Office has changed its focus toward an "accountability office" model. As part of this effort we have negotiated a five-year contract with KPMG to perform both the CAFR and the A-133 audits at very competitive prices fixed for up to seven years. This contract allows the office to do more performance audits and special reviews to assess the efficiency and effectiveness of the programs and operations of state government. This effort will provide the state with a valuable management tool.

In addition to audits, the State Auditor's Office has taken the initiative to work with State agencies to continually monitor whether state agencies have put policies and procedures in place to address audit findings and recommendations. Audit findings that are repeated year after year add to the State's audit costs and, more importantly, indicate management's failure to fix known problems. By committing to providing sustained attention to this issue, the Office hopes to reduce such repetitive and costly findings in the future.

The Auditor's Office has also worked extensively with municipalities and sheriffs' departments to improve their financial operations. For example, the Auditor's office has met once a month for 18 consecutive months with the Vermont Sheriffs and their bookkeeping staff to revise the uniform accounting manual, develop a uniform chart of accounts and facilitate the adoption of a uniform software.

Moreover, in June 2008, the Auditor's Office partnered with VLCT, with the cooperation of the GFOA, VMCTA, and the School Board Association on a training for financial managers in towns, schools and state government. Over 150 attendees representing state and municipal organizations, schools, CPA firms, and others came from across the state to hear presentations on ethics, internal controls, cash management, fraud risk assessment, and auditing standards.

Planning is underway for the 2009 training planned for June 23rd.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Auditor of Accounts	15	15	14	3,281,466	2,948,212	2,877,097	3,171,680
<hr/>							
TOTAL	15	15	14	3,281,466	2,948,212	2,877,097	3,171,680
FUND TYPE							
General Fund				559,568	526,254	499,174	437,938
Special Fund				61,011	54,431	51,709	51,709
Internal Service Fund				2,649,697	2,367,527	2,326,214	2,682,033
Interdepartmental Transfer				11,190	0	0	0
<hr/>							
TOTAL				3,281,466	2,948,212	2,877,097	3,171,680

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

Department Mission Statement

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 2010 budget process provides some challenges and opportunities for the Office of the State Auditor. The Office was asked in October to identify one position to eliminate which will affect our ability to conduct performance audits.

The FY 2010 budget process is also an opportunity to re-visit how the costs of audit services are paid for by the State agencies and departments. It allows us to enhance the delivery of our services while also fairly and accurately assigning the costs of those services to the end-users.

Funding Targets

Our funding targets must be viewed together with the Single Audit Revolving Fund (SARF). The SARF 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.

Expenditures

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

Personal Services

Salary and Wages - The Office currently has 15 authorized positions, with one position we were asked

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

to identify for possible elimination. Therefore we are asking for funding for only 14 positions included in this budget request, at a budgeted cost of salaries and benefits of \$1,434,714. These include the Auditor and three appointed (exempt) positions and 10 classified positions. Although one classified position has been vacant, candidate searches are on-going and some suitable candidates are being considered. As such, this position is budgeted at full value. If additional budget cuts are required, this hire could be delayed or postponed until revenue is sufficient to fund the position.

We hope that when funding permits, the value of fully funding the audit staff will be realized and the 15th position will be funded.

Using information provided by the Department of Human Resources, we calculated the step increases in FY 2010. The projected step increases totaled \$11,000 in salary and wages.

Benefits - We assumed that employee benefits for social security, retirement and life insurance increase in relative proportion to increases in salary and wages. The 7.9% increase in medical coverage results in an \$8,000 increase in benefit costs. Increases to the state's contributions to the retirement fund from 10.1% to 12.3% have increased our costs by \$23,706. No increases in dental, EAP or LTD were assumed and since these amounts are not material components of our overall base, the impact is minor.

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 have taken a step back and re-evaluated the way in which both the audit of the financial statements and the Single Audit are conducted. Since many of the procedures required by both audits are the same, we issued an RFP on February 21, 2008 for bids on the combined audits which resulted in a five-year contract 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:

FY 2008: \$1,127,000

FY 2009: \$1,375,000

FY 2010: \$1,392,000

FY 2011: \$1,392,000

FY 2012: \$1,400,000

The price of the audits for the two option years of FY 2013 and FY 2014 are \$1,450,000 and \$1,500,000 respectively.

To the extent re-audits occur, audit costs increase. The State currently has 36 programs which would

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

require an A-133 audit which would require 12 audits each year if the programs had clean audits. Recognizing that some re-audits will happen, the KPMG contract price is based upon 15 A-133 audits per year. There are 6 programs requiring re-audits next year resulting in 19 A-133 audits. Four programs have been habitual re-audit offenders, and will cost the state approximately \$180,000 in additional costs in FY 2010. These programs are:

Immunization Grants - 6 years

CDC Technical Assistance - 6 years

Child Support Enforcement - 6 years

Highway Planning and Construction - 4 years

This additional cost could be reduced somewhat by the SAO staff providing more audit hours than called for in the KPMG contract. Increased staff contribution to the audit will reduce performance audit hours accordingly.

Non-employee personal services also include amounts budgeted for audit specialists hired directly by this office to supplement existing staff skill sets, when necessary. This category also includes the projected costs of the audits of the county sheriffs' departments. Since by statute this office pays one-third of the cost of the biennial audits, we have budgeted accordingly.

Operating Expenses

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

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

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

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

Travel - in-state - Represents estimated cost for staff to travel to audit locations. FY 2009 budget cuts reduced this line item by \$7,260 (57.7%).

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

Data Processing Hardware / Software - The efficient and effective delivery of audit services relies on the use of technology. For FY 2010 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

SAO Strategic and Performance Plan-Fiscal Years 2010-2012

Vermont taxpayers demand that their government provide effective citizen-centric services in a efficient and economical manner. Thus, it is not just a matter of how much a program or function costs, but also whether goals are achieved, client needs are met, and high-quality government operations developed and maintained. The auditor's office is committed to working with all levels of government to promote this vision of accountability.

In the past year, the SAO has begun to remake its operations to better position itself to advance such responsible stewardship of taxpayers' monies. Namely, the SAO has begun to shift from an organization that has largely concentrated on narrowly looking at the financial operations of State government in order to give an opinion on the State's financial statements to one that is more focused on assessing how well government is conducting its many roles and programs through performance audits. Performance audits provide objective analysis so that management and those charged with governance and oversight, such as the General Assembly, can use the information to improve program performance and operations, reduce costs, facilitate decision-making, and contribute to public accountability.

Our transition to performance auditing has largely manifested itself in our decision to contract with KPMG to perform the State's financial statement audit, which leaves the SAO with more resources to evaluate key governmental programs, such as Medicaid, economic growth programs, and rail operations. Our completion of performance audits in such areas has resulted in numerous recommendations that, if implemented, we believe will greatly improve how the State operates these programs and could result in substantial cost savings. Nevertheless, our implementation of performance auditing is still in its nascent stage and there are a host of improvements and changes that we are in the process of implementing in order that we may become a first-rate performance auditing organization.

Our commitment to performance auditing has not diminished our interest in continuing to support our remaining portfolio of work. In particular, we remain dedicated to working with KPMG and State government entities to reducing findings in the federally mandated single audit. Reducing findings

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

would not only improve the State's implementation of critical federal programs, such as childhood immunization, but would also reduce the cost of auditing these programs. In addition, the SAO retains its commitment to assisting local governmental entities and Sheriffs' Departments improve their financial management and accountability.

In accordance with 32 V.S.A. §307(c), the remaining sections of this plan address our goals, performance measures, and strategies.

GOAL 1: PROMOTE GOVERNMENT ACCOUNTABILITY AND IMPROVE THE EFFICIENCY AND EFFECTIVENESS OF STATE GOVERNMENT THROUGH PERFORMANCE AUDITS

1a Performance Measure: Percentage of audit staff resources applied towards performance audits.

One of the SAO's major initiatives is to emphasize performance auditing in our portfolio of work. By tracking the proportion of audit staff resources that is being used to conduct performance audits (measure 1a), the SAO will be able to assess whether we are devoting enough resources to achieving this initiative.

1b Performance Measure: Number of performance audit reports issued.

Most of the current SAO staff have much more experience in financial statement auditing rather than performance auditing. Accordingly, these staff are undergoing a steep learning curve because performance auditing uses a significantly different approach and audit process. As staff become more familiar with performance auditing, the Office expects to achieve efficiencies that will allow it to issue more reports, as shown in measure 1b. Nevertheless, the number of performance reports issued by the SAO in a given year will remain relatively low because of the small size of the Office.

1c Performance Measure: Percentage of audit reports with recommendations to achieve cost savings and improve operational effectiveness and efficiency.

To provide the greatest value to the taxpayers and State government, the SAO's limited performance audit resources should be focused on reviewing those entities and programs that have a high operational or financial risk to the State, have had performance problems in the past, or are currently alleged to have existing performance or operational issues. Measure 1c provides a mechanism to measure how well we are choosing the most needed audits by calculating how many of our audits result in meaningful recommendations. Our planned target is not 100 percent because we do not want to give the appearance of having an incentive to make a recommendation in every report even if one is not warranted by the evidence. In addition, there may be a limited number of occasions in which it would be appropriate to issue reports that are informational rather than evaluative.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

1d Performance Measure: Percentage of audit recommendations to State entities implemented within 2 years and 4 years.

The SAO makes recommendations designed to improve the operations of State government. For our work to produce benefits, State entities or the General Assembly must implement these recommendations although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our audits is the extent to which these recommendations are accepted and acted upon (measure 1d). The greater the number of recommendations that are implemented, the more benefit that is achieved from our performance audit work. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we will be tracking recommendations after 2 and 4 years.

**GOAL 2: FOSTER IMPROVED COMMUNICATION AND FINANCIAL MANAGEMENT
ACROSS ALL LEVELS OF GOVERNMENT**

2a Performance Measure: Number of written responses to legislative and citizen inquiries.

Although the SAO's principal mission is to perform audits, we often field inquiries from members of the General Assembly or the public that request that we provide information or analyze a particular situation. In responding to such inquiries, the SAO provides a service that improves and facilitates knowledge of how governmental entities or programs work or are managed. Information gathered in response to inquiries that are expected to improve the public discourse or result in favorable outcomes are provided in writing (measure 2a).

2b Performance Measure: Number of SAO presentations to county and local government institutions designed to facilitate and promote financial accountability.

The SAO is committed to providing assistance to Vermont's county and local governments. Because many of Vermont's county and local government institutions are very small, they often do not have the benefit of available resources to research and implement critical financial management practices. Presentations by the State Auditor and SAO staff who have significant experience in a wide variety of financial management activities contribute towards improving county and local government officials' knowledge and skills. Accordingly a tangible measure of our commitment to assisting county and local governments improve their financial management activities are the number of SAO presentations given annually (measure 2b).

2c Performance Measure: Number of attendees at SAO-sponsored training and workshops.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

For the past three years, the SAO has sponsored a financial management training conference for financial management and auditing professionals in state, county, and local governments and the private sector. As a result, these conferences have disseminated important information to a wide audience. In addition, having a conference in which all of these types of professionals participate facilitates an exchange of ideas among professional communities that may not otherwise meet. In addition, as part of our commitment to the county and local government financial management communities, the SAO has sponsored more targeted training for these officials. The number of attendees at SAO-sponsored training (measure 2b) is an indicator of our commitment to training a wide audience of professionals.

2d Performance Measure: Percentage of attendees to SAO-sponsored training that indicated that the training was beneficial.

An important indicator of the quality of the training that the SAO offers is whether the attendees believe that the information provided is useful to their work (measure 2c). For this reason, the SAO requests attendees to evaluate every training session or workshop that it sponsors.

GOAL 3: MAINTAIN SUSTAINED ATTENTION TO COMPLETING MANDATED FINANCIAL AUDITS IN A TIMELY AND COST-EFFICIENT MANNER

3a Performance Measure: Complete CAFR and Single Audit in accordance with timeframes mandated by statute.

Although the SAO is in the process of decreasing our role in the Comprehensive Annual Financial Report (CAFR) and Single Audits, we recognize that, by statute, we remain ultimately responsible for ensuring that these audits are completed on time. Accordingly, we measure the extent to which these audits meet the deadlines set by State and Federal statutes (measure 3a).

3b Performance Measure: Number of repeat Single Audit findings.

Under a contract with the SAO, KPMG annually audits whether selected State entities comply with Federal requirements in a variety of control areas, such as program eligibility and cash management. Given the wide scope of this audit and the numerous Federal requirements that are checked, it may not be reasonable to expect that the State will have no Single Audit findings. However, the SAO believes that State entities should be able to minimize the number of repeat findings (measure 3b), which would indicate the State's commitment to complying with Federal requirements and reduce future audit costs. Although the SAO cannot control whether State entities implement the Single Audit recommendations that are designed to eliminate repeat findings, we believe that our sustained attention to this area can help reduce their number.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

3c Performance Measure: Number of Single Audit re-audits.

A significant driver of the cost of the Single Audit is the number of programs that have to be audited. Some programs are required to be audited, however, others may only be audited in a given year because of a prior audit finding, which are termed “re-audits.” For the past two years, the SAO has been diligently working with State entities and KPMG to significantly reduce the number of re-audits, including providing facilitating communication between KPMG and State entities and providing guidance. Measuring the number of re-audits (measure 3c) annually provides a mechanism for the SAO to ensure that the commitment to maintain this sustained attention remains.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Auditor of Accounts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,123,360	2,805,929	2,736,791	3,032,314
Operating Expenses	158,106	142,283	140,306	139,366
<hr/>				
TOTAL	3,281,466	2,948,212	2,877,097	3,171,680
FUND TYPE				
General Fund	559,568	526,254	499,174	437,938
Special Fund	61,011	54,431	51,709	51,709
Internal Service Fund	2,649,697	2,367,527	2,326,214	2,682,033
Interdepartmental Transfer	11,190	0	0	0
<hr/>				
TOTAL	3,281,466	2,948,212	2,877,097	3,171,680

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Treasurer

Department Mission Statement

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

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

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

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

As of June 30, 2008, the system had 8,442 active members, 900 inactive members, 789 vested terminated members and approximately 4,555 retirees and beneficiaries.

Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was \$1,377 billion as of June 30, 2008, compared with \$1,318 billion as of June 30, 2007. The system paid \$65.7million in retirement benefits during fiscal year 2008.

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Treasurer

consists of the State Treasurer, Commissioner of Personnel, Commissioner of Finance and Management, designated representative of the Governor, three members elected by the Vermont State Employees' Association and one member elected by the Retired Chapter of the Vermont State Employees' Association. Staff is provided by the Retirement Division of the State Treasurer's Office, which also administers the Teachers' Retirement and Municipal Retirement Systems.

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

As of June 30, 2008, the system had 422 contributing employers; 6,419 active members, 2,035 inactive members, 486 vested terminated members; and 1,447 retirees and beneficiaries.

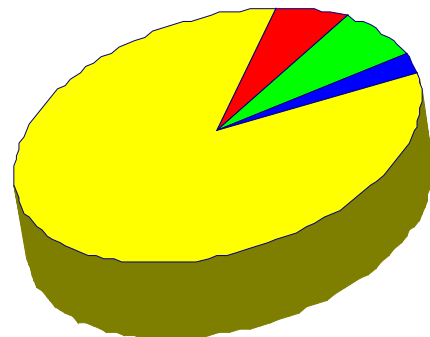
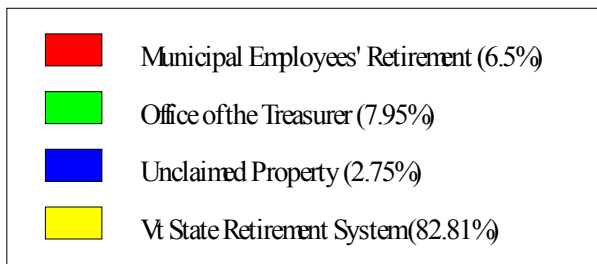
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was \$348.7 million as of June 30, 2008, compared with \$325.7 million as of June 30, 2007. The system paid \$9.015 million in retirement benefits during FY 2008.

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
 State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Office of the Treasurer	33	33	33	4,059,351	2,786,128	2,800,367	2,677,029
Unclaimed Property	4	4	4	594,969	1,018,536	1,018,536	925,391
Vt State Retirement System	0	0	0	21,723,045	26,966,006	26,966,006	27,888,580
Municipal Employees' Retirement	0	0	0	1,527,269	2,238,031	2,238,031	2,188,188
TOTAL	37	37	37	27,904,634	33,008,701	33,022,940	33,679,188
FUND TYPE							
General Fund				1,031,536	1,170,693	1,160,744	1,086,815
Special Fund				1,690,615	1,522,872	1,547,060	1,506,190
Permanent Trust Fund				808,220	0	0	0
Pension Trust Fund				23,680,936	29,204,037	29,204,037	30,076,768
Private Purpose Trust Fund				594,969	1,018,536	1,111,099	1,009,415
Interdepartmental Transfer				98,358	92,563	0	0
TOTAL				27,904,634	33,008,701	33,022,940	33,679,188



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,783,654	2,398,796	2,441,627	2,313,466
Operating Expenses	467,477	357,332	352,256	357,079
Grants	808,220	30,000	6,484	6,484
<hr/> TOTAL	<hr/> 4,059,351	<hr/> 2,786,128	<hr/> 2,800,367	<hr/> 2,677,029
FUND TYPE				
General Fund	1,031,536	1,170,693	1,160,744	1,086,815
Special Fund	1,690,615	1,522,872	1,547,060	1,506,190
Permanent Trust Fund	808,220	0	0	0
Pension Trust Fund	430,622	0	0	0
Private Purpose Trust Fund	0	0	92,563	84,024
Interdepartmental Transfer	98,358	92,563	0	0
<hr/> TOTAL	<hr/> 4,059,351	<hr/> 2,786,128	<hr/> 2,800,367	<hr/> 2,677,029

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Unclaimed Property**

Performance Program Information

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Unclaimed Property**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	338,079	766,310	766,310	687,596
Operating Expenses	256,890	252,226	252,226	237,795
<hr/> TOTAL	<hr/> 594,969	<hr/> 1,018,536	<hr/> 1,018,536	<hr/> 925,391
FUND TYPE				
Private Purpose Trust Fund	594,969	1,018,536	1,018,536	925,391
<hr/> TOTAL	<hr/> 594,969	<hr/> 1,018,536	<hr/> 1,018,536	<hr/> 925,391

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt State Retirement System**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	20,961,266	26,178,487	26,178,487	27,115,165
Operating Expenses	761,779	787,519	787,519	773,415
<hr/> TOTAL	<hr/> 21,723,045	<hr/> 26,966,006	<hr/> 26,966,006	<hr/> 27,888,580
FUND TYPE				
Pension Trust Fund	21,723,045	26,966,006	26,966,006	27,888,580
<hr/> TOTAL	<hr/> 21,723,045	<hr/> 26,966,006	<hr/> 26,966,006	<hr/> 27,888,580

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,111,102	1,827,822	1,827,822	1,841,374
Operating Expenses	416,167	410,209	410,209	346,814
<hr/> TOTAL	<hr/> 1,527,269	<hr/> 2,238,031	<hr/> 2,238,031	<hr/> 2,188,188
FUND TYPE				
Pension Trust Fund	1,527,269	2,238,031	2,238,031	2,188,188
<hr/> TOTAL	<hr/> 1,527,269	<hr/> 2,238,031	<hr/> 2,238,031	<hr/> 2,188,188

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Labor Relations Board**

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 2010 BUDGET RECOMMENDATIONS
State Labor Relations Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
State Labor Relations Board	2	2	2	202,020	215,350	210,851	203,983
<hr/> TOTAL	<hr/> 2	<hr/> 2	<hr/> 2	<hr/> 202,020	<hr/> 215,350	<hr/> 210,851	<hr/> 203,983
FUND TYPE							
General Fund				192,665	209,480	204,981	198,260
Special Fund				9,355	2,935	2,935	2,788
Interdepartmental Transfer				0	2,935	2,935	2,935
<hr/> TOTAL				<hr/> 202,020	<hr/> 215,350	<hr/> 210,851	<hr/> 203,983

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Labor Relations Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	165,595	175,087	170,754	166,789
Operating Expenses	36,425	40,263	40,097	37,194
<hr/> TOTAL	<hr/> 202,020	<hr/> 215,350	<hr/> 210,851	<hr/> 203,983
FUND TYPE				
General Fund	192,665	209,480	204,981	198,260
Special Fund	9,355	2,935	2,935	2,788
Interdepartmental Transfer	0	2,935	2,935	2,935
<hr/> TOTAL	<hr/> 202,020	<hr/> 215,350	<hr/> 210,851	<hr/> 203,983

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VOSHA Review Board**

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 2010 BUDGET RECOMMENDATIONS
VOSHA Review Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
VOSHA Review Board	1	1	1	41,803	50,094	50,094	47,812
<hr/>							
TOTAL	1	1	1	41,803	50,094	50,094	47,812
FUND TYPE							
General Fund				21,628	25,047	25,047	23,905
Federal Revenue Fund				20,175	25,047	25,047	0
Interdepartmental Transfer				0	0	0	23,907
<hr/>							
TOTAL				41,803	50,094	50,094	47,812

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VOSHA Review Board**

Appropriation Key Budget Issues

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VOSHA Review Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	32,891	40,414	40,414	37,997
Operating Expenses	8,912	9,680	9,680	9,815
<hr/> TOTAL	<hr/> 41,803	<hr/> 50,094	<hr/> 50,094	<hr/> 47,812
FUND TYPE				
General Fund	21,628	25,047	25,047	23,905
Federal Revenue Fund	20,175	25,047	25,047	0
Interdepartmental Transfer	0	0	0	23,907
<hr/> TOTAL	<hr/> 41,803	<hr/> 50,094	<hr/> 50,094	<hr/> 47,812

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

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 2010 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Use Tax Reimbursement Fund	0	0	0	8,906,691	9,850,000	9,850,000	10,807,403
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 8,906,691	<hr/> 9,850,000	<hr/> 9,850,000	<hr/> 10,807,403
FUND TYPE							
General Fund				8,906,691	9,850,000	9,850,000	10,807,403
<hr/> TOTAL				<hr/> 8,906,691	<hr/> 9,850,000	<hr/> 9,850,000	<hr/> 10,807,403

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	8,906,691	9,850,000	9,850,000	10,807,403
<hr/> TOTAL	<hr/> 8,906,691	<hr/> 9,850,000	<hr/> 9,850,000	<hr/> 10,807,403
FUND TYPE				
General Fund	8,906,691	9,850,000	9,850,000	10,807,403
<hr/> TOTAL	<hr/> 8,906,691	<hr/> 9,850,000	<hr/> 9,850,000	<hr/> 10,807,403

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lottery Commission**

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Lottery offers six products to the playing public: Instant Games; and On-line games known as Powerball, Tri-State Megabucks, Paycheck, and the Daily Numbers Games of Pick 3 and Pick 4. Paycheck is to be phased out and replaced with a new cash game called Weekly Grand, scheduled for February 2009. Megabucks is expected to be relaunched as an updated version called MegabucksPlus in July 2009. A new lotto game is expected to be launched sometime in August 2009.

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

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lottery Commission**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Lottery Commission	21	21	21	2,263,085	2,616,762	2,616,066	2,669,605
<hr/> TOTAL	<hr/> 21	<hr/> 21	<hr/> 21	<hr/> 2,263,085	<hr/> 2,616,762	<hr/> 2,616,066	<hr/> 2,669,605
FUND TYPE							
Enterprise Fund				2,263,085	2,616,762	2,616,066	2,669,605
<hr/> TOTAL				<hr/> 2,263,085	<hr/> 2,616,762	<hr/> 2,616,066	<hr/> 2,669,605

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lottery Commission**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,347,167	1,523,184	1,522,488	1,555,943
Operating Expenses	915,918	1,093,578	1,093,578	1,113,662
<hr/> TOTAL	<hr/> 2,263,085	<hr/> 2,616,762	<hr/> 2,616,066	<hr/> 2,669,605
FUND TYPE				
Enterprise Fund	2,263,085	2,616,762	2,616,066	2,669,605
<hr/> TOTAL	<hr/> 2,263,085	<hr/> 2,616,762	<hr/> 2,616,066	<hr/> 2,669,605

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

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 2010 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Payments in Lieu of Taxes	0	0	0	3,452,551	4,500,000	4,500,000	4,350,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 3,452,551	<hr/> 4,500,000	<hr/> 4,500,000	<hr/> 4,350,000
FUND TYPE							
General Fund				50,000	0	0	0
Special Fund				3,402,551	4,500,000	4,500,000	4,350,000
<hr/> TOTAL				<hr/> 3,452,551	<hr/> 4,500,000	<hr/> 4,500,000	<hr/> 4,350,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	3,452,551	4,500,000	4,500,000	4,350,000
<hr/> TOTAL	<hr/> 3,452,551	<hr/> 4,500,000	<hr/> 4,500,000	<hr/> 4,350,000
FUND TYPE				
General Fund	50,000	0	0	0
Special Fund	3,402,551	4,500,000	4,500,000	4,350,000
<hr/> TOTAL	<hr/> 3,452,551	<hr/> 4,500,000	<hr/> 4,500,000	<hr/> 4,350,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Montpelier PILOT**

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 2010 BUDGET RECOMMENDATIONS
Montpelier PILOT**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Montpelier PILOT	0	0	0	184,000	184,000	184,000	184,000
<hr/>							
TOTAL	0	0	0	184,000	184,000	184,000	184,000
FUND TYPE							
General Fund				184,000	0	0	0
Special Fund				0	184,000	184,000	184,000
<hr/>							
TOTAL				184,000	184,000	184,000	184,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Montpelier PILOT**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	184,000	184,000	184,000	184,000
<hr/> TOTAL	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000
FUND TYPE				
General Fund	184,000	0	0	0
Special Fund	0	184,000	184,000	184,000
<hr/> TOTAL	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000	<hr/> 184,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections PILOT**

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 2010 BUDGET RECOMMENDATIONS
Corrections PILOT**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Corrections PILOT	0	0	0	40,000	40,000	40,000	40,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000
FUND TYPE							
General Fund				40,000	0	0	0
Special Fund				0	40,000	40,000	40,000
<hr/> TOTAL				<hr/> 40,000	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections PILOT**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Grants	40,000	40,000	40,000	40,000
<hr/> TOTAL	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000
FUND TYPE				
General Fund	40,000	0	0	0
Special Fund	0	40,000	40,000	40,000
<hr/> TOTAL	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Special Investigative Units**

Department Mission Statement

Special Identification Units are multidisciplinary teams whose members are specially trained in the investigation, prosecution and victim advocacy of crimes of sexual violence, with a focus on crimes involving child victims. The Unit works as a team to present the best case possible for prosecution or resolution. The prosecutor in each unit is provided by the State's Attorney's office as an in-kind contribution. The goal of this approach puts together the best case possible because the units have a reduced caseload. Reduced caseloads provide more specialized attention per case. This approach often results in a confession by the accused, and confessions in turn result in a higher rate of case resolution short of trial. Not having to go through the rigors of trial lessens the possibility of additional trauma to the victim.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Special Investigative Units**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Special Investigative Units	0	0	0	348,892	620,000	620,000	770,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 348,892	<hr/> 620,000	<hr/> 620,000	<hr/> 770,000
FUND TYPE							
General Fund				288,892	530,000	530,000	770,000
Special Fund				60,000	90,000	90,000	0
<hr/> TOTAL				<hr/> 348,892	<hr/> 620,000	<hr/> 620,000	<hr/> 770,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Special Investigative Units**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	15,152	0	0	0
Operating Expenses	956	0	0	0
Grants	332,784	620,000	620,000	770,000
<hr/>				
TOTAL	348,892	620,000	620,000	770,000
 FUND TYPE				
General Fund	288,892	530,000	530,000	770,000
Special Fund	60,000	90,000	90,000	0
<hr/>				
TOTAL	348,892	620,000	620,000	770,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Attorney General**

Department Mission Statement

**Office of the Attorney General
Mission Statement**

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

Description of Appropriations, Divisions, & Programs

Civil Division

The Civil Division represents state officers and employees in civil lawsuits in state and federal courts. It defends personal injury, wrongful death and civil rights claims. It also defends legislative acts and administrative rules that are challenged on constitutional or other grounds. On a very rare occasion, it brings affirmative claims on behalf of the state. After obtaining a disposition in courts or administrative agencies, the Civil Division extends its representation through the litigation of civil appeals before the Vermont Supreme Court, the United States Courts of Appeals, the United States Supreme Court, and other appellate tribunals.

Criminal Division

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

A specialized Drug Unit within the Division provides prosecutorial support to the Vermont Drug Task Force. The Drug Unit has been in place for almost twenty years and has been primarily federally funded since its inception. The Unit currently has the equivalent of 2 attorneys that handle cases in ten of the fourteen counties. Over the last five years the State has experienced continued and significant cuts in federal funding.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Attorney General

The Medicaid Fraud and Residential Abuse Unit (MFRAU) is the other specialized unit within the Criminal Division. MFRAU is a federally-funded program that investigates and prosecutes Medicaid provider fraud and violations of state law pertaining to fraud in the administration of the Medicaid program. As part of its mission MFRAU staff initiates or participate in civil actions, both locally and nationally, to recoup fraudulent losses to the Medicaid Program. In Federal Fiscal year 2007, MFRAU recouped \$4.5 million dollars. In addition, MFRAU investigates and prosecutes complaints of patient abuse, exploitation or neglect that occur in health care facilities that receive Medicaid funds. Drug diversion from patients by health care providers has been an area of increased complaint and prosecution by MFRAU in recent years.

Environmental Protection Division

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

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

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

General Counsel Division

The General Counsel Division advises and represents Vermont's constitutional officers, the retirement boards, the buildings and general services department, liquor control and other state agencies. It handles public records and open meetings issues and lawsuits; reviews state contracts and handles elections cases. It investigates and prosecutes disciplinary complaints against physicians. The Division's appellate unit briefs and argues civil appeals and assists other staff in complex trials and appeals. The Division also administers the Court Diversion Program.

Public Protection Division

Consumer Protection, Antitrust and Civil Rights Units.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Attorney General

The Consumer Protection and Antitrust Units investigate and prosecute frauds against consumers and unfair, deceptive and anticompetitive business practices. The units handle a wide variety of cases both in Vermont and nationally, including actions concerning pharmaceuticals, privacy, deceptive advertising, and telemarketing.

In cooperation with UVM the Attorney General also operates a Consumer Assistance Program (CAP) to educate consumers and to resolve consumer complaints on an informal basis. In FY08, CAP logged nearly 6,000 complaints and requests for information.

In FY08, the Consumer Unit continued its joint initiative with the Department of Health to reduce the exposure of Vermonters, particularly young children, to lead. Legislation restricting the sale of consumer products and updating Vermont's law on lead in housing was passed in 2008. Enforcement of the lead laws is a priority for the Unit.

The Department of Justice grant for combating telemarketing fraud was completed in September 2008 and not renewed. In 2008, the Unit worked with the Federal Trade Commission and other states investigating and/or suing national high-return-rate originators, third-party processors, and banks; completed actions against Vermont companies which had facilitated fraudulent telemarketing by Canadians; led multistate discussions with Western Union and MoneyGram to address wire transfers to high-risk destinations like Nigeria; and presented proposals on bank fraud and risk management to federal and state banking regulators and law enforcement.

The Consumer Protection Unit also enforces the terms of the multi-state tobacco settlement including requirements that the state collect escrow payments from tobacco companies that did not join the settlement agreement. The Unit is also involved in the enforcement of state tobacco statutes, including provisions prohibiting sales of tobacco to minors, prohibiting sales of tobacco over the Internet, banning smoking in bars and restaurants, and requiring that all cigarettes sold in the state meet reduced ignition propensity standards. The tobacco settlement provides \$25 to \$39 million a year to Vermont. The settlement agreement provides that this annual tobacco payment may be reduced if a state fails to "diligently enforce" the escrow requirements. The Unit will represent Vermont in an arbitration proceeding anticipated to be held in FY2010, seeking a determination that Vermont has diligently enforced its statutes and is entitled to recover funds withheld by the tobacco companies in April 2006. Vermont is also the lead state in major, multi-state litigation in trial during FY09, challenging the advertising and marketing of "reduced-harm" cigarettes, which is funded partially through a grant to the states from the National Association of Attorneys General. Vermont also participates in a multi-state group negotiating with the motion picture industry to reduce the amount of smoking in youth-targeted movies.

The Civil Rights Unit enforces laws that protect victims of hate crimes and protect all Vermonters (other than those working for the State) from discrimination and harassment in the workplace. It produces informational materials and sponsors employer and employee education programs to help businesses and workers comply with Vermont's civil rights laws. In federal FY08, the Unit investigated 10 complaints

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Attorney General

of hate crimes, and responded to 1223 intake calls, reviewed 214 claim forms, opened 130 charges of employment discrimination for investigation, and resolved 135 employment discrimination claims. In 2008, the Unit continued its “Youth at Work” initiative, providing posters and speakers to Vermont technical and high schools to inform young workers about their rights as employees.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Attorney General**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Attorney General	74	72	68	10,621,778	8,312,413	8,307,497	7,344,501
<hr/> TOTAL	<hr/> 74	<hr/> 72	<hr/> 68	<hr/> 10,621,778	<hr/> 8,312,413	<hr/> 8,307,497	<hr/> 7,344,501
FUND TYPE							
General Fund				4,883,918	4,594,248	3,981,053	3,815,889
Special Fund				3,423,038	1,585,235	2,001,414	1,193,302
Federal Revenue Fund				763,000	643,000	643,000	677,526
Interdepartmental Transfer				1,551,822	1,489,930	1,682,030	1,657,784
<hr/> TOTAL				<hr/> 10,621,778	<hr/> 8,312,413	<hr/> 8,307,497	<hr/> 7,344,501

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Attorney General

Appropriation Key Budget Issues

Due to shrinking state resources in the current economic downturn, the Attorney General's Office, like other areas of state government, has had to reduce its costs including making some staff reductions.

The Fiscal 2009 Budget Adjustment includes \$70,000 additional Tobacco Trust funds (\$104,000 in fiscal 2010) for court-ordered arbitration under the tobacco Master Settlement Agreement regarding Vermont's diligent enforcement of its Non-Participating Manufacturers statutes.

Although the Fiscal 2010 Budget will sustain the core mission and activities of the Attorney General's Office, the position reductions will have some impact.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Attorney General**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	8,664,558	7,245,495	7,279,780	6,289,450
Operating Expenses	1,956,470	1,066,918	1,027,717	1,055,051
Grants	750	0	0	0
<hr/> TOTAL	<hr/> 10,621,778	<hr/> 8,312,413	<hr/> 8,307,497	<hr/> 7,344,501
FUND TYPE				
General Fund	4,883,918	4,594,248	3,981,053	3,815,889
Special Fund	3,423,038	1,585,235	2,001,414	1,193,302
Federal Revenue Fund	763,000	643,000	643,000	677,526
Interdepartmental Transfer	1,551,822	1,489,930	1,682,030	1,657,784
<hr/> TOTAL	<hr/> 10,621,778	<hr/> 8,312,413	<hr/> 8,307,497	<hr/> 7,344,501

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

Department Mission Statement

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

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

Description of Appropriations, Divisions, & Programs

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.

In FY 2008, 2,250 individuals were referred to Court Diversion and 3,339 youth to the Teen Alcohol Safety Program. Close to 80 percent of the adults and 83 percent of youth completed their court diversion contracts successfully. Clients paid approximately \$122,000 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 \$200 per case in General Fund dollars.

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

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 contracts may require clients to pay restitution, participate in counseling or substance abuse treatment, write letters of apology, etc. Participation in the program is voluntary and upon successful

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Court Diversion

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 2010 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Court Diversion	0	0	0	1,744,113	1,724,534	1,724,534	1,724,784
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 1,744,113	<hr/> 1,724,534	<hr/> 1,724,534	<hr/> 1,724,784
FUND TYPE							
General Fund				1,204,534	1,204,534	1,158,740	1,204,784
Special Fund				539,579	520,000	565,794	520,000
<hr/> TOTAL				<hr/> 1,744,113	<hr/> 1,724,534	<hr/> 1,724,534	<hr/> 1,724,784

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Court Diversion

Appropriation Key Budget Issues

The FY 10 General Fund Court Diversion budget of \$1,204,784 is level-funded from FY 09, as has been the case since FY 04, except in FY 07 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 account for 25%. Directors spend 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 conditions for requesting funds. Obtaining this funding is a labor-intensive process. United Way support varies significantly by community and has decreased in some regions. Approximately one third of Court Diversion programs do not receive any support from towns, and a similar number do not receive United Way funding.

As each Court Diversion program is run by an independent locally governed non-profit agency, strategies to deal with rising costs and declining revenue vary around the state. Some proposed strategies include reducing staff hours, typically by a day/week, and reducing, or eliminating, benefits.

Special Fund: Court Diversion Fees

The FY 10 Court Diversion Special Fund is budgeted at \$520,000. Court Diversion programs collect fees from clients and submit that fee revenue quarterly to the Attorney General's Office for deposit in the Court Diversion Special Fund, according to 3 VSA §166. In turn, the AGO then returns the fee revenue back to the collecting program.

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.

<u>FY 07</u>	<u>Juvenile CD</u>	<u>Adult CD</u>	<u>TASP</u>
Successful Completion Rate	73%	79%	71%
Victims Financially Compensated	93%	96%	NA

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

Restitution & Charitable Donations	\$16,264	\$79,569	\$10,362
Hours of Community Service	5,434	13,606	6,689

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

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	1,744,113	1,724,534	1,724,534	1,724,784
<hr/> TOTAL	<hr/> 1,744,113	<hr/> 1,724,534	<hr/> 1,724,534	<hr/> 1,724,784
FUND TYPE				
General Fund	1,204,534	1,204,534	1,158,740	1,204,784
Special Fund	539,579	520,000	565,794	520,000
<hr/> TOTAL	<hr/> 1,744,113	<hr/> 1,724,534	<hr/> 1,724,534	<hr/> 1,724,784

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Defender General

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

Public Defense

There are twelve full-time public defense field offices located throughout the State. Seven of these offices are staff offices. Five of these offices are public defense contract offices, that is, private law firms that have entered into a contract with the Defender General to provide public defense services. Two attorneys have small contracts in Addison and Caledonia/Essex Counties to provide representation to parties in juvenile proceedings. In FY 2004 a public defense contract Serious Felony Unit was established to handle the most serious cases throughout the state. 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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Defender General

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. Since FY 2002 the establishment of the SFUs has saved approximately \$1,600,000 as

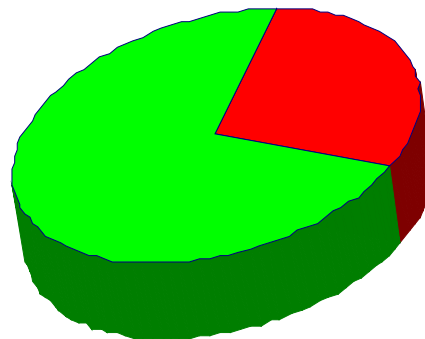
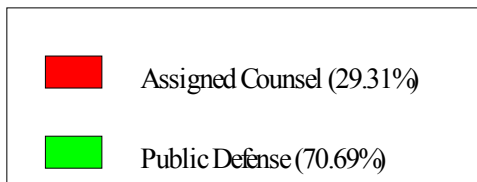
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Defender General

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Defender General**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Public Defense	66	67	66	7,268,389	7,914,827	7,874,214	8,193,091
Assigned Counsel	2	2	2	3,015,633	3,329,196	3,329,192	3,397,766
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	68	69	68	10,284,022	11,244,023	11,203,406	11,590,857
FUND TYPE							
General Fund				9,584,651	10,615,666	10,573,904	10,964,288
Special Fund				681,950	628,357	626,002	626,569
Interdepartmental Transfer				17,421	0	3,500	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL				10,284,022	11,244,023	11,203,406	11,590,857



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Defense

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2010 continues current services and includes funds for staff salary and benefit increases and a minimal cost of living adjustment for Public Defense contractors; however, the salaries of staff attorneys making \$60,000 or more per year that were frozen in FY 2009 will remain frozen for FY 2010. Most operating line items are level funded.

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.

Public Defense Caseload Activity

One of the prime measures of the demand for defense services is the number of added clients during a fiscal year. Public defenders routinely represent significantly more clients than is recommended under guidelines developed in 1973 to assure competent representation by the National Advisory Commission on Criminal Justice Standards and Goals. This Lawyer Equivalency Caseload (LEC) Guideline, provides that no single lawyer should accept more than either 150 added felony clients, 400 added misdemeanor clients or 200 juvenile clients in a year, or some combination of the three categories. For many years, the ODG has utilized this LEC formula as a measure of the workload of its staff. There has been a growing disparity between the LEC of public defenders and the actual number of public defenders who are available to perform this work. Chittenden County is still handling nearly 40% of the state's caseload.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Defense

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	6,514,092	7,007,618	6,989,173	7,273,704
Operating Expenses	754,297	907,209	885,041	919,387
<hr/>				
TOTAL	<hr/> 7,268,389	<hr/> 7,914,827	<hr/> 7,874,214	<hr/> 8,193,091
FUND TYPE				
General Fund	6,744,282	7,411,734	7,369,976	7,691,786
Special Fund	506,686	503,093	500,738	501,305
Interdepartmental Transfer	17,421	0	3,500	0
<hr/>				
TOTAL	<hr/> 7,268,389	<hr/> 7,914,827	<hr/> 7,874,214	<hr/> 8,193,091

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Assigned Counsel

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2009 in Assigned Counsel pays for existing staff salary increases, and a 2.5% cost of living adjustment for Assigned Counsel Contractors and 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 seven consecutive fiscal years. The ODG will continue to make every effort to use assigned counsel contractors whenever possible, and the four serious felony units will be continued.

Ad Hoc Counsel is the most expensive means of providing public defense services, and it is only used when there are no public defense or assigned counsel contractors who can ethically provide representation. The ODG will make every effort to minimize the use of ad hoc counsel and to keep costs as low as possible. The FY 2010 funding for Ad Hoc Counsel is a minimal amount that should be sufficient if the use of ad hoc can be reduced to previous levels.

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 saw an increase in amount of debentures and number of added ad hoc cases, the ODG continues to remain hopeful that this "frictional ad hoc" can be reduced to earlier levels.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,935,262	3,251,287	3,251,345	3,319,857
Operating Expenses	80,371	77,909	77,847	77,909
<hr/>				
TOTAL	3,015,633	3,329,196	3,329,192	3,397,766
FUND TYPE				
General Fund	2,840,369	3,203,932	3,203,928	3,272,502
Special Fund	175,264	125,264	125,264	125,264
<hr/>				
TOTAL	3,015,633	3,329,196	3,329,192	3,397,766

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary

Department Mission Statement

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

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

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

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

Description of Appropriations, Divisions, & Programs

THE SUPREME COURT

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary

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

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

THE SUPREME COURT'S JUDICIAL DUTIES

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

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

THE SUPREME COURT'S ADMINISTRATIVE DUTIES

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

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

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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary

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

THE DISTRICT COURT

Each county has a **DISTRICT COURT**. The Court is responsible for the 18,400 criminal cases that the State's Attorneys, Attorney General and Municipal Grand Jurors file each year:

- Through jury trials, court trials and the acceptance of guilty pleas, the District Court Judges determine the guilt or innocence of persons charged with crimes;
- Through sentencing decisions, the District Court Judges:
 - punish persons who engage in acts not tolerated by society,
 - protect the public by separating violent persons from society,
 - protect the public by deterring others from violating the law, and
 - attempt to rehabilitate criminals so that they will be productive members of society.
- Through determinations of probable cause and decisions on requests for arrest warrants, search warrants, and motions to suppress evidence, the District Court Judges protect the public from arbitrary use of government power.

THE FAMILY COURT

Each county has a **FAMILY COURT**. The Court is responsible for the 3,000 divorce and annulment actions, 1,500 other domestic actions (primarily parentage) and the 4,400 post-judgment actions filed each year. Most of the post-judgment actions involve attempts by parents to modify or enforce child support, visitation or custody orders.

The Family Court is also responsible for 7,700 motions to establish, modify or enforce child support, 1,400 juvenile delinquency cases, 500 cases involving the abuse and neglect of children, 200 cases in which the state seeks to terminate parental rights, 3,750 petitions for relief from domestic abuse and other family matters including how the state should care for persons with mental illness and developmental disabilities.

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

- to conduct timely hearings and issue timely decisions in order to resolve disputes, to provide support to distressed litigants and to provide protection to victims of family violence and emotional abuse; and

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary

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

THE SUPERIOR COURT

Each county has a **SUPERIOR COURT**. The Court is responsible for the 6,200 civil actions filed each year. Most of these actions involve businesses seeking the collection of unpaid debts, individuals seeking damages resulting from the negligence of others, or general lawsuits involving the failure to abide by the terms of a contract. State environmental, consumer protection and civil rights actions are filed in Superior Court. People may go to Superior Court to seek protection from those who have stalked or sexually assaulted them. The Court also hears appeals of some governmental actions.

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

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

- one person should have to reimburse another for that person's actions or inaction;
- persons should start or stop acting in certain ways; and
- persons should lose their homes or other property for failure to pay their debts.

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

THE ENVIRONMENTAL COURT

The **ENVIRONMENTAL COURT** is responsible for hearing and deciding requests to enforce administrative orders issued by the Secretary of the Agency of Natural Resources and requests to review orders issued by the Secretary. The Court also hears appeals from municipal zoning boards and planning commissions and appeals from Act 250 district commissions. The Court is located in Washington County. Two Environmental Judges hear most matters filed with the Court.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary

THE PROBATE COURT

The **PROBATE COURT** is responsible for the 3,900 guardianships, adoptions, decedent estates and testamentary trusts that are filed each year. There are 18 Probate Courts in Vermont. There is one Probate Court in ten of Vermont's counties; the other four, Bennington, Rutland, Windham and Windsor counties, each have two probate districts and two probate judges.

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

- assist persons and families to administer and settle estates and any resulting trusts, and if necessary, resolve any disputes over the distribution of the assets of the estates;
- determine whether guardianships need to be established for incompetent persons;
- assist persons wishing to relinquish parental rights for the purpose of placing a child up for adoption;
and
- monitor the processing of the cases in the court to insure fiduciaries meet their responsibilities to the estates and guardianships.

THE JUDICIAL BUREAU

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

- Through court trials, the hearing officers and some assistant judges determine whether the 14,000 people who contest their tickets each year have violated the law and whether they must pay civil penalties to the state and municipalities.
- Through the assistance of court developed computer programs, Bureau staff accept \$16,000,000 in civil penalties and surcharges from the 77,000 drivers who chose not to contest their traffic tickets or ordinance violations and from the 39,200 people who receive default judgements for failure to respond to their tickets.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Judiciary	356	356	356	35,106,062	36,941,385	35,868,475	36,907,978
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	356	356	356	35,106,062	36,941,385	35,868,475	36,907,978
FUND TYPE							
General Fund				31,251,680	31,838,828	30,765,918	30,510,922
Special Fund				1,399,950	2,752,400	2,752,400	3,930,748
Federal Revenue Fund				296,036	414,808	414,808	546,919
Interdepartmental Transfer				2,158,396	1,935,349	1,935,349	1,919,389
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL				35,106,062	36,941,385	35,868,475	36,907,978

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Judiciary**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	27,186,579	28,227,859	27,347,273	26,753,182
Operating Expenses	7,836,435	8,613,526	8,451,202	10,084,796
Grants	83,048	100,000	70,000	70,000
<hr/>				
TOTAL	35,106,062	36,941,385	35,868,475	36,907,978
FUND TYPE				
General Fund	31,251,680	31,838,828	30,765,918	30,510,922
Special Fund	1,399,950	2,752,400	2,752,400	3,930,748
Federal Revenue Fund	296,036	414,808	414,808	546,919
Interdepartmental Transfer	2,158,396	1,935,349	1,935,349	1,919,389
<hr/>				
TOTAL	35,106,062	36,941,385	35,868,475	36,907,978

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State's Attorneys

Department Mission Statement

The Department of State's Attorneys is responsible for the fair and effective prosecution of crime in Vermont. Through impartial investigation and prosecution of crime, the Department provides and promotes public safety. The Department works collaboratively with uniformed local, State, and Federal law enforcement. As the public's voice in court, the Department translates the work of the law enforcement community into appropriate and just outcomes supported by the law and evidence.

Description of Appropriations, Divisions, & Programs

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

Department costs are predominantly personal services. In FY2010, the breakdown of anticipated costs between personal services and operating expenses is 88% personal services and 12% operating expense. With the exception of expert witnesses and other trial-related services, the Department's personal service budget is dedicated to position costs. As for operating expenses, the Department's operating budget funds the inherent costs of maintaining a local office in each county (e.g. rents, communications, computer, postage, etc.)

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State's Attorneys**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
State's Attorneys	129	126	126	9,817,701	10,746,070	10,849,549	10,984,205
<hr/>							
TOTAL	129	126	126	9,817,701	10,746,070	10,849,549	10,984,205
FUND TYPE							
General Fund				7,757,366	8,538,446	8,611,916	8,814,382
Special Fund				134,981	94,476	124,485	56,675
Federal Revenue Fund				9,437	31,000	31,000	31,000
Interdepartmental Transfer				1,915,917	2,082,148	2,082,148	2,082,148
<hr/>							
TOTAL				9,817,701	10,746,070	10,849,549	10,984,205

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State's Attorneys

Appropriation Key Budget Issues

The key budget pressure for the Department of State's Attorneys in 2010 is the cost of an effective trial program. Additional pressures are decreasing federal dollars to support critical Department victim advocate and grant funded prosecutor positions. The administration has added \$150,000 in additional general fund to replace lost special funds (Restitution Fund) for Prosecutor positions and the VAWA program.in FY10.

Effective Trial Program A strong trial program is essential to the effective performance of the Department. The great majority of cases are resolved short of trial because the Department is able and willing to take a case to trial. Fair and firm plea negotiations to resolve cases depends upon the Department's prospects for success at trial.

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

The Department has instituted and continues to utilize a review- and pre-approval process for the use of any expert. Such discipline has contributed to the Department's success in keeping expert and other third-party costs reasonable over the last few years. The Department's budget request includes in excess of \$200,000 for trial experts. When spread across 14 counties, a heavy case load, and hourly expert witness rates that at a minimum are \$150.00 per hour, the Department has done well to keep its expert costs at their current levels.

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

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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State's Attorneys

provide a critical community presence. Together with the Department's administrative office in Montpelier, the Department's operating budget funds 15 offices and the infrastructure that each office requires.

In FY2005, FY2006, and FY2007, the Department continued to implement CRIMES, an integrated database that will enhance the Department's handling of its case loads, as well as significantly improve the Department's ability to work with the larger criminal justice community in an increasingly data-rich environment. The implementation of CRIMES brings an exciting and much-needed data capability to the Department. The Department received a capital appropriation adequate to cover CRIMES implementation costs, but the Department must rely upon its operating budget for annual maintenance costs. To implement CRIMES and establish the necessary data-sharing platform in the Department's 15 offices, the Department performed an essential upgrade to its data circuit network in FY2004. In addition to data circuit costs, CRIMES database is proprietary and carries annual software licensing costs of approximately \$45,000.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State's Attorneys**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	8,710,401	9,474,943	9,561,898	9,685,589
Operating Expenses	1,107,300	1,271,127	1,287,651	1,298,616
<hr/> TOTAL	<hr/> 9,817,701	<hr/> 10,746,070	<hr/> 10,849,549	<hr/> 10,984,205
FUND TYPE				
General Fund	7,757,366	8,538,446	8,611,916	8,814,382
Special Fund	134,981	94,476	124,485	56,675
Federal Revenue Fund	9,437	31,000	31,000	31,000
Interdepartmental Transfer	1,915,917	2,082,148	2,082,148	2,082,148
<hr/> TOTAL	<hr/> 9,817,701	<hr/> 10,746,070	<hr/> 10,849,549	<hr/> 10,984,205

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Sheriffs**

Department Mission Statement

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Sheriffs**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Sheriffs	38	38	38	3,204,307	3,463,669	3,595,817	3,662,987
<hr/> TOTAL	<hr/> 38	<hr/> 38	<hr/> 38	<hr/> 3,204,307	<hr/> 3,463,669	<hr/> 3,595,817	<hr/> 3,662,987
FUND TYPE							
General Fund				3,204,307	3,463,669	3,595,817	3,662,987
<hr/> TOTAL				<hr/> 3,204,307	<hr/> 3,463,669	<hr/> 3,595,817	<hr/> 3,662,987

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Sheriffs

Appropriation Key Budget Issues

Prisoner Transports: The challenges for the transport program in FY2010 are both structural and financial. The structural challenge continues to be the number of transports. Coordinated effort by Sheriffs, the Court Administrator, Corrections, and the Defender General in the past has helped the Department to reduce the number of transports. The transport program remains, however, the Department's most serious fiscal challenge.

With vigilance in scheduling and careful use of per diem deputies to keep costs down, the transport costs can be reduced. If there is an upward trend in using transports in FY2010, it will be difficult to meet the budget target.

In FY2010, the Sheriffs are doing everything in their power to reduce costs. At this juncture, the use of video conferencing of appropriate court hearings and telephone status conferences, if prisoners are involved, could be key in reducing these costs.

Position Funding: The Sheriffs Department consists of 38 State-paid positions: 14 elected Sheriffs; 23 transport deputy sheriffs; and 1 administrative position located in Montpelier. The administrative position provides central financial, payroll, and transport support to the 14 offices around the state. Except for funding per diem transport deputy sheriffs and associated transport mileage, and State assessments for financial processing and insurance, the Department's appropriation is entirely dedicated to funding its 38 positions. There is minimal operating support provided to the 14 local sheriff offices. Consequently, the Department uses position vacancies to absorb any funding shortfall. The Sheriffs are as efficient as possible in the transport program to maximize the possibility for carry forward funds. This carry forward can be utilized to cover any potential funding shortfall.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Sheriffs**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,869,052	3,186,568	3,318,716	3,306,718
Operating Expenses	335,255	277,101	277,101	356,269
<hr/> TOTAL	<hr/> 3,204,307	<hr/> 3,463,669	<hr/> 3,595,817	<hr/> 3,662,987
FUND TYPE				
General Fund	3,204,307	3,463,669	3,595,817	3,662,987
<hr/> TOTAL	<hr/> 3,204,307	<hr/> 3,463,669	<hr/> 3,595,817	<hr/> 3,662,987

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Safety**

Department Mission Statement

**DEPARTMENT OF PUBLIC SAFETY
FISCAL YEAR 2010 BUDGET PRESENTATION**

MISSION STATEMENT

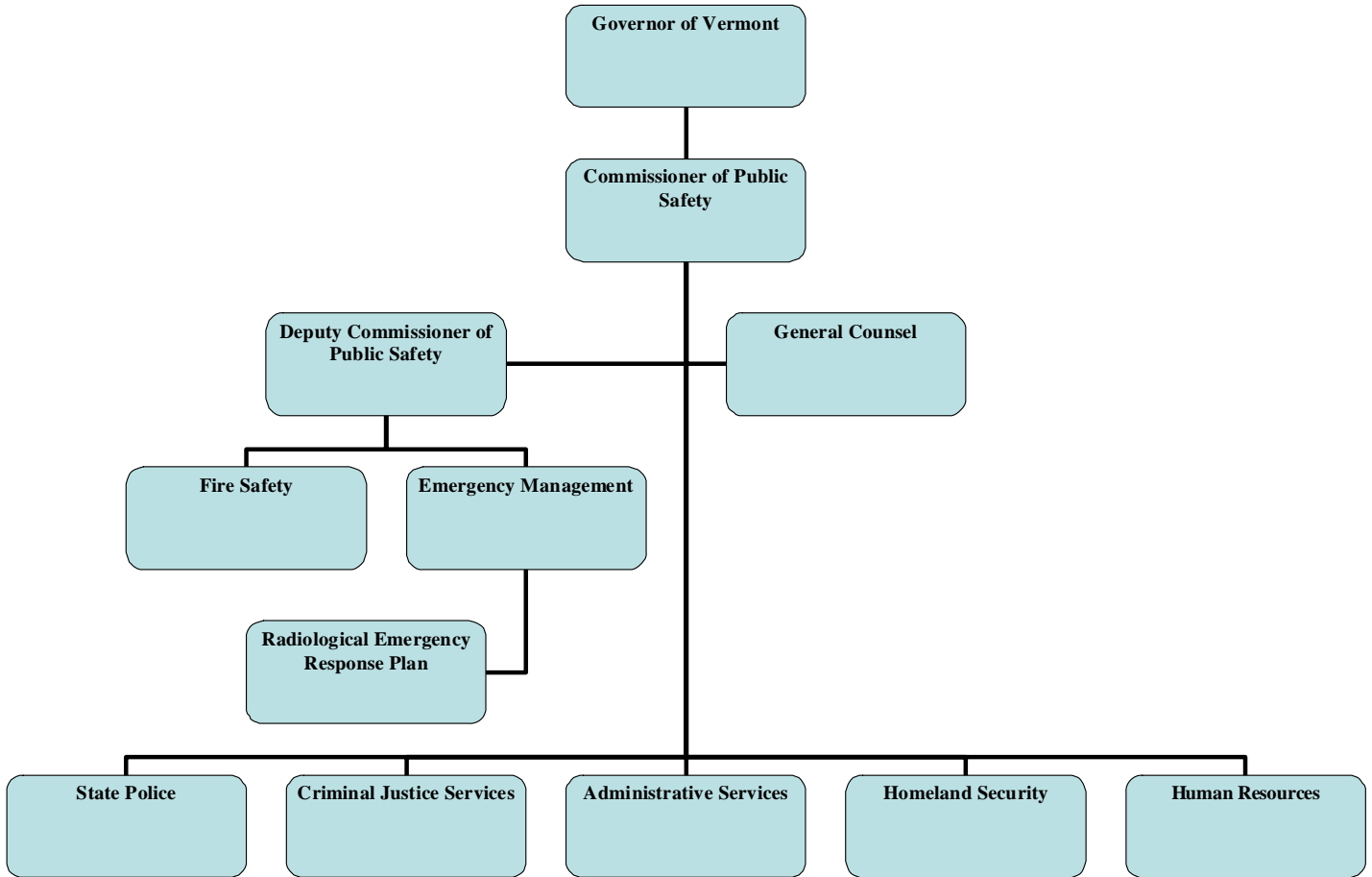
The mission of the Department of Public Safety is to provide law enforcement services, criminal justice systems support, emergency preparedness planning, fire prevention activities and fire fighter training programs for the State of Vermont.

CREATION OF THE DEPARTMENT

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

Description of Appropriations, Divisions, & Programs

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Safety**

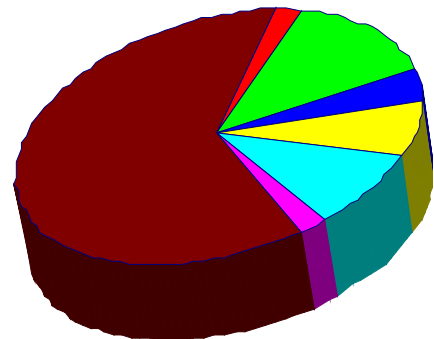
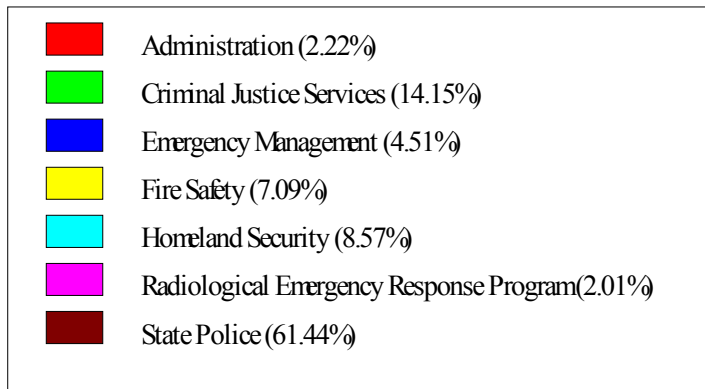


The Department of Public Safety is organized into seven appropriations: Administrative Services, Homeland Security, Vermont State Police, Criminal Justice Services, Vermont Emergency Management, the Radiological Emergency Response Program and the Fire Safety Division; which was added in FY 2005 by combing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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Safety

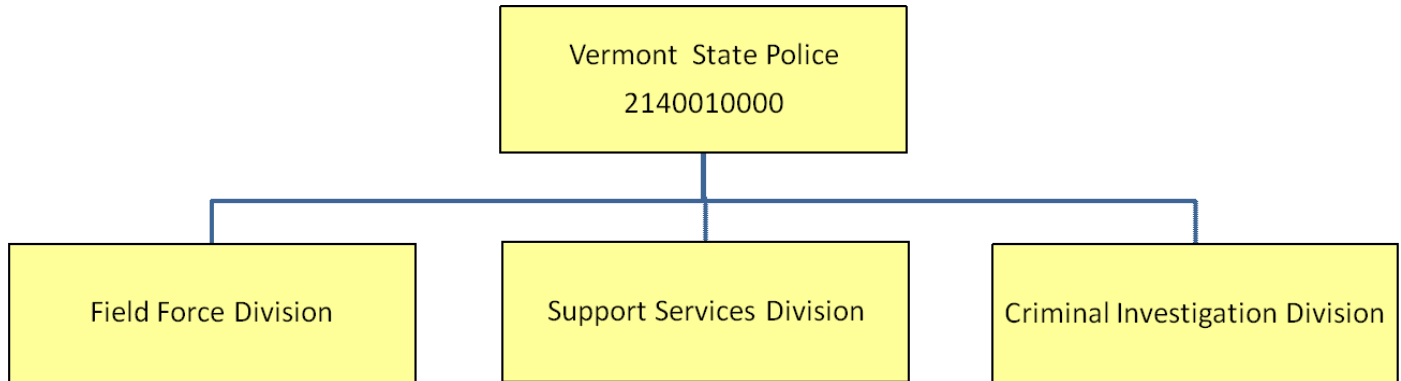
DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
State Police	466	466	461	47,543,127	47,748,858	48,212,172	52,339,045
Criminal Justice Services	70	70	65	14,936,839	11,884,113	12,006,921	12,053,506
Emergency Management	15	15	14	2,773,200	3,761,263	3,761,263	3,845,054
Fire Safety	58	58	58	5,639,707	6,024,152	5,970,768	6,042,560
Administration	26	26	22	2,001,391	1,982,203	1,903,807	1,891,492
Homeland Security	10	10	8	4,356,978	10,475,015	10,457,133	7,302,592
Radiological Emergency Response Program	9	9	8	1,520,408	1,737,236	1,698,734	1,712,471
TOTAL	653	653	636	78,771,650	83,612,840	84,010,798	85,186,720
FUND TYPE							
General Fund				12,955,715	16,131,407	15,840,471	25,607,953
Transportation Fund				36,015,133	32,725,324	33,341,478	28,682,459
Special Fund				10,901,707	10,067,479	10,140,219	10,519,279
Federal Revenue Fund				17,608,259	21,477,040	21,477,040	17,810,979
Interdepartmental Transfer				1,290,836	3,211,590	3,211,590	2,566,050
TOTAL				78,771,650	83,612,840	84,010,798	85,186,720



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Police**

Appropriation Key Budget Issues



The Vermont State Police includes 327 sworn members and 163 civilian personnel. They 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.

The Field Force Division of the Vermont State Police consists of 234 sworn members, 41 civilian staff members and 100 Emergency Dispatchers.

Uniform Division personnel have a wide range of responsibilities dedicated to the safety of Vermont citizens and our many visitors. Types of responses by Troopers include, but are not limited to, acts of family violence, securing natural and man-made disasters, motor vehicle incidents, motor vehicle accidents, all reported crimes, calls for emergency response, and threats to the safety and well-being of our citizens (Homeland Security).

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

The Vermont State Police have a number of highly specialized teams all working to achieve the State Police Mission. They each require different skills and very specialized training. Their function is to bring to successful resolution dangerous and sensitive situations. The Vermont State Police Special Teams are used in all jurisdictions within Vermont and are often called on by local and federal law

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Police

enforcement agencies because of their skill and expertise. All Special Teams are comprised of Troopers who have other, primary assignments and are members of their respective teams as a secondary/part-time duty. Examples of those teams are the Search and Rescue Team, Tactical Support Unit, Hostage Negotiation Team, The Bomb Squad, Mobile Command Post and the Scuba Team. The Vermont State Police also provide Peer Support services to a host of first responders.

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

The Criminal Investigation Division consists of 80 sworn members, 9 civilian members and is divided into two units, the Bureau of Criminal Investigation (BCI) and the Special Investigations Unit (SIU). The Bureau of Criminal Investigations investigates all major crimes that are brought to their attention. Their primary focus is on death investigations, including homicides, fatal fires, untimely deaths and major crime cases. Secondary priorities include fire investigations, sex crimes and drug investigations. A significant commitment is also made to augment the efforts of other law enforcement agencies, including federal, state, county, and local departments with their major investigations. This includes the investigation of criminal conduct allegations made against Vermont law enforcement officers.

The Special Investigations Unit (SIU) is comprised of five different sections. The Vermont Drug Task Force which is divided into two "undercover" units (North and South) along with a street level unit dedicated to combat heroin trafficking (Heroin Enforcement Action Team) "HEAT". The Criminal Intelligence Unit has the primary function of gathering intelligence data used in the formulation of a strategic plan to accurately assess and combat crimes of any nature confronting the State of Vermont. The Computer Crimes Unit serves as a Specialized Support Unit for the Vermont State Police, local police departments and federal agencies located in the State of Vermont. They are responsible for Conducting Forensic Analysis of all forms of seized electronic media. The Protective Services unit provides personal security and transportation to the Governor. Members of the Protective Services Unit also evaluate threats that are made against the Governor and initiate threat investigations. The Polygraph Unit provides both criminal and applicant polygraph examinations for all Vermont law enforcement agencies, States Attorneys, the Attorney General and the Defender General.

The Support Services Division includes Internal Affairs, the Office of Professional Development, Fleet Services, the Quartermaster's Office and the Office of Technology Services. The primary functions of the Support Services Division are the leveraging of technology to support field operations, the professional development of employees, recruiting, hiring, training and the maintaining of professional standards. The Division also manages the fleet of vehicles. There are a total of 12 sworn members and 13 civilian members in the Division.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Police**

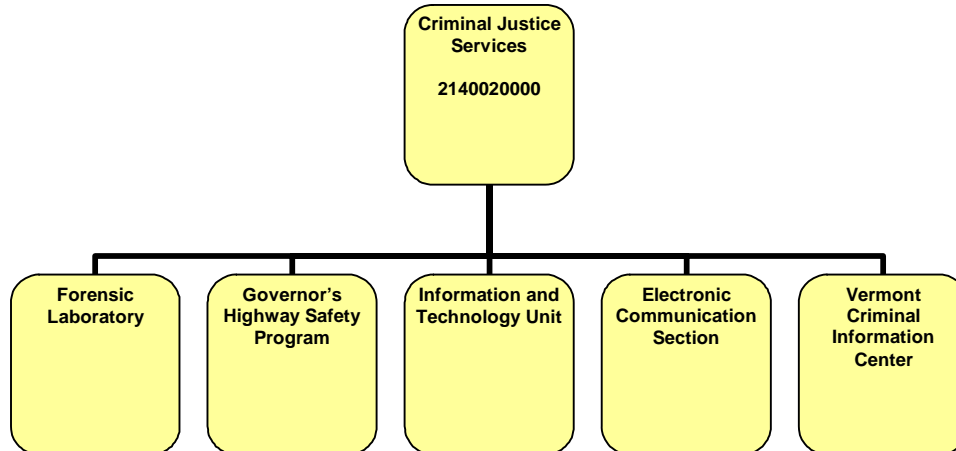
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Police

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	39,210,845	38,966,689	39,570,705	42,207,023
Operating Expenses	7,242,246	8,200,082	8,059,380	9,549,935
Grants	1,090,001	582,087	582,087	582,087
Non Operating Exp Budget	35	0	0	0
<hr/>				
TOTAL	47,543,127	47,748,858	48,212,172	52,339,045
FUND TYPE				
General Fund	9,113,322	12,281,795	12,178,967	22,025,334
Transportation Fund	31,505,880	28,231,384	28,797,526	23,951,233
Special Fund	3,148,428	2,073,265	2,073,265	1,910,795
Federal Revenue Fund	3,283,594	2,777,985	2,777,985	2,159,888
Interdepartmental Transfer	491,903	2,384,429	2,384,429	2,291,795
<hr/>				
TOTAL	47,543,127	47,748,858	48,212,172	52,339,045

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Criminal Justice Services**

Appropriation Key Budget Issues



Criminal Justice Services, headed by a civilian Director, is responsible for providing system support to a variety of state, county and local criminal justice agencies. Evidence analysis is available from the Vermont Forensics Laboratory serving all law enforcement agencies in Vermont. The Vermont Criminal Information Center (VCIC), the state central repository for criminal information, disseminates criminal information for criminal and non-criminal justice purposes. VCIC also manages the sex offender registry program and the marijuana registry along with all NCIC information. The Electronic Radio Communication Section manages the two-way radio system for the Vermont State Police and other State agencies along with the State's digital microwave network. The Information Technology Section operates a wide area network that provides a system of electronic services to over 2100 users both at the state, county and municipal level. These services are mission-critical information technology applications for the effective and efficient support of law enforcement services throughout the state. The Governor's Highway Safety Program offers funding and advocacy to state and local jurisdictions on traffic safety issues that are designed to reduce the incidence of death, injury and property damage on Vermont's highways.

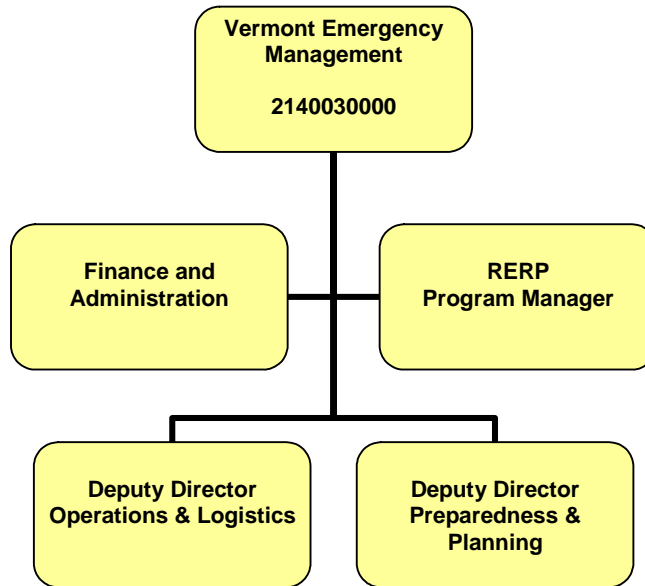
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Criminal Justice Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	6,162,347	5,708,438	5,888,942	6,078,888
Operating Expenses	3,622,881	3,129,222	3,071,526	3,065,224
Grants	5,151,611	3,046,453	3,046,453	2,909,394
<hr/> TOTAL	<hr/> 14,936,839	<hr/> 11,884,113	<hr/> 12,006,921	<hr/> 12,053,506
FUND TYPE				
General Fund	749,522	759,697	702,001	735,289
Transportation Fund	4,445,285	4,429,971	4,479,983	4,667,257
Special Fund	1,447,186	1,393,043	1,523,535	1,860,980
Federal Revenue Fund	7,594,782	4,677,888	4,677,888	4,689,372
Interdepartmental Transfer	700,064	623,514	623,514	100,608
<hr/> TOTAL	<hr/> 14,936,839	<hr/> 11,884,113	<hr/> 12,006,921	<hr/> 12,053,506

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Emergency Management**

Appropriation Key Budget Issues



Vermont Emergency Management (VEM) is organized to ensure that Vermont is prepared to respond to emergencies, recover from them and mitigate their impacts. With authority derived from Title 20, VSA, VEM leads the coordination of federal, state and local resources in disaster response and recovery. With a professional staff of 22, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness (nuclear power plant), hazardous materials compliance, response and disaster prevention planning and mitigation. In addition, VEM staffs the state warning point that coordinates the assessment of response to the daily hazard incidents that occur in the state 24/7. The key to 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 emergency planning and preparedness activities.

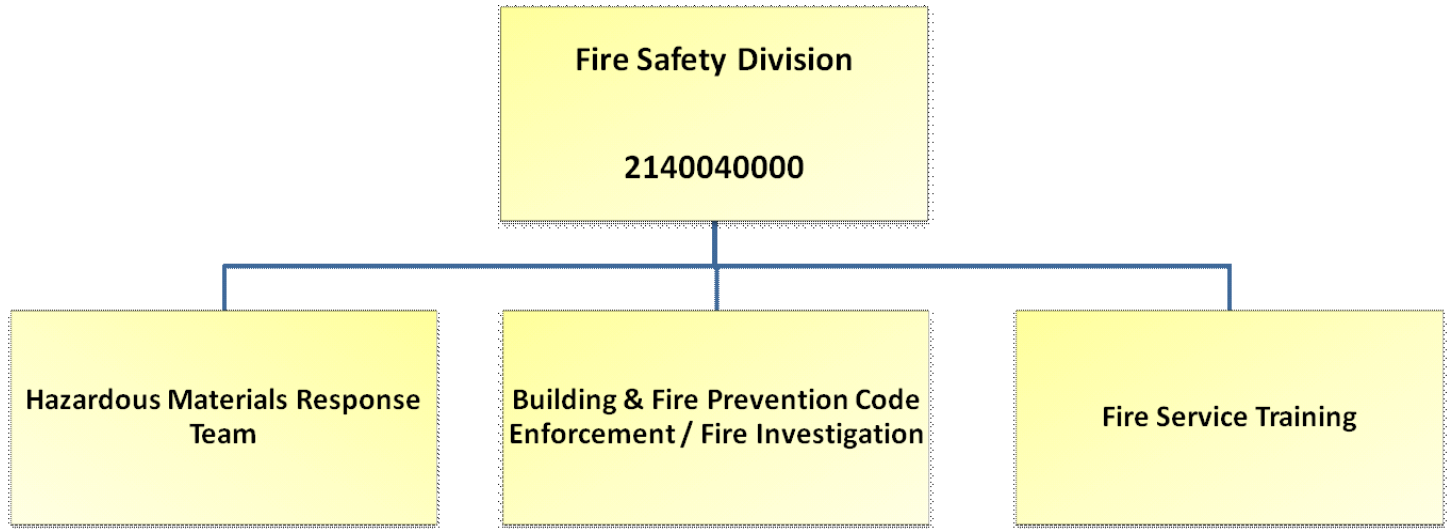
**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Emergency Management**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,186,166	1,697,752	1,697,752	1,778,662
Operating Expenses	502,594	1,244,111	1,244,111	1,246,992
Grants	1,084,440	819,400	819,400	819,400
<hr/> TOTAL	<hr/> 2,773,200	<hr/> 3,761,263	<hr/> 3,761,263	<hr/> 3,845,054
FUND TYPE				
Transportation Fund	63,968	63,969	63,969	63,969
Special Fund	168,249	167,471	167,471	168,831
Federal Revenue Fund	2,540,983	3,529,823	3,529,823	3,612,254
<hr/> TOTAL	<hr/> 2,773,200	<hr/> 3,761,263	<hr/> 3,761,263	<hr/> 3,845,054

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fire Safety

Appropriation Key Budget Issues



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

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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fire Safety

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

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

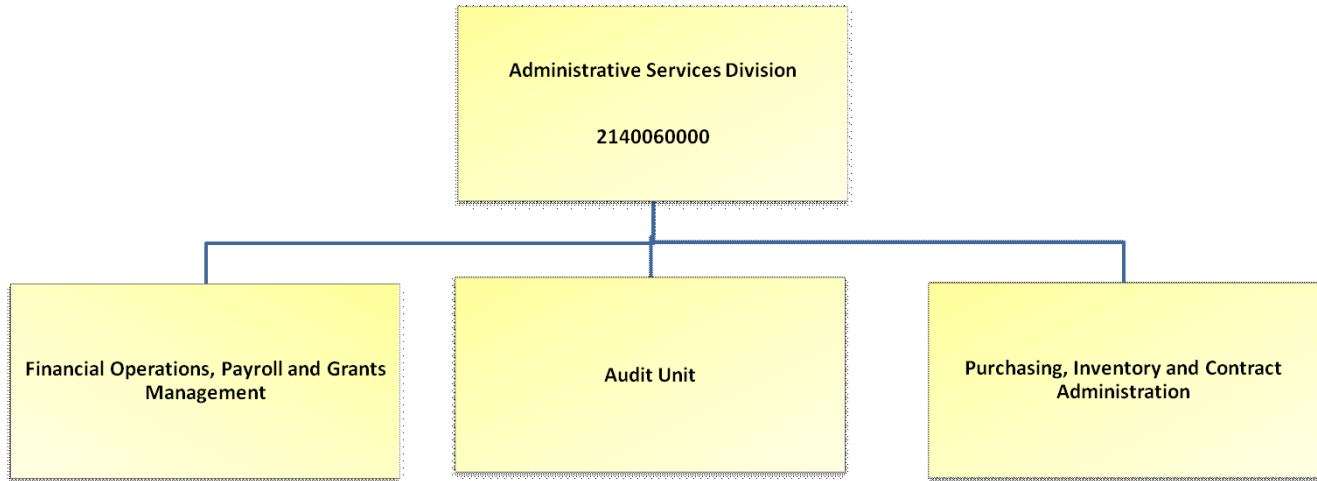
**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fire Safety**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,268,501	4,381,112	4,370,175	4,396,900
Operating Expenses	1,317,206	1,588,040	1,545,593	1,590,660
Grants	54,000	55,000	55,000	55,000
<hr/> TOTAL	<hr/> 5,639,707	<hr/> 6,024,152	<hr/> 5,970,768	<hr/> 6,042,560
FUND TYPE				
General Fund	712,363	713,269	679,135	590,719
Special Fund	4,617,436	4,696,464	4,677,214	4,866,202
Federal Revenue Fund	211,039	410,772	410,772	411,992
Interdepartmental Transfer	98,869	203,647	203,647	173,647
<hr/> TOTAL	<hr/> 5,639,707	<hr/> 6,024,152	<hr/> 5,970,768	<hr/> 6,042,560

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

Appropriation Key Budget Issues



Administrative Services provides a full range of financial services, payroll administration, grants management, auditing, purchasing and contract administration for all Public Safety divisions. Bill paying, purchasing administration, payroll and auditing activities are all managed through a central office operation consisting of 14 positions at the department headquarters in Waterbury. The audit unit provides financial monitoring and outreach to sub-recipients and review of internal procedures and fiscal controls. Grants Management is responsible for monitoring the department's various Federal revenue sources and related programs. The objective is to keep managers and staff informed as to the availability and application of Federal resources and review issues of cost allowability to ensure optimum utilization of federal grant funds. Recommendations are prepared for the department's executive staff on funding opportunities that would enhance and improve the various business activities of the department through a coordinated grants management program.

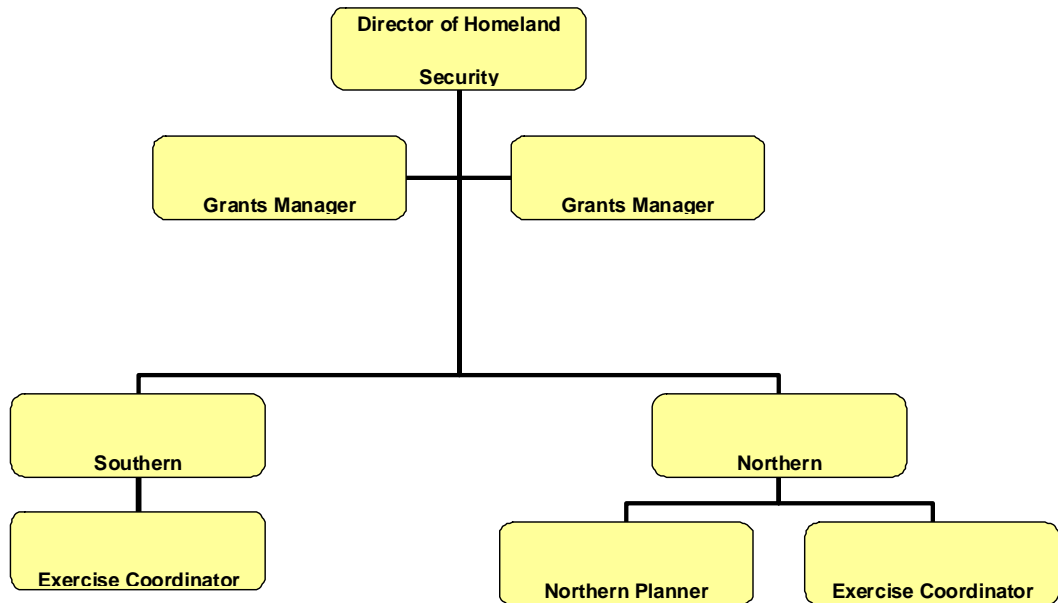
**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,834,818	1,823,435	1,749,696	1,696,711
Operating Expenses	166,573	158,768	154,111	194,781
<hr/>				
TOTAL	2,001,391	1,982,203	1,903,807	1,891,492
 FUND TYPE				
General Fund	1,949,968	1,945,576	1,867,180	1,861,340
Federal Revenue Fund	51,423	36,627	36,627	30,152
<hr/>				
TOTAL	2,001,391	1,982,203	1,903,807	1,891,492

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Homeland Security**

Appropriation Key Budget Issues



-The Department of Public Safety Homeland Security Unit (HSU) has been developed to enhance public safety by promoting coordinated All-Hazard response among all Vermont's first response agencies. The HSU consists of 8 positions (3 sworn State Police officers and 5 civilian classified employees) and currently contracts with one individual who serves as a planner for specific tasks to the Vermont Homeland Security Unit . The Vermont State Police Troop Commanders work closely with HSU for operational issues and have been appointed by the Commissioner as Public Safety District Coordinators as defined by Title 20. The Homeland Security Unit has been charged with four critical missions:

- a. All Hazard response plans - The HSU works in partnership with Vermont Emergency Management and provides guidance, training and federal homeland security funding to Vermont's first responder and governmental entities to assist in the development of local and statewide all hazards response plans.
- b. Gather, evaluate and disseminate all crimes and threat information - The HSU works in a collaborative effort with the Vermont Fusion Center, the Federal Bureau of Investigation, the federal Department of Homeland Security and many other local, state, federal and international law enforcement agencies in an effort to keep our first response agencies and government officials informed of the most up-to-date terrorist threat information. The HSU facilitates the distribution of updated crime threats to many first responders, has partnership with the US Attorney's Office Anti Terrorism Task Force, New York State, and the Province of Quebec and actively participates in the FBI's Joint Terrorism Task Force.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Homeland Security

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

d. Manage and administer federal homeland security grants - Since 1999, the Vermont Homeland Security Unit has received approximately \$72 million dollars of federal homeland security funding. Since that time, the HSU has been the single point of contact with the federal government for the receipt and distribution of these federal preparedness funds. The HSU works with over 8,000 first responders, 450 first response agencies and during any one year provides grant funds to over 300 sub-grantees.

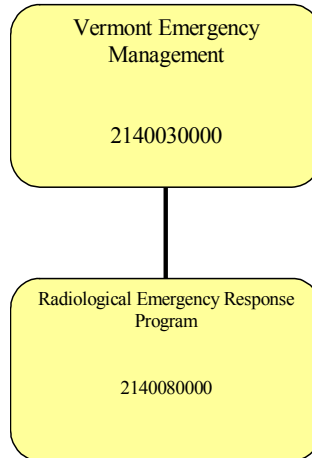
**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Homeland Security**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,720,595	4,426,136	4,408,367	1,252,863
Operating Expenses	596,343	4,998,879	4,998,766	4,999,729
Grants	2,040,040	1,050,000	1,050,000	1,050,000
<hr/> TOTAL	<hr/> 4,356,978	<hr/> 10,475,015	<hr/> 10,457,133	<hr/> 7,302,592
FUND TYPE				
General Fund	430,540	431,070	413,188	395,271
Federal Revenue Fund	3,926,438	10,043,945	10,043,945	6,907,321
<hr/> TOTAL	<hr/> 4,356,978	<hr/> 10,475,015	<hr/> 10,457,133	<hr/> 7,302,592

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program**

Appropriation Key Budget Issues



RADIOLOGICAL EMERGENCY RESPONSE PROGRAM

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

Planning: Reviews, revises and distributes more than 100 emergency response plans for a response to an incident at Vermont Yankee Nuclear Power Station in Vernon, Vermont. Additionally the program is involved in response planning for an incident at the nuclear fuel storage site at Yankee Rowe in Rowe, Massachusetts.

Training: Develops and conducts training for staff and emergency workers at various facilities and teams.

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

Resource Allocation: Provides funding for communities, organizations, and State agencies to assist them in being prepared for an incident.

Preparedness: Conducts tests, drills, inventories, readiness checks, etc., to ensure that facilities and equipment are prepared for an incident, including evacuation.

Administration: Provides financial management, support services and logistics to participant organizations.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	559,296	766,867	728,365	695,571
Operating Expenses	265,895	233,666	233,666	273,382
Grants	695,217	736,703	736,703	743,518
<hr/> TOTAL	<hr/> 1,520,408	<hr/> 1,737,236	<hr/> 1,698,734	<hr/> 1,712,471
FUND TYPE				
Special Fund	1,520,408	1,737,236	1,698,734	1,712,471
<hr/> TOTAL	<hr/> 1,520,408	<hr/> 1,737,236	<hr/> 1,698,734	<hr/> 1,712,471

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Military**

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

APPROPRIATIONS: In FY2009, the Military Department received approximately \$170,000,000 combined Federal and State dollars to administer the military and state work force, maintain facilities, as well as train and equip the military force. The State of Vermont provided approximately \$3,400,000 of that total amount in general funds.

DIVISIONS: 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 the last 5 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.

Additionally, the Military Department serves the needs of more than 60,000 Vermont Veterans. A major part of its service to Veterans is maintenance of the Vermont Veteran’s Memorial cemetery in Randolph. Supervision of this cemetery is provided through the Veterans’ Affairs Office in Montpelier. The Veterans’ Affairs Office also assists Veterans and Guardsmen/Reservists returning from overseas deployments in applying for Veterans Benefits, maintains records of all

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Military**

Vermont Veterans, coordinates requests for funeral services for deceased veterans, tracks and verifies claims for bonus payments and disability claims, and handles other requests for information. The Military Department also provides support to Vermont communities with color guards for parades and other formal ceremonies, as well as providing honor guards for funeral services through the state. In 2008, the Army and Air National Guard provided over 500 military funeral details for Vermont's deceased Veterans.

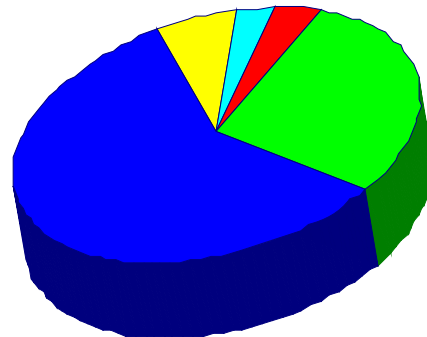
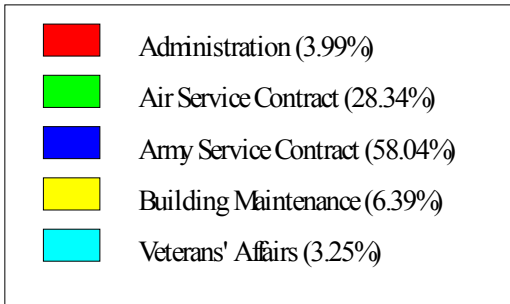
PROGRAMS: Since FY 1994, the Military Department has administered Starbase, a 100% federally funded program targeting students in grades four through six with a hands-on curriculum of science, math and technology. Over 7,000 students have been served by the program. Students attend a five-day session held at the Vermont Air National Guard Base in South Burlington and a second site in Rutland. The Starbase staff are state employees whose compensation and benefits packages are federally reimbursed.

The Military Department also provides crash, fire and rescue services to the Burlington International Airport, as well as assisting with back-up to other departments in Chittenden County. These are also state employees who's compensation and benefits are federally reimbursed. The Burlington Airport Commission has estimated that this service results in an annual cost-saving to taxpayers of \$1,000,000.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Military**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration	7	7	7	924,053	976,330	968,892	880,810
Air Service Contract	58	60	60	4,878,091	6,135,045	5,446,975	6,258,737
Army Service Contract	41	41	41	14,152,507	13,113,894	13,119,202	12,819,563
Building Maintenance	21	18	18	1,506,106	1,425,229	1,369,713	1,410,717
Veterans' Affairs	5	7	7	687,910	760,534	740,155	717,755
TOTAL	131	132	132	22,148,667	22,411,032	21,644,937	22,087,582
FUND TYPE							
General Fund				3,603,597	3,707,776	3,413,156	3,397,353
Special Fund				65,743	66,000	141,000	83,529
Federal Revenue Fund				18,454,328	18,637,256	18,090,781	18,606,700
Interdepartmental Transfer				24,999	0	0	0
TOTAL				22,148,667	22,411,032	21,644,937	22,087,582



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	544,988	564,006	558,994	595,055
Operating Expenses	179,065	212,324	209,898	185,755
Grants	200,000	200,000	200,000	100,000
<hr/>				
TOTAL	924,053	976,330	968,892	880,810
 FUND TYPE				
General Fund	899,054	976,330	968,892	880,810
Interdepartmental Transfer	24,999	0	0	0
<hr/>				
TOTAL	924,053	976,330	968,892	880,810

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Air Service Contract**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	3,832,413	4,544,156	4,195,916	4,682,496
Operating Expenses	1,045,678	1,590,889	1,251,059	1,576,241
<hr/> TOTAL	<hr/> 4,878,091	<hr/> 6,135,045	<hr/> 5,446,975	<hr/> 6,258,737
FUND TYPE				
General Fund	407,683	572,037	434,423	433,236
Federal Revenue Fund	4,470,408	5,563,008	5,012,552	5,825,501
<hr/> TOTAL	<hr/> 4,878,091	<hr/> 6,135,045	<hr/> 5,446,975	<hr/> 6,258,737

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Army Service Contract**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	4,036,988	3,939,774	3,939,774	3,645,443
Operating Expenses	10,115,519	9,174,120	9,179,428	9,174,120
<hr/>				
TOTAL	14,152,507	13,113,894	13,119,202	12,819,563
FUND TYPE				
General Fund	220,058	107,151	108,478	107,071
Federal Revenue Fund	13,932,449	13,006,743	13,010,724	12,712,492
<hr/>				
TOTAL	14,152,507	13,113,894	13,119,202	12,819,563

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Building Maintenance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	853,946	983,304	981,884	1,024,137
Operating Expenses	652,160	441,925	387,829	386,580
<hr/> TOTAL	<hr/> 1,506,106	<hr/> 1,425,229	<hr/> 1,369,713	<hr/> 1,410,717
FUND TYPE				
General Fund	1,506,106	1,425,229	1,369,713	1,410,717
<hr/> TOTAL	<hr/> 1,506,106	<hr/> 1,425,229	<hr/> 1,369,713	<hr/> 1,410,717

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Veterans' Affairs**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	370,552	424,833	404,741	430,316
Operating Expenses	317,358	157,886	157,599	133,624
Grants	0	177,815	177,815	153,815
<hr/>				
TOTAL	687,910	760,534	740,155	717,755
FUND TYPE				
General Fund	570,696	627,029	531,650	565,519
Special Fund	65,743	66,000	141,000	83,529
Federal Revenue Fund	51,471	67,505	67,505	68,707
<hr/>				
TOTAL	687,910	760,534	740,155	717,755

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

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.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

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

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

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

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

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, Vermont Center for the Deaf & Hard of Hearing, and a domestic Violence Trainer at the Police Academy.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Center for Crime Victims' Services	0	0	0	9,378,301	11,347,277	11,344,633	10,173,564
<hr/>							
TOTAL	0	0	0	9,378,301	11,347,277	11,344,633	10,173,564
FUND TYPE							
General Fund				1,099,337	49,809	47,165	1,119,233
Special Fund				4,910,160	7,432,390	7,432,390	5,201,380
Federal Revenue Fund				3,361,351	3,865,078	3,865,078	3,852,951
Interdepartmental Transfer				7,453	0	0	0
<hr/>							
TOTAL				9,378,301	11,347,277	11,344,633	10,173,564

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Description of Appropriations, Divisions, & Programs

Appropriation Key Budget Issues

The Center manages both the Restitution Special Fund and the Victims Compensation Special Fund. The most significant issue affecting the Center's budget for fiscal year 2010 is the falling revenues in both Special Funds. Each Fund has seen a 12% decrease in overall revenues for fiscal year 2009 to-date. This is mostly due to the decline in the overall number of traffic tickets issued each year. As a result of these decreased revenues, the 2010 budget has been decreased. The Center has cut its operational budget and reduced staff for FY 2010. The Center has also made a \$55,000 reduction in payments to crime victims through the Victim's Compensation Program. It has level funded most of its grant programs to non-profit agencies around the state, but has made cuts to the supervised visitation programs, child advocacy centers and the State's Attorney's Victim Advocates program as a result of lower revenues. In the FY2010 Budget the Governor is restoring the \$1,075,000 General Funds to the Center that was swapped in the FY09 budget as passed with Restitution Funds in order to free up General Funds for other priorities in FY09.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

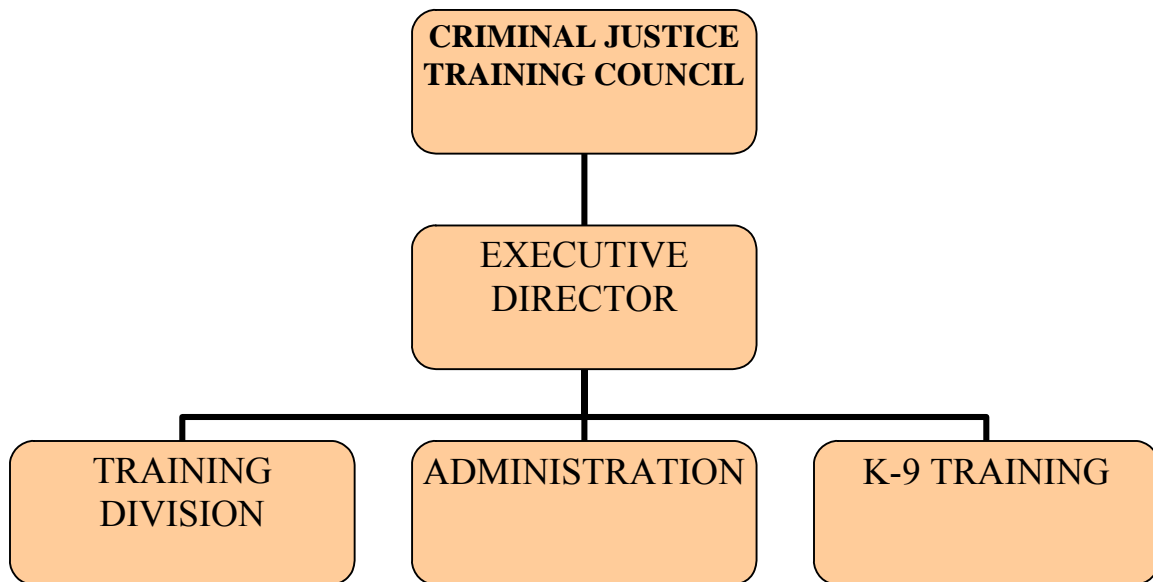
	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,185,494	1,404,168	1,404,168	1,106,822
Operating Expenses	687,092	318,275	315,631	253,657
Grants	7,505,715	9,624,834	9,624,834	8,813,085
<hr/>				
TOTAL	9,378,301	11,347,277	11,344,633	10,173,564
 FUND TYPE				
General Fund	1,099,337	49,809	47,165	1,119,233
Special Fund	4,910,160	7,432,390	7,432,390	5,201,380
Federal Revenue Fund	3,361,351	3,865,078	3,865,078	3,852,951
Interdepartmental Transfer	7,453	0	0	0
<hr/>				
TOTAL	9,378,301	11,347,277	11,344,633	10,173,564

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs



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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

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

The Vermont Police canine Program currently consists of 30 certified teams from all types of departments including State Police, Municipal Police, Sheriff's Deputies, Fish and Wildlife Wardens and Department of Motor Vehicle Inspectors. These teams are required to train each month and demonstrate their skills during a proficiency test each year. These teams are trained in one or more of the following areas: patrol, tracking, drug detection, black powder detection and bomb detection.

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

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

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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Criminal Justice Training Council	11	10	11	2,098,108	2,210,066	2,158,032	2,274,614
<hr/>							
TOTAL	11	10	11	2,098,108	2,210,066	2,158,032	2,274,614
 FUND TYPE							
General Fund				1,388,305	1,419,664	1,367,630	1,453,753
Special Fund				507,104	532,539	532,539	534,343
Interdepartmental Transfer				202,699	257,863	257,863	286,518
<hr/>							
TOTAL				2,098,108	2,210,066	2,158,032	2,274,614

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Criminal Justice Training Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,093,820	1,160,173	1,122,020	1,148,639
Operating Expenses	1,004,288	1,049,893	1,036,012	1,125,975
<hr/> TOTAL	<hr/> 2,098,108	<hr/> 2,210,066	<hr/> 2,158,032	<hr/> 2,274,614
FUND TYPE				
General Fund	1,388,305	1,419,664	1,367,630	1,453,753
Special Fund	507,104	532,539	532,539	534,343
Interdepartmental Transfer	202,699	257,863	257,863	286,518
<hr/> TOTAL	<hr/> 2,098,108	<hr/> 2,210,066	<hr/> 2,158,032	<hr/> 2,274,614

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The Agency continues its significant role in the Governor's Clean and Clear initiative to improve and protect Vermont's water quality. Clean and Clear tackles the problem of phosphorus runoff through a comprehensive and accelerated cleanup program. The Agency of Agriculture and the Agency of Natural Resources administer this multi-million dollar project. Significant resources continue to be directed to Clean and Clear in the proposed FY10 budget.

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

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

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

The Agricultural Resource Management and Environmental Stewardship Division:

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

Protects public health and the environment from the adverse affects of pesticide products through training, licensing, monitoring, disposal grants, enforcement, education and product registration for pesticide applicators, dealers, manufacturers, and the general public.

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

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

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

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

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

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

The Food Safety and Consumer Assurance Division serves to:

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

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

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

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

Assure those establishments not subject to traditional inspection (wholesalers, retailers and custom

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

operations) are periodically reviewed for sanitary condition, proper labeling, and handling.

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

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

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

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

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

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

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

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

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

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

Developing individual growth strategies for each sector of the agricultural industry.

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

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

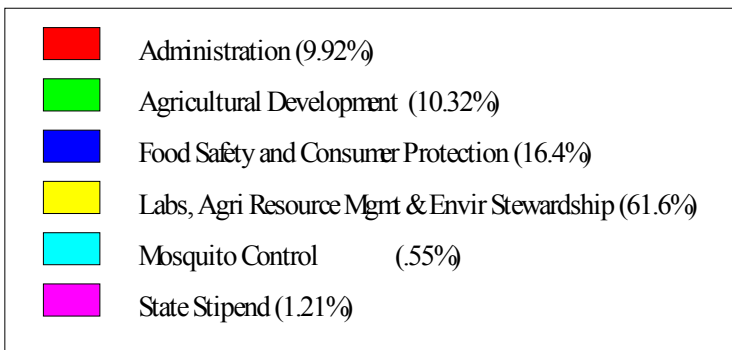
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration	12	10	8	1,575,722	1,671,797	1,562,213	1,435,993
Food Safety and Consumer Protection	36	26	24	5,675,555	2,320,513	2,455,089	2,374,636
Agricultural Development	10	8	8	2,003,040	1,452,126	1,492,073	1,494,725
Labs, Agri Resource Mgmt & Envir Stewardship	39	54	49	4,696,299	9,461,775	10,565,132	8,921,281
State Stipend	0	0	0	175,000	175,000	175,000	175,000
Mosquito Control	0	0	0	39,814	80,000	304,423	80,000
TOTAL	97	98	89	14,165,430	15,161,211	16,553,930	14,481,635
FUND TYPE							
General Fund				5,749,188	5,924,382	6,919,807	5,434,375
Special Fund				6,459,366	7,260,614	7,432,210	6,979,571
Federal Revenue Fund				1,538,529	1,378,961	1,416,125	1,470,435
Interdepartmental Transfer				418,347	597,254	785,788	597,254
TOTAL				14,165,430	15,161,211	16,553,930	14,481,635



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

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

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	921,922	888,375	799,216	707,514
Operating Expenses	351,054	383,721	377,346	390,128
Grants	302,746	399,701	385,651	338,351
<hr/>				
TOTAL	<u>1,575,722</u>	<u>1,671,797</u>	<u>1,562,213</u>	<u>1,435,993</u>
FUND TYPE				
General Fund	1,314,975	1,120,491	980,369	886,626
Special Fund	115,361	382,465	382,465	382,449
Federal Revenue Fund	125,386	126,841	126,841	124,918
Interdepartmental Transfer	20,000	42,000	72,538	42,000
<hr/>				
TOTAL	<u>1,575,722</u>	<u>1,671,797</u>	<u>1,562,213</u>	<u>1,435,993</u>

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Food Safety and Consumer Protection

Appropriation Key Budget Issues

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Food Safety and Consumer Protection**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,463,299	1,963,313	1,960,273	2,041,806
Operating Expenses	695,539	357,200	494,816	332,830
Grants	2,516,717	0	0	0
<hr/> TOTAL	<hr/> 5,675,555	<hr/> 2,320,513	<hr/> 2,455,089	<hr/> 2,374,636
FUND TYPE				
General Fund	1,745,225	1,176,490	1,152,893	1,278,611
Special Fund	3,377,804	647,232	650,601	651,025
Federal Revenue Fund	545,602	489,791	516,455	438,000
Interdepartmental Transfer	6,924	7,000	135,140	7,000
<hr/> TOTAL	<hr/> 5,675,555	<hr/> 2,320,513	<hr/> 2,455,089	<hr/> 2,374,636

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agricultural Development

Appropriation Key Budget Issues

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

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

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

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agricultural Development**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	873,201	642,276	727,216	688,162
Operating Expenses	383,222	507,350	482,357	504,063
Grants	746,617	302,500	282,500	302,500
<hr/> TOTAL	<hr/> 2,003,040	<hr/> 1,452,126	<hr/> 1,492,073	<hr/> 1,494,725
FUND TYPE				
General Fund	802,050	827,765	746,647	673,775
Special Fund	862,107	380,361	501,426	432,950
Federal Revenue Fund	230,581	244,000	244,000	388,000
Interdepartmental Transfer	108,302	0	0	0
<hr/> TOTAL	<hr/> 2,003,040	<hr/> 1,452,126	<hr/> 1,492,073	<hr/> 1,494,725

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Labs, Agri Resource Mgmt & Envir Stewardship

Appropriation Key Budget Issues

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Labs, Agri Resource Mgmt & Envir Stewardship

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,978,614	3,840,687	3,733,212	3,800,621
Operating Expenses	851,457	621,088	639,632	639,708
Grants	866,228	5,000,000	6,192,288	4,480,952
<hr/>				
TOTAL	4,696,299	9,461,775	10,565,132	8,921,281
FUND TYPE				
General Fund	1,702,085	2,624,636	3,689,897	2,420,363
Special Fund	2,074,133	5,770,556	5,768,296	5,433,147
Federal Revenue Fund	636,960	518,329	528,829	519,517
Interdepartmental Transfer	283,121	548,254	578,110	548,254
<hr/>				
TOTAL	4,696,299	9,461,775	10,565,132	8,921,281

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Stipend**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	175,000	175,000	175,000	175,000
TOTAL	175,000	175,000	175,000	175,000
FUND TYPE				
General Fund	175,000	175,000	175,000	175,000
TOTAL	175,000	175,000	175,000	175,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Mosquito Control**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,589	20,000	19,383	20,000
Operating Expenses	37,225	60,000	285,040	60,000
<hr/> TOTAL	<hr/> 39,814	<hr/> 80,000	<hr/> 304,423	<hr/> 80,000
FUND TYPE				
General Fund	9,853	0	175,001	0
Special Fund	29,961	80,000	129,422	80,000
<hr/> TOTAL	<hr/> 39,814	<hr/> 80,000	<hr/> 304,423	<hr/> 80,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

Department Mission Statement

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

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

Description of Appropriations, Divisions, & Programs

BISHCA Administration and General Counsel Division:

Division Overview:

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

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Banking Ins Sec Hlth Care Adm

of BISHCA and is responsible for the insurance market conduct program. Additionally, the General Counsel's office provides legal analysis 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, forward-looking automated systems, and effective, professional communications.

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

Banking Division

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

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

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

- (1) Supervision which includes issuing charters and licenses as well as conducting examinations and

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

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 which is available to assist any consumer who has questions or concerns about an institution chartered or regulated by the Commissioner. Efforts are made to assist a consumer through problem resolution and intervention with regulated institutions. Examinations and investigations may be initiated where needed. During 2008 the Division announced the availability of a mortgage assistance program with a toll free telephone number to help mortgage customers who are facing foreclosure.
- (3) Education, which was added with the passage of the new banking law in 2000, provides the public with valuable information 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 mission of BISHCA's Insurance Division is to keep insurance affordable and available for Vermont consumers, to ensure that insurers are able to meet their contractual obligations, to ensure reasonable and orderly competition among insurers, and to protect Vermont consumers against unfair and unlawful business practices. The Division accomplishes this mission by licensing and overseeing the financial stability of insurers doing business in Vermont, overseeing the rates and forms used by insurers and monitoring the competitiveness of Vermont's insurance markets, licensing individuals involved in the insurance industry, assisting Vermonters with insurance complaints and providing consumer education, and enforcing Vermont's insurance laws and regulations.

The Insurance Division regulates those persons and companies engaged in providing insurance to Vermont consumers. The Division regulates the insurance industry through ongoing financial analysis, periodic financial and market conduct examinations, rate and policy form reviews (except for health-related policies and forms which are reviewed by Health Care Administration), producer licensing and educational requirements for insurance agents, as well as consumer education and consumer complaint resolution in all areas other than health-related issues which are handled by the Health Care Administration.

The Rate & Forms Section's function is to review and approve policy forms and certain rate filings for insurance companies licensed to do business in Vermont. This includes Property & Casualty insurance and Life & Annuity insurance. In fiscal year 2008, approximately 6,044 filings were received by the Section resulting in approximately \$639,000 in fees. The Rate & Forms Section also monitors and analyzes the insurance market in Vermont in regards to most lines of Property & Casualty insurance,

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

maintains statistical reporting of the industry, provides technical data support to the Consumer Complaints Section and reports and testifies on a wide range of insurance issues to the legislature.

The primary goal of Company Licensing and Examination Section is to ensure that consumers purchase insurance from companies that are fiscally responsible. The Insurance Division's Company Licensing Section oversees approximately 1,200 licensed insurers doing business in Vermont, including surplus lines insurers. Of these, 17 traditional insurers are domiciled in Vermont. Traditional insurance companies include property and casualty companies, life and health companies, non-profit health organizations, fraternal organizations, title companies, Viatical companies, HMOs, premium finance companies, service contract companies and continuing care retirement communities. In fiscal year 2008, fees amounting to approximately \$1,700,000 were collected from these companies. The Division maintains a financial examination program under which the 17 insurers domiciled in Vermont are reviewed every three to five years. The companies examined pay the cost of these on-site examinations. Financial analysis of insurance companies is also conducted by the Division and involves the review and monitoring of the financial statements routinely submitted to the Division as well as other information. The cost of the financial analysis is absorbed in examination fees.

The Division's staff resolves consumer complaints as well as providing consumer education and guidance of various types, including comparative information about insurance rates and products in the marketplace. During fiscal year 2008, the Consumer Assistance Section logged approximately 5,803 calls for assistance, processed 182 written inquiries including e-mails, and recovered approximately \$2,212,400 for consumers through problem solving resolution and intervention with companies.

The Producer Licensing Section has the responsibility of licensing insurance professionals. Licenses are issued to insurance producers, adjusters, appraisers, consultants, public adjusters, managing general agents, reinsurance intermediaries, surplus lines brokers and viatical settlement brokers. The Section processes new applications and appointments within three working days from the date of receipt. This year, the Section has made available electronic licensing for resident and nonresident producer and business entity licensees. The Section renews producer licenses and company appointments on a biennial basis on odd numbered years and renews adjuster and all other individual license types in even numbered years. The even year renewals are smaller because there are fewer non-producer licensees. In fiscal year 2008 approximately 15,500 license applications, 14,000 license renewals and 84,500 appointments were processed and the Section collected approximately \$6 million in licensing fees.

Captive Insurance

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

- Performing ongoing financial surveillance

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

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

There are 557 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. Captive insurers create jobs and also generate premium taxes for the state; in FY2008 24 new licenses were issued to Captive insurers and the Captive insurance industry paid approximately \$24,000,000 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:

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

In FY2007, the Division's revenue from all sources, including fines and licensing fees, exceeded \$15.9 million. In FY2009, the Division's revenue from all sources was \$16,675,761, which represents an increase in revenue of over 12% from the prior fiscal year.

The Securities Division's dual mission is to protect consumers while facilitating the legitimate formation of capital. The current financial crisis has resulted in the mergers and acquisitions of many securities firms. This has resulted in the need to re-file the registrations of thousands of representatives. Securities Division staff have worked extensively to facilitate the transfer process. Similar efforts occurred in the area of securities registrations and notice filings. These additional efforts have been undertaken without reducing the level of consumer protections.

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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. For example, the Division has been involved in the 50+ Expo for the last five years.

Health Care Administration

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

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

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

Vermont's Health Care Reform Plan is designed to achieve the following three goals:

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

Division Overview

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

HCA Major Functions by Unit

HEALTH CARE QUALITY IMPROVEMENT

Managed Care Quality Assurance: HCA is responsible for evaluating managed care organizations (MCOs) under 18 V.S.A. § 9414 and Rule 10. Each year under Rule 10, MCOs file extensive data sets

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related to care processes and outcomes, consumer satisfaction, access to care, and utilization review and grievance timeliness. HCA analyzes the data, publishes an annual consumer guide comparing Vermont MCO performance to national averages, and works with the MCOs to identify quality improvement opportunities based on the data. The MCOs also undergo Rule 10 Triennial Reviews to ensure that their policies and practices conform to Rule 10 requirements. Mental health review agents are licensed under 8 V.S.A. § 4089a and Regulation 95-2; the licensure requirements verify that review agents have adequate and consumer protective utilization review and appeal processes.

Hospital Community Reports: Hospital community reports are required by 18 V.S.A. § 9405b. Each hospital must publish an annual report that includes measures of quality, patient safety, hospital-acquired infections, nurse staffing, hospital pricing and financial health; a summary of the hospital's budget; a process for achieving openness, inclusiveness and meaningful public participation in the hospital's strategic planning and decision-making; the hospital's complaint resolution process; information about ongoing quality improvement and patient safety projects; a summary of the community needs assessment; and information about the hospital's governing body. BISHCA is required to provide hospital comparisons on its website.

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

CONSUMER PROTECTION PROGRAMS

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

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

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- Mental Health Parity, enacted in 1997 (codified at 8 VSA § 4089b) prevents insurers from imposing greater financial burdens on consumers of mental health and substance abuse services than on consumers of physical health services.

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

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

HCA also maintains a stock of publications from other organizations to inform consumers about health insurance related issues, and regularly refers consumers to other state agencies, federal agencies and private organizations to obtain the assistance they need. An increased focus recently has been on providing information and education regarding the new Catamount insurance program. Consumer services specialists also bring information to the public by participating in health fairs and other outreach efforts.

External Appeals Programs: In 1996, the Legislature established the volunteer Independent Panel of Mental Health Providers to hear appeals of mental health and substance abuse denials. An independent external review program for other health care service denials became operational in July 1999 and contracts with Independent Review Organizations (IROs) to perform reviews. These programs ensure that Vermonters can obtain independent review based on objective clinical evidence when their health insurers deny claims for lack of medical necessity or other specified medically-based grounds. The Division has received approximately 11 formal Independent Panel and 22 formal independent external review applications to date in CY 2007 and has reviewed, evaluated and problem-solved many more related consumer inquiries. The responsible Division staff member is on call 24 hours a day/7 days per week to ensure access to independent review for denials of emergency and urgently needed care.

DATA, INFORMATION, AND ANALYSIS

Under the provisions of 18 V.S.A. § 9410, HCA is charged with maintaining a unified health care database to support research about the financing, availability, delivery, cost and quality of health care

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services offered to Vermonters and in Vermont. HCA administers data collection and reporting programs related to health insurance coverage and market, hospital utilization, and a new initiative called the Vermont Healthcare Claims Uniform Reporting System to develop reporting capability on health care utilization and cost across all settings and services for the insured population. This will be a key tool for evaluating the impacts of health care reform initiatives and programs. HCA also produces the annual Vermont health care expenditure analysis and forecast quantifying trends and point-in-time expenditures for health care in the state, and for state residents in and out of state.

HOSPITAL BUDGET REVIEWS AND CERTIFICATE OF NEED

The public fiscal oversight provided through the division's regulatory activities is focused on “containing or reduc[ing] increases in the cost of delivering [health care] services”, discouraging development of unnecessarily duplicative health care services, working to maintain and improve the quality of and access to health care services, and promoting the rational allocation of health care services in the state. In addition, improved reporting efforts are designed to help educate communities and the consumer around hospital pricing and local health service needs.

Specifically, HCA:

- As required by 18 V.S.A. § 9451 et seq., establishes the Vermont hospital budgets on an annual basis which determines each hospital’s allowed level of expenditures, rate increase, revenues, and margin for that year,
- Reviews budgets to determine whether a hospital operated within its approved budget level established in the prior year,
- As required by 18 V.S.A. § 9431 et seq., approves or disapproves expenditures for new health care projects which exceed specific dollar amounts and reviews other proposals as mandated by Certificate of Need (CON) laws,
- As required by 18 V.S.A. § 9431 develops three-year projections of health care expenditures, using the Vermont Expenditure Analysis, and,
- Then adopts an annual unified health care budget to serve as a guide for controlling costs, directing resources and assuring quality and access.

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

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

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Banking Ins Sec Hlth Care Adm

The CON program and the hospital budget program within HCA are also working more collaboratively so as to link the cost, access and quality impacts of the hospitals' operating budgets and their capital budgets. Both programs are using the HRAP's focus on factors such as the need to shift resources to chronic disease management and care that is better integrated to influence how hospitals spend their resources. Further, the Department is examining the need to include price and quality information as part of the decision-making process for both the Budget Reviews and CON processes.

HEALTH INSURANCE RATE PROPOSALS AND FORM FILINGS

HCA reviews all health insurance product and rate filings prior to use in the marketplace. Filings include comprehensive health insurance rates and products, as well as other product lines including long-term care, disability, Medicare Supplement and limited benefit products. Typically, HCA processes over a thousand filings a year. Product (or form) filings describe the coverage and benefit options available to the consumer. These filings require staff to review and analyze the product documents to determine whether such materials are in compliance with federal and state law and to ensure that materials are written so that the consumer can understand his or her coverage. Rate approval includes analysis of key assumptions used to determine the need for rate increases, taking the financial status of the company and its performance in a specific market into consideration. Analysis includes services purchased from actuaries as well as internal staff review. In the case of certain Medicare Supplement rate requests, the Division administers an extensive statutory process that includes public informational hearings. Rates are reviewed for compliance with various legislatively mandated standards. The standards that apply to a rate filing depend on the product and the type of entity seeking the rate approval.

CONSENSUS INITIATIVES

Improving Quality and Containing Costs through Health Care System Reform:

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

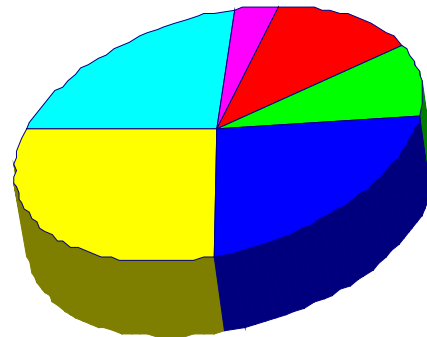
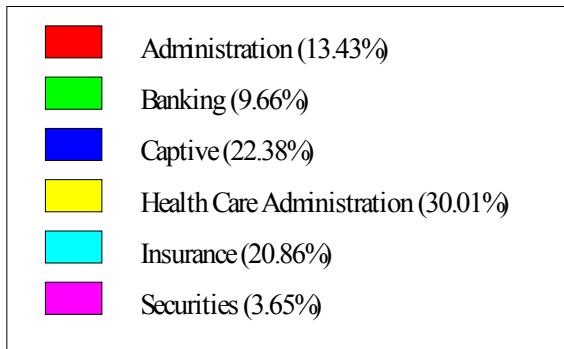
\$350,000 Multi-Payer Data Collection. BISHCA has been charged with developing a system for collecting health care data from public and private health insurance plans, and from hospitals, doctors and other health care providers. Initial work began in FY 2007 and additional funding for program development will help to create a comprehensive, population-based information system, enabling all participants in Vermont's health care system to improve the quality and cost-effectiveness of the delivery system, and to restructure the provider payment system for Medicaid and other health insurers. This work will require careful consideration of patient confidentiality and privacy concerns.

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm**

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Banking	17	16	15	1,344,953	1,371,402	1,371,402	1,489,618
Insurance	28	25	25	2,971,989	3,341,986	3,341,986	3,215,896
Captive	30	30	27	3,537,167	3,593,091	3,593,091	3,450,995
Securities	7	6	5	516,312	664,566	664,566	562,950
Health Care Administration	24	21	20	3,868,202	4,694,912	4,656,219	4,627,898
Administration	12	21	21	1,634,058	1,840,959	1,840,959	2,071,447
TOTAL	118	119	113	13,872,681	15,506,916	15,468,223	15,418,804
FUND TYPE							
General Fund				283,741	308,251	269,558	0
Special Fund				12,178,213	13,299,841	13,299,841	13,519,980
Global Commitment Fund				1,340,727	1,898,824	1,898,824	1,898,824
Interdepartmental Transfer				70,000	0	0	0
TOTAL				13,872,681	15,506,916	15,468,223	15,418,804



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Banking**

Description of Appropriations, Divisions, & Programs

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Banking**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,098,701	1,099,669	1,099,669	1,240,658
Operating Expenses	246,252	271,733	271,733	248,960
<hr/> TOTAL	<hr/> 1,344,953	<hr/> 1,371,402	<hr/> 1,371,402	<hr/> 1,489,618
FUND TYPE				
Special Fund	1,344,953	1,371,402	1,371,402	1,489,618
<hr/> TOTAL	<hr/> 1,344,953	<hr/> 1,371,402	<hr/> 1,371,402	<hr/> 1,489,618

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Insurance**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,533,857	2,809,503	2,809,503	2,765,146
Operating Expenses	438,132	532,483	532,483	450,750
<hr/> TOTAL	<hr/> 2,971,989	<hr/> 3,341,986	<hr/> 3,341,986	<hr/> 3,215,896
FUND TYPE				
Special Fund	2,971,989	3,341,986	3,341,986	3,215,896
<hr/> TOTAL	<hr/> 2,971,989	<hr/> 3,341,986	<hr/> 3,341,986	<hr/> 3,215,896

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Captive**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,040,311	3,086,100	3,086,100	2,998,995
Operating Expenses	496,856	506,991	506,991	452,000
<hr/> TOTAL	<hr/> 3,537,167	<hr/> 3,593,091	<hr/> 3,593,091	<hr/> 3,450,995
FUND TYPE				
Special Fund	3,537,167	3,593,091	3,593,091	3,450,995
<hr/> TOTAL	<hr/> 3,537,167	<hr/> 3,593,091	<hr/> 3,593,091	<hr/> 3,450,995

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Securities

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	416,069	506,876	506,876	418,217
Operating Expenses	100,243	157,690	157,690	144,733
TOTAL	516,312	664,566	664,566	562,950
FUND TYPE				
Special Fund	516,312	664,566	664,566	562,950
TOTAL	516,312	664,566	664,566	562,950

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health Care Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	3,512,338	4,302,953	4,264,260	4,300,993
Operating Expenses	355,864	391,959	391,959	326,905
<hr/> TOTAL	<hr/> 3,868,202	<hr/> 4,694,912	<hr/> 4,656,219	<hr/> 4,627,898
FUND TYPE				
General Fund	283,741	308,251	269,558	0
Special Fund	2,275,354	2,487,837	2,487,837	2,729,074
Global Commitment Fund	1,239,107	1,898,824	1,898,824	1,898,824
Interdepartmental Transfer	70,000	0	0	0
<hr/> TOTAL	<hr/> 3,868,202	<hr/> 4,694,912	<hr/> 4,656,219	<hr/> 4,627,898

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,608,197	1,797,764	1,797,764	1,982,977
Operating Expenses	25,861	43,195	43,195	88,470
<hr/>				
TOTAL	<hr/> 1,634,058	<hr/> 1,840,959	<hr/> 1,840,959	<hr/> 2,071,447
FUND TYPE				
Special Fund	1,532,438	1,840,959	1,840,959	2,071,447
Global Commitment Fund	101,620	0	0	0
<hr/>				
TOTAL	<hr/> 1,634,058	<hr/> 1,840,959	<hr/> 1,840,959	<hr/> 2,071,447

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Secretary of State

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 shall cooperate with other public agencies for 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, 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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Secretary of State

publications; and provides public education to encourage the participation of all citizens of voting age in the Vermont elections process.

As of the 2000 census, there were 461,491 citizens of voting age and as of November, 2008 there were 454,466 registered voters in Vermont. The Elections division serves citizens, voters, candidates, political parties, political committees, public officials (elected and appointed), members of the press, lobbyists, lobbyist employers, students, public interest groups and a wide variety of researchers and academicians.

CORPORATIONS

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

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

OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation within the Office of the Secretary of State serves 44 professions and approximately 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 2010 BUDGET RECOMMENDATIONS
Secretary of State

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Secretary of State	55	55	65	6,043,152	8,182,249	7,939,626	8,527,442
<hr/>							
TOTAL	55	55	65	6,043,152	8,182,249	7,939,626	8,527,442
FUND TYPE							
General Fund				587,883	1,765,725	1,523,102	1,710,918
Special Fund				4,693,714	4,341,524	4,341,524	4,741,524
Federal Revenue Fund				686,555	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer				75,000	75,000	75,000	75,000
<hr/>							
TOTAL				6,043,152	8,182,249	7,939,626	8,527,442

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,458,214	5,122,855	4,890,922	5,440,700
Operating Expenses	1,362,868	2,059,394	2,048,704	2,086,742
Grants	222,070	1,000,000	1,000,000	1,000,000
<hr/> TOTAL	<hr/> 6,043,152	<hr/> 8,182,249	<hr/> 7,939,626	<hr/> 8,527,442
FUND TYPE				
General Fund	587,883	1,765,725	1,523,102	1,710,918
Special Fund	4,693,714	4,341,524	4,341,524	4,741,524
Federal Revenue Fund	686,555	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer	75,000	75,000	75,000	75,000
<hr/> TOTAL	<hr/> 6,043,152	<hr/> 8,182,249	<hr/> 7,939,626	<hr/> 8,527,442

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Service Department

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 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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Service Department

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

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

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

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

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

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

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

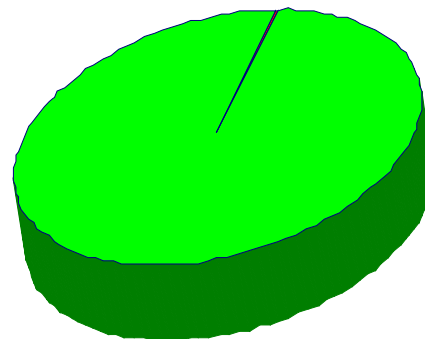
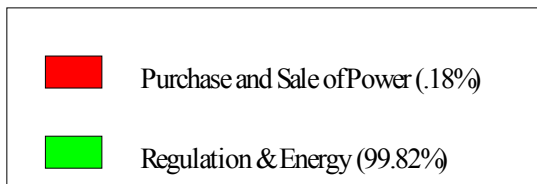
Monitoring of Non-Regulated Fuels. The Department monitors and reports non-regulated fuel prices and supplies statewide. This information is summarized and distributed in a monthly publication, "Vermont Fuel Price Report." Key issues and trends are identified and actions are recommended when appropriate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

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Service Department**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Regulation & Energy	43	43	41	7,543,679	11,441,777	11,441,777	11,307,398
Purchase and Sale of Power	0	0	0	17,075	20,000	20,000	20,000
<hr/>							
TOTAL	43	43	41	7,560,754	11,461,777	11,461,777	11,327,398
FUND TYPE							
Special Fund				6,786,158	10,268,977	10,268,977	10,169,598
Federal Revenue Fund				751,384	1,157,800	1,157,800	1,157,800
Interdepartmental Transfer				23,212	35,000	35,000	0
<hr/>							
TOTAL				7,560,754	11,461,777	11,461,777	11,327,398



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Regulation & Energy**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	5,365,704	4,981,246	4,981,246	4,828,185
Operating Expenses	700,793	690,524	690,524	709,206
Grants	1,477,182	5,770,007	5,770,007	5,770,007
<hr/> TOTAL	<hr/> 7,543,679	<hr/> 11,441,777	<hr/> 11,441,777	<hr/> 11,307,398
FUND TYPE				
Special Fund	6,769,083	10,248,977	10,248,977	10,149,598
Federal Revenue Fund	751,384	1,157,800	1,157,800	1,157,800
Interdepartmental Transfer	23,212	35,000	35,000	0
<hr/> TOTAL	<hr/> 7,543,679	<hr/> 11,441,777	<hr/> 11,441,777	<hr/> 11,307,398

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Purchase and Sale of Power**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	15,627	18,484	18,484	18,484
Operating Expenses	1,448	1,516	1,516	1,516
<hr/> TOTAL	<hr/> 17,075	<hr/> 20,000	<hr/> 20,000	<hr/> 20,000
FUND TYPE				
Special Fund	17,075	20,000	20,000	20,000
<hr/> TOTAL	<hr/> 17,075	<hr/> 20,000	<hr/> 20,000	<hr/> 20,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Service Board**

Department Mission Statement

The Public Service Board is a quasi-judicial 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 2010 BUDGET RECOMMENDATIONS
Public Service Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Public Service Board	27	26	26	2,529,995	2,857,376	2,850,646	2,875,286
<hr/> TOTAL	<hr/> 27	<hr/> 26	<hr/> 26	<hr/> 2,529,995	<hr/> 2,857,376	<hr/> 2,850,646	<hr/> 2,875,286
FUND TYPE							
Special Fund				2,529,995	2,857,376	2,850,646	2,875,286
<hr/> TOTAL				<hr/> 2,529,995	<hr/> 2,857,376	<hr/> 2,850,646	<hr/> 2,875,286

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Service Board**

Performance Program Information

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Service Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,250,384	2,557,376	2,550,646	2,555,286
Operating Expenses	279,611	300,000	300,000	320,000
<hr/> TOTAL	<hr/> 2,529,995	<hr/> 2,857,376	<hr/> 2,850,646	<hr/> 2,875,286
FUND TYPE				
Special Fund	2,529,995	2,857,376	2,850,646	2,875,286
<hr/> TOTAL	<hr/> 2,529,995	<hr/> 2,857,376	<hr/> 2,850,646	<hr/> 2,875,286

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

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 911. The Board established standards for system performance based on nationally accepted industry standards and best practices. The Board undertakes a variety of activities to ensure that performance standards are met and that the public receives the highest quality service possible, in a uniform manner state wide.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Enhanced 9-1-1 Board	11	11	11	3,624,151	5,484,695	5,484,695	5,487,045
<hr/> TOTAL	<hr/> 11	<hr/> 11	<hr/> 11	<hr/> 3,624,151	<hr/> 5,484,695	<hr/> 5,484,695	<hr/> 5,487,045
FUND TYPE							
Special Fund				3,624,151	5,484,695	5,484,695	5,487,045
<hr/> TOTAL				<hr/> 3,624,151	<hr/> 5,484,695	<hr/> 5,484,695	<hr/> 5,487,045

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

Appropriation Key Budget Issues

Enhanced 9-1-1 Operating System Costs

The contract for the current telephone system that forms the backbone of the E-911 system expires December 2011 and the competitive bid process for the next contract, which normally takes three years, has begun. Depending on the vendor chosen, a year of overlapping expense for both the current vendor and the new vendor may be necessary.

Re-engineering of Trunk/Circuit Lines

Ongoing trunk and circuit re-engineering activities continue to be a high priority and labor intensive project with the added complexity of the Verizon/Fairpoint transition. Additionally, some system equipment changes may be necessary if the system infrastructure is reconfigured.

Wireless Accuracy

Since 50% of calls received by Vermont's 9-1-1 system originate from a cell phone, the E-911 Board will continue to work toward compliance with the Federal Communications Commission's mandates for wireless accuracy standards and to improve system reliability so that those calls reach E-911 call-takers and E-911 call-takers are able to identify where the call has originated. E-911 has begun a project to assure that Vermont's wireless towers are able to provide accurate location information. This labor intensive project may need more than just the E-911 staff, requiring contract help and extra expense.

Rulemaking

E-911 intends to use its rulemaking authority to update current standards that were promulgated for early, telephone company-based systems to the next generation, internet protocol (IP) systems currently available. Rulemaking may add costs for consultants to adequately address market concerns and pressures.

Public Education

The E-911 Board plans to focus more resources on public education, starting in the elementary grade schools to benefit the public, E-911 call-takers and emergency service providers.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,124,031	1,736,061	1,736,061	2,098,342
Operating Expenses	1,500,120	1,925,191	1,925,191	1,565,260
Grants	0	1,823,443	1,823,443	1,823,443
<hr/>				
TOTAL	<u>3,624,151</u>	<u>5,484,695</u>	<u>5,484,695</u>	<u>5,487,045</u>
FUND TYPE				
Special Fund	3,624,151	5,484,695	5,484,695	5,487,045
<hr/>				
TOTAL	<u>3,624,151</u>	<u>5,484,695</u>	<u>5,484,695</u>	<u>5,487,045</u>

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Rights Commission

Department Mission Statement

The mission of the Vermont Human Rights Commission is to promote full civil and human rights in Vermont. The Commission protects people from unlawful discrimination in housing, state government employment and public accommodations. *

The Commission pursues its mission by:

- Enforcing Laws
- Mediating Disputes
- Educating the Public
- Providing Information and Referrals
- Advancing Effective Public Policies on Human Rights

*A public accommodation is an establishment such as a school, restaurant, office or store that offers facilities, goods or services to the general public.

Description of Appropriations, Divisions, & Programs

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, conciliation, and education.

First, the Commission is charged with enforcing Vermont's civil rights laws. It investigates allegations of discrimination and determines whether there are reasonable grounds to believe that unlawful discrimination occurred in a case. The Commission's staff seeks to resolve charges through mediation, and if necessary, conciliation after a finding of reasonable grounds. If the Commission finds that there was discrimination in a case and the case cannot be settled, the Commission is authorized to file suit in court to obtain remedies for violations of the state's civil rights laws.

The Commission is also charged with increasing "public awareness of the importance of full civil and human rights for each inhabitant of this state;" examining "the existence of practices of discrimination which detract from the enjoyment of full civil and human rights;" and, with recommending "measures designed to protect those rights." 9 V.S.A. §4552. In furtherance of these goals, the Commission's staff speaks with individuals and groups about their rights and responsibilities under state and federal civil rights laws, works with individuals, agencies, and groups to combat bias and bigotry, and supplies information, legal analyses, and advice to the Legislature.

For FY09, the Legislature appropriated \$312,426 in general funds to support the ongoing work of the Human Rights Commission (HRC). In addition, the Legislature appropriated \$170,739 in federal funds

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Rights Commission

(FF) derived from an ongoing contractual relationship (which began in 1998) 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, "dual filed" complaint.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Rights Commission**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Human Rights Commission	5	5	5	443,269	483,165	436,444	443,958
<hr/> TOTAL	<hr/> 5	<hr/> 5	<hr/> 5	<hr/> 443,269	<hr/> 483,165	<hr/> 436,444	<hr/> 443,958
FUND TYPE							
General Fund				289,177	312,426	265,705	273,219
Federal Revenue Fund				154,092	170,739	170,739	170,739
<hr/> TOTAL				<hr/> 443,269	<hr/> 483,165	<hr/> 436,444	<hr/> 443,958

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Rights Commission

Appropriation Key Budget Issues

The primary and continuing HRC budget issue is the volatility, and continuing decline, in the amount of federal funds granted over time to the Commission by HUD. Grant funding has ranged from a high of \$127,140 (FY03) to a low of \$53,880 (FY09). In recent years, HUD has eliminated grant enhancements beyond its base case processing payment premised on the number of dual filed complaints closed by the HRC each year. The HUD grant in FY09 (\$53,880) does not fully support the Commission's FY09 \$170,739 FF appropriation. The rest of the FF is withdrawn from a federal reserve fund, which has been maintained on behalf of the Commission since FY99 when the HUD grant monies were first received.

The initial three years of grant funding, called "capacity building" funds, produced \$315,000 in revenue. These funds remained essentially unexpended for a number of years, creating a surplus that will be fully exhausted by the close of FY10. The Commission also has a balance of approximately \$32,000 in funds recovered from costs and attorneys fees in the successful litigation of a fair housing lawsuit in FY07. These funds will also be exhausted in FY 2010, leaving the Commission without reserve funds to fall back on during these tight economic times.

The Commission will eliminate all discretionary spending and reduce the work hours of two of its three investigators to manage its share of State budgetary pressures in FY 2009 and FY 2010.

Performance Program Information

The number of Investigations of complaints resolved has remained relatively constant in recent years. However, resolution of these complaints in FY08 resulted in a higher percentage of cases in which the complainant received some degree of relief. The number of complaints that were presented to the HRC Commissioners for decision rose from 18 during FY07 to 25 in FY08, while the number of reasonable ground findings by the Commissioners rose from 17% in FY07 to 36% in FY08. During FY08, monetary recoveries by complainants in 14 separate complaints totaled over \$93,000 with several cause findings still awaiting resolution.

HRC staff initiated a new process during FY08 in which complainants were 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 eight (48) such informal resolutions were attempted during FY08, with more than half (28 or 58%) resolved, another 33% (16) while unresolved did not result in the filing of a formal charge and full investigation. The informal attempts failed in 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. The HRC is continuing this innovation in FY09.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Rights Commission

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, providing anti-harassment training to educators, and affirmatively monitoring schools' compliance with the procedural aspects of harassment prevention law. 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 has one or more disabilities.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Rights Commission**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	368,293	391,204	362,612	375,041
Operating Expenses	74,976	91,961	73,832	68,917
<hr/> TOTAL	<hr/> 443,269	<hr/> 483,165	<hr/> 436,444	<hr/> 443,958
FUND TYPE				
General Fund	289,177	312,426	265,705	273,219
Federal Revenue Fund	154,092	170,739	170,739	170,739
<hr/> TOTAL	<hr/> 443,269	<hr/> 483,165	<hr/> 436,444	<hr/> 443,958

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Liquor Control

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

Administration Appropriation:

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

The Administrative division of the department is responsible for business and retail functions. The department's objectives are to provide a controlled distribution system that removes alcoholic beverages from the private marketplace and 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 provide 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 receives and stores alcoholic beverages from vendors and distributes inventory throughout the state to liquor outlets for resale. This division coordinates pickup of all refunded empty liquor bottles at more than 132 outlets and redemption centers throughout Vermont and transfers recyclable material to recycling centers for further processing.

Enforcement, Licensing, and Education Appropriation:

The Enforcement, Licensing, and Education division's mission is to provide a safe and healthy

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Liquor Control

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.

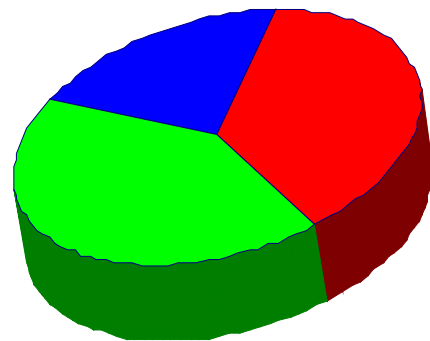
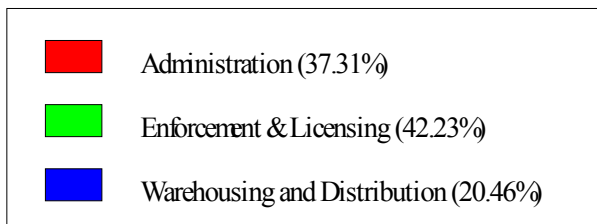
The Education unit provides licensee server training for business owners and their employees. A training schedule and calendar can be found on DLC's website: <http://liquorcontrol.vermont.gov/>. They also process statistical seminar activity. Their primary function is to provide mandatory server/seller 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.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Liquor Control**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Enforcement & Licensing	24	24	23	2,119,790	2,212,472	2,212,472	2,307,551
Administration	19	19	20	1,700,352	1,898,577	1,937,993	2,038,984
Warehousing and Distribution	14	14	13	1,325,160	1,117,913	1,117,696	1,117,913
<hr/>							
TOTAL	57	57	56	5,145,302	5,228,962	5,268,161	5,464,448
FUND TYPE							
Special Fund				289,835	289,645	296,306	296,306
Enterprise Fund				4,792,154	4,735,317	4,728,855	4,925,142
Interdepartmental Transfer				63,313	204,000	243,000	243,000
<hr/>							
TOTAL				5,145,302	5,228,962	5,268,161	5,464,448



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Enforcement & Licensing**

Appropriation Key Budget Issues

Enforcement, Licensing & Education Appropriation:

The total budget increase for this division is \$95,079. The major part of the increase is made up of personal services which include COLAs and benefits increases. Operating expenses have been decreased to reflect various other adjustments.

Tobacco Settlement money (\$289,645) funds the education program for tobacco and alcohol licensees and their employees. It also funds the tobacco compliance program under which DLC conducts monthly tobacco compliance tests. These funds are key to the provision of DLC's mandatory educational programs, which significantly influence the success of the compliance programs.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Enforcement & Licensing**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,763,783	1,818,624	1,818,624	1,963,476
Operating Expenses	356,007	393,848	393,848	344,075
<hr/> TOTAL	<hr/> 2,119,790	<hr/> 2,212,472	<hr/> 2,212,472	<hr/> 2,307,551
FUND TYPE				
Special Fund	289,835	289,645	289,645	289,645
Enterprise Fund	1,806,139	1,922,827	1,922,827	2,017,906
Interdepartmental Transfer	23,816	0	0	0
<hr/> TOTAL	<hr/> 2,119,790	<hr/> 2,212,472	<hr/> 2,212,472	<hr/> 2,307,551

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

Appropriation Key Budget Issues

Administration Appropriation:

The total budget increase for this division is \$140,407. Personal services have increased slightly due to benefits increases. Operating expenses have increased mainly due to the VTLSP Program. The department has received a grant from the Governor's Highway Safety Program for the VTLSP/SADD program. DLC has collaborated with them in the past on the Governor's Youth Leadership Conference. Both organizations are concerned with preventing underage drinking and promoting highway safety.

The revenue stream from sale of spirits has increased dramatically since 1996, when DLC introduced its Prime Focus sales program. The program's main objective was to promote local purchases of spirits by providing Vermonters with excellent product value while diminishing the loss of revenue due to cross-boarder purchasing. The strategy has succeeded, with sales increasing from \$34,931,651 in 1996 to \$57,001,522 in FY2008. Sales for the first six months of FY2009 are looking promising with anticipated sales of 60,000,000 for the year. Tax revenue to the General Fund has increased due to the upward sales trends that are prevailing in all categories of spirits sales.

Summary:

The budget increase of 4.0% or \$235,486 is made up of \$67,922 in operating and \$167,564 in personal services.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,344,271	1,476,488	1,446,623	1,495,953
Operating Expenses	356,081	422,089	491,370	543,031
<hr/>				
TOTAL	1,700,352	1,898,577	1,937,993	2,038,984
FUND TYPE				
Special Fund	0	0	6,661	6,661
Enterprise Fund	1,660,855	1,694,577	1,688,332	1,789,323
Interdepartmental Transfer	39,497	204,000	243,000	243,000
<hr/>				
TOTAL	1,700,352	1,898,577	1,937,993	2,038,984

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Warehousing and Distribution**

Appropriation Key Budget Issues

Warehouse & Distribution:

The Warehouse budget is level funded. The Warehouse Management System project should be completed by the end of FY2009.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Warehousing and Distribution**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	811,262	747,105	746,888	750,352
Operating Expenses	513,898	370,808	370,808	367,561
<hr/> TOTAL	<hr/> 1,325,160	<hr/> 1,117,913	<hr/> 1,117,696	<hr/> 1,117,913
FUND TYPE				
Enterprise Fund	1,325,160	1,117,913	1,117,696	1,117,913
<hr/> TOTAL	<hr/> 1,325,160	<hr/> 1,117,913	<hr/> 1,117,696	<hr/> 1,117,913

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Human Services

Agency Mission Statement

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

- * provide leadership and set Agency priorities across the five departments and one office 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 Director of Housing & Transportation, the Investigations Unit, the Human Services Board, and the Developmental Disabilities Council. The VT Commission on National & Community Service will join the Agency in 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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Human Services

focus on infectious and chronic disease control and prevention (e.g., injury prevention, and healthy babies programs), surveillance (e.g., disease reporting), and protection (e.g., restaurant inspections).

Department of Mental Health (DMH): DMH promotes the health and well being of Vermonters in coordination with community organizations, such as Designated agencies, Specialty Services agencies, and schools, as they provide statewide mental health services for children, families, adults and the elderly. These services include psychiatry, case management, employment, crisis, and residential care. In addition DMH operates the Vermont State Hospital and provides designation to the 5 independent psychiatric hospital units in the state that provide inpatient services for adults and children. The Department also works in collaboration with advocacy and consumer organizations to ensure that educational, support, and peer-directed services occur statewide.

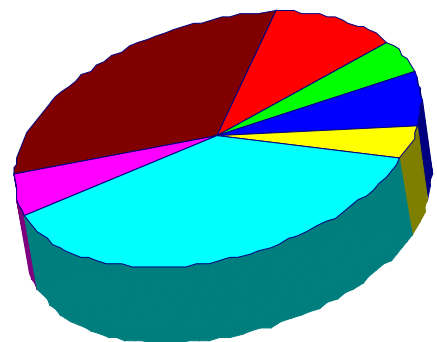
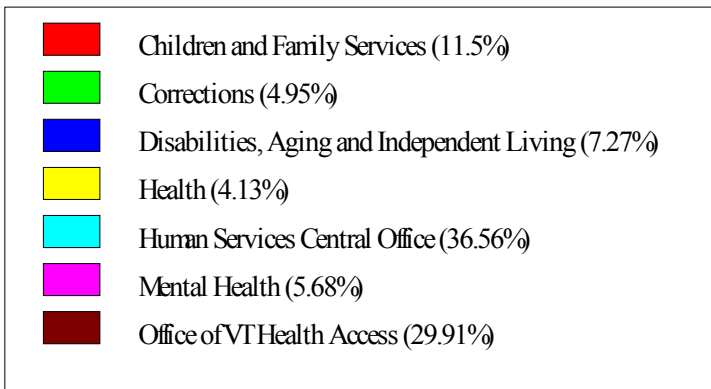
Department for Children and Family Services (DCF): DCF administers many programs that address the basic needs of Vermonters. These programs promote the well-being of families and individuals through welfare-to-work services, in-kind benefits, and cash assistance. DCF also helps families and individuals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

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Human Services

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Mental Health	268	268	267	138,657,431	159,399,367	152,127,185	157,394,529
Human Services Central Office	103	104	124	835,930,067	924,376,911	910,472,105	1,012,348,991
Office of VT Health Access	105	117	98	699,869,440	791,630,047	792,146,228	828,166,798
Health	604	604	529	111,737,683	122,138,380	120,646,146	114,402,369
Children and Family Services	1,000	963	964	306,783,874	299,297,595	313,543,614	318,534,109
Disabilities, Aging and Independent Living	305	316	293	185,163,415	199,616,562	195,651,081	201,185,981
Corrections	1,164	1,168	1,088	130,230,855	135,011,838	134,919,242	137,173,468
TOTAL	3,549	3,540	3,363	2,408,372,765	2,631,470,700	2,619,505,601	2,769,206,245
FUND TYPE				516,120,915	521,524,963	462,864,968	472,538,191
General Fund				266,797,357	280,134,122	271,338,904	279,518,974
Special Fund				831,764,310	910,730,649	973,346,366	1,064,346,174
Federal Revenue Fund				19,477	10,000	10,000	10,000
Permanent Trust Fund				778,864,112	905,711,969	899,031,784	936,223,537
Global Commitment Fund				1,683,410	3,282,548	3,282,548	1,709,076
Internal Service Fund				13,123,184	10,076,449	9,631,031	14,860,293
Interdepartmental Transfer							
TOTAL				2,408,372,765	2,631,470,700	2,619,505,601	2,769,206,245



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Mental Health**

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.

The **Mental Health** appropriation funds:

- Adult mental health services,
- Children's mental health services,
- Mental health legal services
- Vermont State Hospital

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Mental Health

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 6,614 clients received these community-based mental health services in FY2008.

In addition, approximately 9,627 children and adolescents and their families received community-based mental health services in FY2008. 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 disorder 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 3,929 Vermonters were served through these Emergency programs in 2008.

The **Vermont State Hospital** appropriation funds:

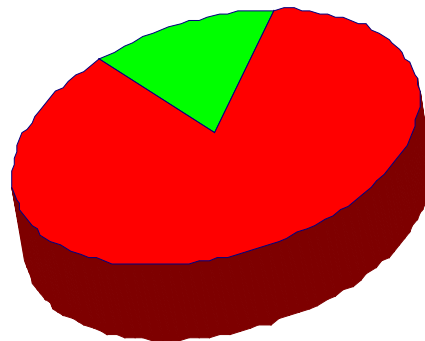
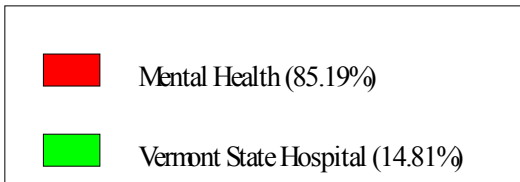
The Vermont State Hospital (VSH) has 54 beds and is Vermont's only public psychiatric inpatient facility. Inpatient services are for involuntary emergency examinations and commitments in which adults have become dangerous to themselves or others, or for psychiatric evaluations of competency to stand trial in criminal cases. During FY2008, VSH had 278 admissions and an average daily census of 45.4.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Mental Health**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Mental Health**

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Mental Health	42	42	40	117,158,553	137,651,731	129,900,216	134,078,569
Vermont State Hospital	226	226	227	21,498,878	21,747,636	22,226,969	23,315,960
TOTAL	268	268	267	138,657,431	159,399,367	152,127,185	157,394,529
FUND TYPE							
General Fund				21,988,286	14,931,176	21,957,715	22,831,311
Special Fund				233,500	170,000	170,000	176,836
Federal Revenue Fund				1,196,292	4,128,839	4,082,774	6,140,881
Global Commitment Fund				114,899,228	139,849,352	125,596,696	127,925,501
Interdepartmental Transfer				340,125	320,000	320,000	320,000
TOTAL				138,657,431	159,399,367	152,127,185	157,394,529



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Mental Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	6,479,402	4,963,769	4,325,688	4,492,095
Operating Expenses	667,749	614,618	543,858	562,604
Grants	110,011,402	132,073,344	125,030,670	129,023,870
<hr/> TOTAL	<hr/> 117,158,553	<hr/> 137,651,731	<hr/> 129,900,216	<hr/> 134,078,569
FUND TYPE				
General Fund	1,087,785	703,540	700,746	698,915
Special Fund	0	0	0	6,836
Federal Revenue Fund	1,131,415	4,078,839	4,032,774	5,877,317
Global Commitment Fund	114,899,228	132,849,352	125,146,696	127,475,501
Interdepartmental Transfer	40,125	20,000	20,000	20,000
<hr/> TOTAL	<hr/> 117,158,553	<hr/> 137,651,731	<hr/> 129,900,216	<hr/> 134,078,569

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont State Hospital**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	18,954,233	19,922,915	19,908,310	20,480,654
Operating Expenses	2,531,412	1,821,721	2,315,659	2,752,971
Grants	13,233	3,000	3,000	82,335
<hr/> TOTAL	<hr/> 21,498,878	<hr/> 21,747,636	<hr/> 22,226,969	<hr/> 23,315,960
FUND TYPE				
General Fund	20,900,501	14,227,636	21,256,969	22,132,396
Special Fund	233,500	170,000	170,000	170,000
Federal Revenue Fund	64,877	50,000	50,000	263,564
Global Commitment Fund	0	7,000,000	450,000	450,000
Interdepartmental Transfer	300,000	300,000	300,000	300,000
<hr/> TOTAL	<hr/> 21,498,878	<hr/> 21,747,636	<hr/> 22,226,969	<hr/> 23,315,960

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Services Central Office

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 2010 they include:

- Field Services
- Housing and Transportation Coordination,
- Health Care Operations, Compliance and Improvement
- Refugee Resettlement Coordination
- Fiscal Unit
- Information Technology Unit
- Human Resources
- Investigations Unit

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.

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.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Services Central Office

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 Office of Vermont Health Access (OVHA), intermediate care facilities for people with developmental disabilities for the Department of Disabilities, Aging and Independent Living (DAIL) and private non-medical institutions for the Department for Children and Family (DCF). Through the application of its rules, the unit evaluates the reasonableness and allowability of program budgets and expenditures to ensure both cost containment and quality of care.

Office of the Chief Information Officer and Network Systems:

The Agency's CIO office provides overall leadership in the development 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.

Human Resources Unit:

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Services Central Office

service, strengths-based relationships and results orientation.

Investigations Unit:

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

Health Care Operations, Compliance and Improvement Unit

This unit oversees AHS activities pertaining to Medicaid and associated health care operations. It is responsible for integrated planning, policy development, regulatory compliance and funding. These initiatives require cross-departmental (and intra-governmental) operations for successful implementation and outcomes. Activities include but are not limited to: federal negotiations relative to changes in the AHS Medicaid structure; oversight of the OVHA and AHS operations of the Vermont's Global Commitment to Health Medicaid Wavier; Quality assurance, improvement and performance measurement of program activities; providing technical assistance to departments; overseeing AHS Consumer Information and Privacy Standards, Federal Health Information Portability and Accountability Act requirements;

Human Services Board:

The Board is a citizen's panel consisting of seven members created by the legislature pursuant to 3 V.S.A.3090. Its duties are to act as a fair hearing board for appeals brought by individuals who believe they have been aggrieved by decisions or policies of departments and programs within the Agency of Human Services. The Board conducts hearings and issues written decisions in accordance with its rules and its statutory responsibilities. The Board also certifies Family Court copies of Child Support Orders issued by the Board prior to the creation of the Family Court.

Vermont Developmental Disabilities Council:

Vermont Developmental Disabilities Council (VTDDC) is a state-wide board that works to increase public awareness about critical issues affecting people with developmental disabilities and their families. 60% of its members are self-advocates and family members. The mission of VTDDC is to facilitate

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Services Central Office

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.

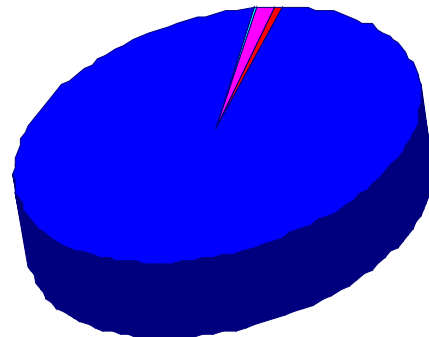
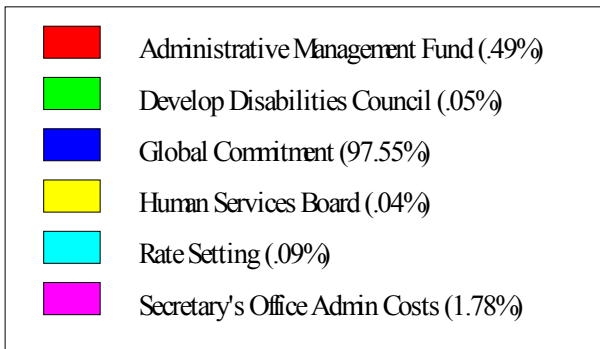
VT Commission on National & Community Service

The Commission will be moved to AHS as part of the 2010 Budget Year. 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.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Services Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Secretary's Office Admin Costs	87	87	107	13,323,509	13,652,758	13,813,849	17,994,572
Global Commitment	0	0	0	816,632,021	909,022,731	894,957,469	987,543,882
Rate Setting	10	10	10	783,135	853,607	853,607	935,228
Develop Disabilities Council	2	3	3	360,763	497,990	497,990	509,048
Human Services Board	4	4	4	305,626	349,825	349,190	366,261
Administrative Management Fund	0	0	0	4,525,013	0	0	5,000,000
TOTAL	103	104	124	835,930,067	924,376,911	910,472,105	1,012,348,991
FUND TYPE							
General Fund				126,016,554	137,217,771	84,734,465	87,472,935
Special Fund				198,617,970	211,963,564	211,903,010	217,976,571
Federal Revenue Fund				505,296,572	569,986,946	608,608,864	696,349,467
Global Commitment Fund				783,135	853,607	1,268,607	1,333,628
Interdepartmental Transfer				5,215,836	4,355,023	3,957,159	9,216,390
TOTAL				835,930,067	924,376,911	910,472,105	1,012,348,991



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Secretary's Office Admin Costs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	6,902,105	6,977,471	6,943,448	10,016,218
Operating Expenses	2,340,635	3,004,134	3,003,674	2,998,915
Grants	4,080,769	3,671,153	3,866,727	4,979,439
<hr/> TOTAL	<hr/> 13,323,509	<hr/> 13,652,758	<hr/> 13,813,849	<hr/> 17,994,572
FUND TYPE				
General Fund	4,157,779	4,360,112	4,304,202	5,273,921
Special Fund	612,121	404,538	404,538	617,247
Federal Revenue Fund	5,515,723	5,183,280	5,245,502	8,008,443
Global Commitment Fund	0	0	415,000	398,400
Interdepartmental Transfer	3,037,886	3,704,828	3,444,607	3,696,561
<hr/> TOTAL	<hr/> 13,323,509	<hr/> 13,652,758	<hr/> 13,813,849	<hr/> 17,994,572

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Global Commitment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Grants	816,632,021	909,022,731	894,957,469	987,543,882
<hr/>				
TOTAL	816,632,021	909,022,731	894,957,469	987,543,882
FUND TYPE				
General Fund	121,803,798	132,807,629	80,380,868	82,147,102
Special Fund	193,480,836	211,559,026	211,498,472	217,359,324
Federal Revenue Fund	499,408,092	564,293,422	602,715,475	687,674,802
Interdepartmental Transfer	1,939,295	362,654	362,654	362,654
<hr/>				
TOTAL	816,632,021	909,022,731	894,957,469	987,543,882

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Rate Setting**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	727,238	776,648	776,648	853,246
Operating Expenses	55,897	76,959	76,959	81,982
<hr/> TOTAL	<hr/> 783,135	<hr/> 853,607	<hr/> 853,607	<hr/> 935,228
FUND TYPE				
Global Commitment Fund	783,135	853,607	853,607	935,228
<hr/> TOTAL	<hr/> 783,135	<hr/> 853,607	<hr/> 853,607	<hr/> 935,228

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Develop Disabilities Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	168,419	207,538	207,538	240,797
Operating Expenses	35,116	45,452	45,452	48,251
Grants	157,228	245,000	245,000	220,000
<hr/> TOTAL	<hr/> 360,763	<hr/> 497,990	<hr/> 497,990	<hr/> 509,048
FUND TYPE				
Federal Revenue Fund	360,763	497,990	497,990	509,048
<hr/> TOTAL	<hr/> 360,763	<hr/> 497,990	<hr/> 497,990	<hr/> 509,048

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Human Services Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	270,255	284,719	284,240	299,820
Operating Expenses	35,371	65,106	64,950	66,441
<hr/> TOTAL	<hr/> 305,626	<hr/> 349,825	<hr/> 349,190	<hr/> 366,261
FUND TYPE				
General Fund	54,977	50,030	49,395	51,912
Federal Revenue Fund	11,994	12,254	149,897	157,174
Interdepartmental Transfer	238,655	287,541	149,898	157,175
<hr/> TOTAL	<hr/> 305,626	<hr/> 349,825	<hr/> 349,190	<hr/> 366,261

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administrative Management Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	401,089	0	0	500,000
Operating Expenses	4,118,527	0	0	4,500,000
Grants	5,397	0	0	0
<hr/>				
TOTAL	4,525,013	0	0	5,000,000
 FUND TYPE				
Special Fund	4,525,013	0	0	0
Interdepartmental Transfer	0	0	0	5,000,000
<hr/>				
TOTAL	4,525,013	0	0	5,000,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of VT Health Access

Department Mission Statement

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

OVHA's Mission Statement

- To assist beneficiaries in accessing clinically appropriate health services.
- To administer Vermont's public health insurance system efficiently and effectively.
- To collaborate with other health care system entities in bringing evidence-based practices to Vermont Medicaid beneficiaries.

As of 2009, OVHA is also the home of 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.

Description of Appropriations, Divisions, & Programs

OVHA Leadership & Organization

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

Program Descriptions with Enrollment & Expenditure Information

In fiscal year 2006, OVHA became the first statewide public Managed Care Organization (MCO) in the nation. As a result of transitioning to the MCO structure and with the implementation of the Health Care Reform legislation, people enrolled in Vermont's comprehensive coverage under Medicaid, the Vermont Health Access Plan, and State Children's Health Insurance Program (SCHIP) were grouped as follows:

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of VT Health Access

eligible).

- Aged, Blind, and Disabled (ABD) Dual Eligibles - eligible under the Medicaid rules in Title XIX of the Social Security Act; age 65 or over.
- Long-Term Care Waiver participants are a subset of the Aged, Blind, and Disabled population. These individuals participate in a new waiver managed by the Department of Disabilities, Aging, and Independent Living, in conjunction with the Office of Vermont Health Access and the Department for Children and Families. The purpose behind this new initiative is to equalize the entitlement to both home and community based services with nursing home services for all those eligible.
- ANFC Adults - adults in the Reach Up financial assistance related enrollment/eligibility group including parents or caretaker relatives and pregnant women.
- Vermont Health Access Program (VHAP) - part of an 1115 waiver to Title XIX of the Social Security Act to provide health care coverage for adults who would otherwise be uninsured or underinsured.
- Aged, Blind, and Disabled (ABD) Children - blind and/or disabled children up to the age of 19.
- ANFC Children - children in the Reach Up financial assistance related enrollment/eligibility group.
- State Children's Health Insurance Program (SCHIP) - uninsured children who are eligible under the SCHIP eligibility rules in Title XXI of the Social Security Act.
- Underinsured - underinsured children eligible for Medicaid through an 1115 waiver to Title XIX.

Appropriation Key Budget Issues

Health Care and Medicaid

Despite challenging financial times, the number of Vermonters lacking health insurance has decreased from 9.8 percent in the fall of 2005 (61, 056) to 7.6 percent (47,286) in the fall of 2008. A major contributor to this success is the extensive marketing and outreach conducted by the state and its

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of VT Health Access

partners beginning in Fall 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 12,000 Vermonters.

We also have been successful in other aspects of our state's comprehensive health care reform efforts. In the past year, we have launched the Blueprint multi-payer Integrated Medical Home Pilots in three areas of the state and continued the successes of the statewide Healthy Living self-management classes for people with chronic conditions; we also are collaborating with Maine, New Hampshire, Massachusetts and Rhode Island, with support from the Milbank Foundation, to develop a New England wide medical home pilot initiative. During 2008, we also implemented a Health Information Technology Fee to support health care information technology for primary care providers and to further our statewide health information exchange network; implemented a 340B Pharmacy program to decrease the pharmaceutical cost for FQHC patients; made significant progress on public health and prevention efforts related to promoting healthy weight for Vermonters; promulgated rules to allow Vermont health insurance carriers to offer cost-sharing discounts for enrollee adherence to health promotion and disease prevention programs, as well as rules to facilitate the availability of transparent price and quality information for health care consumers; begun implementation of a multi-payer claims database to facilitate understanding of our health care utilization, expenditures, and performance across all payers and services; and implemented an outreach tracking tool to further assist our Green Mountain Care enrollment efforts. We also are participating in two external two-year evaluations regarding the success of our efforts to improve access and affordability for health care coverage.

In addition, the Office of Vermont Health Access (OVHA) continues to implement initiatives to help improve the quality of health care services for our most vulnerable citizens and also contain costs of these publicly-supported programs. OVHA's Care Coordination and Chronic Care Management programs are reaching maturity and have shown a \$3 million savings in the first year of implementation, with at least twice that amount expected in FY10. The Care Coordination Program also will be specifically managing Medicaid enrollees taking Buprenorphine beginning in 2009, again expecting to increase quality of medical care and control costs related to this group of enrollees. Also in collaboration with the Department of Health, the Dental Dozen Initiative launched in 2008 is reaching its goals of improving oral health for Vermonters, and thereby avoiding much more costly health-related issues for beneficiaries. OVHA's Coordination of Benefits Unit continues to successfully focus on ensuring that the appropriate insurer covers the costs of care when an OVHA beneficiary has dual coverage (e.g. Medicare, private insurance). And in January 2009, OVHA assumed responsibility for managing the statewide contracts for transportation services for beneficiaries, with expected saving of \$400,000 for the calendar year.

2009 also brings an organizational alignment between the Administration's oversight and implementation of Vermont's comprehensive Health Care Reform and OVHA's health care programs and administrative functions. This new organizational structure should provide new opportunities for more program integration related to health care reform among the departments within the Agency of

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of VT Health Access

Human Service (AHS) initiatives, as well as cross-Agency and Departmental activities outside of AHS.

While we have accomplished much, the dire economic situation of our nation and state is helping us focus on the fact that our current programs are not sustainable in the long run. Although our federal partner is expected to help with increased funds through the economic recovery package, that alone will not ameliorate increasing and long-term pressures on our health care programs. As such, we must act now to bring these long-term costs in line.

The Governor and his Administration are strongly committed to continuing support for the premium assistance programs associated Catamount Health and Employer-sponsored insurance. However, in these fiscal times, we must examine whether we can afford the very generous cost sharing benefits in the existing Catamount Health Plans.

We also must request that other Green Mountain Care program participants also contribute through targeted minimal changes in premiums ; as such, we are requesting that VHAP and Dr. Dynasaur premiums be returned to the 2007 levels after being reduced in FY2008 in an effort to help our outreach and enrollment efforts.

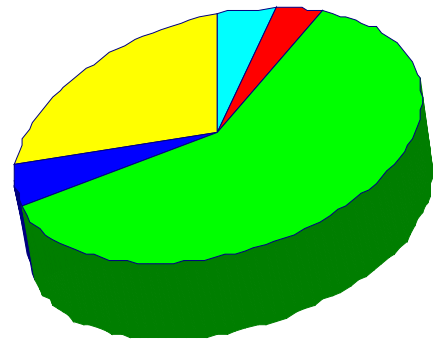
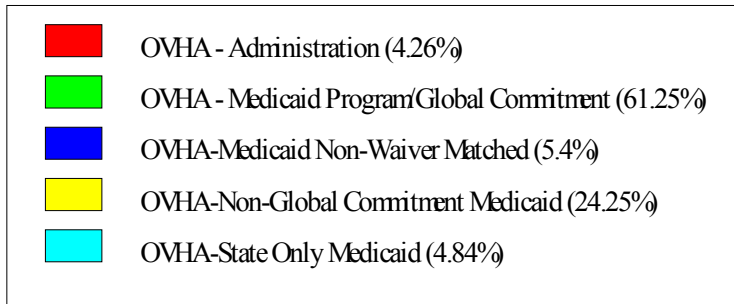
We also will be exploring how to encourage Vermonters enrolled in Green Mountain Care programs to make better choices when it comes to their health and well-being by rewarding beneficiaries who have made the choice to live a healthy lifestyle and those who are willing to move in this direction. This will provide a tangible incentive to empower Medicaid recipients to take responsibility for their own well-being, to improve their health, and at the same, lower health care costs.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of VT Health Access

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
OVHA - Administration	105	117	98	30,998,035	35,954,075	36,430,001	35,260,248
OVHA - Medicaid Program/Global Commitment	0	0	0	384,975,037	461,385,056	471,519,152	507,224,511
OVHA-Non-Global Commitment Medicaid	0	0	0	190,626,286	194,755,729	202,456,746	200,870,484
OVHA-State Only Medicaid	0	0	0	36,496,826	55,086,870	37,563,871	40,059,807
OVHA-Medicaid Non-Waiver Matched	0	0	0	56,773,256	44,448,317	44,176,458	44,751,748
<hr/>							
TOTAL	105	117	98	699,869,440	791,630,047	792,146,228	828,166,798
FUND TYPE							
General Fund				131,133,492	130,688,156	111,041,269	107,170,979
Special Fund				4,260,729	19,077,098	9,882,987	15,788,035
Federal Revenue Fund				148,443,854	144,667,776	163,608,074	164,841,953
Global Commitment Fund				416,031,365	497,197,017	507,613,898	540,365,831
<hr/>							
TOTAL				699,869,440	791,630,047	792,146,228	828,166,798

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of VT Health Access**



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
OVHA - Administration

Appropriation Key Budget Issues

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
OVHA - Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	28,127,053	32,033,668	33,059,415	31,911,860
Operating Expenses	2,293,561	2,724,407	2,359,886	2,330,388
Grants	577,421	1,196,000	1,010,700	1,018,000
<hr/>				
TOTAL	30,998,035	35,954,075	36,430,001	35,260,248
FUND TYPE				
General Fund	217,540	75,246	228,241	429,107
Special Fund	291,510	750,582	351,627	351,627
Federal Revenue Fund	851,045	700,000	1,072,106	2,848,458
Global Commitment Fund	29,637,940	34,428,247	34,778,027	31,631,056
<hr/>				
TOTAL	30,998,035	35,954,075	36,430,001	35,260,248

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
OVHA - Medicaid Program/Global Commitment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	384,975,037	461,385,056	471,519,152	507,224,511
<hr/> TOTAL	<hr/> 384,975,037	<hr/> 461,385,056	<hr/> 471,519,152	<hr/> 507,224,511
FUND TYPE				
Global Commitment Fund	384,975,037	461,385,056	471,519,152	507,224,511
<hr/> TOTAL	<hr/> 384,975,037	<hr/> 461,385,056	<hr/> 471,519,152	<hr/> 507,224,511

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
OVHA-Non-Global Commitment Medicaid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	190,626,286	194,755,729	202,456,746	200,870,484
<hr/> TOTAL	<hr/> 190,626,286	<hr/> 194,755,729	<hr/> 202,456,746	<hr/> 200,870,484
FUND TYPE				
General Fund	78,124,173	79,168,224	68,126,715	67,392,047
Federal Revenue Fund	112,502,113	115,587,505	134,330,031	133,478,437
<hr/> TOTAL	<hr/> 190,626,286	<hr/> 194,755,729	<hr/> 202,456,746	<hr/> 200,870,484

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
OVHA-State Only Medicaid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	36,496,826	55,086,870	37,563,871	40,059,807
<hr/> TOTAL	<hr/> 36,496,826	<hr/> 55,086,870	<hr/> 37,563,871	<hr/> 40,059,807
FUND TYPE				
General Fund	31,391,192	35,376,640	26,715,792	23,113,135
Special Fund	3,969,219	18,326,516	9,531,360	15,436,408
Global Commitment Fund	1,136,415	1,383,714	1,316,719	1,510,264
<hr/> TOTAL	<hr/> 36,496,826	<hr/> 55,086,870	<hr/> 37,563,871	<hr/> 40,059,807

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
OVHA-Medicaid Non-Waiver Matched**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Grants	56,773,256	44,448,317	44,176,458	44,751,748
<hr/> TOTAL	<hr/> 56,773,256	<hr/> 44,448,317	<hr/> 44,176,458	<hr/> 44,751,748
FUND TYPE				
General Fund	21,400,587	16,068,046	15,970,521	16,236,690
Federal Revenue Fund	35,090,696	28,380,271	28,205,937	28,515,058
Global Commitment Fund	281,973	0	0	0
<hr/> TOTAL	<hr/> 56,773,256	<hr/> 44,448,317	<hr/> 44,176,458	<hr/> 44,751,748

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health

Department Mission Statement

VISION:

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

MISSION:

Lead the state and its communities in the development of systematic approaches to health promotion, safety and disease prevention.

Assess, pursue, and document measurable improvements to the health and safety of Vermont's population.

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

Description of Appropriations, Divisions, & Programs

The Health Department's budget is divided into three appropriations:

Administration & Support

- Commissioner's Office
- Information Technology Services
- Business Office
- Rural Health & Primary Care Programs

Public Health

- Public Health Preparedness
- Health Surveillance
- Maternal & Child Health
- Health Promotion & Disease Prevention
- Vermont Blueprint for Health
- Local Health

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health

- Board of Medical Practice

Alcohol & Drug Abuse Programs

- Administration & Planning
- Prevention
- Treatment

Working with partners throughout Vermont, regionally and nationally, the Vermont Department of Health works to protect and promote the health of the population. The work of the department is guided by its vision and mission, by goals and objectives laid out in Healthy Vermonters 2010, and in coordination 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.

Administration & Support

- Commissioner's Office
- Information Technology Services
- Business Office
- Primary Care & Rural Health Programs

- 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, and public health communication (including crisis & emergency communication planning/response, health risk communication, media relations, social marketing, and website). In addition to the divisions of Public Health and Alcohol & Drug Abuse Programs, other programs with direct leadership from the commissioner and deputy commissioners are: Office of Rural Health & Primary Care (see below); Minority Health; Quality Assurance/Patient Safety; and Vermont Blueprint for Health.
- Information Technology Services** supports both the Department of Health and the Department of Mental Health. Staff develop, support and maintain 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 an electronic disease surveillance and reporting system and a laboratory information management system. Staff are 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 OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health

state and federal compliance requirements. It implements internal controls as needed, and provides periodic reporting to partners. Budget and grants staff manage the department's overall budget and spending for nearly 100 federal and foundation funding sources that comprise nearly three-quarters of the Health Department's budget.

- Rural Health & Primary Care Office** works to assure Vermonters' 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 (AHECs) and VSAC loan repayment/loan forgiveness; nine Clinics for the Uninsured; and Federally Qualified Health Center planning and development grants.

Public Health

- Health Surveillance
- Maternal & Child Health
- Health Promotion & Disease Prevention
- Vermont Blueprint for Health
- Public Health Preparedness
- 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 and Mental 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 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

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Health

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, delis, bakeries, school food service facilities, summer camps and fairs to prevent food borne illness. Investigates complaints to enforce 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.

Division of Maternal & Child Health

- Administers the Maternal & Child Health federal block grant, the federal family planning grant and the abstinence education grant. Monitors and works to improve the system of health care for women, children and families. Promotes evidence-based prevention and intervention strategies and practices. Serves as MCH coordinator for the Healthy Babies, Kids, and Families program.
- Children with Special Health Needs (CSHN) - Provides health care and support services to children (age 0-21) who have complex health problems. Coordinates the School Health Initiative funded through EPSDT to promote health in coordination with school staff.
- 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 children on Medicaid 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

Division of Health Promotion & 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 communities. 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 & Physical Activity - Works to prevent obesity and related chronic conditions by helping communities conduct local assessments, plan and implement policy and environmental

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Health

changes to promote nutrition and physical activity.

- Injury and Violence Prevention & 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 caries 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 & Control - Works to improve service quality and capabilities of providers to help consumers achieve diabetes control. Promotes self-management of diabetes.
- Ladies First/WISEWOMAN - Provides for breast & cervical cancer screening, and cardiovascular health screening for women age 40 and older, without Medicaid, VAHP or Medicare part B, and with limited income. Women age 18-39 who have breast symptoms or abnormal Pap test are also eligible. Provides self-help for women to make lifestyle behavior changes to prevent, delay or control cardiovascular disease, and 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 survivors.

Vermont Blueprint for Health

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

Office of Public Health Preparedness

- Preparedness & 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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health

partners to manage emergency health and medical preparedness/response systems. Manages federal grants related to public health and hospital preparedness.

- Emergency Medical Services - Standard setting, regulation and planning for statewide EMS systems, training, technical assistance and program development for local services. Licenses/certifies personnel and emergency vehicles and equipment.
- 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.

Office of Local Health

Provides public health leadership and direct service to Vermonters in their communities.

- 12 district offices - Works in close coordination with AHS district offices. Provides 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 the people of Vermont.

Board of Medical Practice

The Health Department provides administrative support to the Board of Medical Practice, which regulates physicians (MDs), physician's assistants (PAs), podiatrists, and anesthesiology assistants. Investigates, issues and renews licenses. Adjudicates complaints of unprofessional conduct.

Alcohol & Drug Abuse Programs Division:

Alcohol and Drug Administration and Planning:

Conducts analyses 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 their accessibility, appropriateness, quality, and cost effectiveness; and manages and monitors federal data grants and SAPT Block Grant data reporting. Plans and manages training and technical assistance to develop the community substance abuse workforce. Develops strategic plan and implementation strategies.

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

STATE OF VERMONT
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Health

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 (CRASH) Program. Manages Student Assistance Programs. Provides technical assistance and funding to the Court Administrator's Office for development and implementation of drug court programs in family and district courts. The Governor's DETER Initiative, an array of treatment projects, is managed under this area.

Alcohol and Drug Prevention:

Through staff based in the Central Health Department and 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.

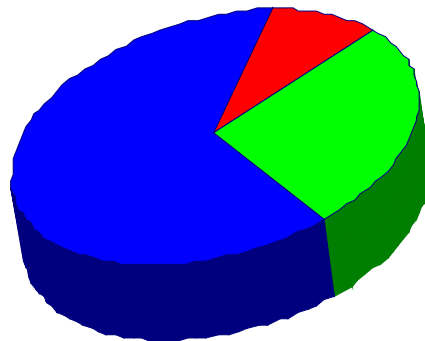
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Health**

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Health**

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Administration & Support	90	90	71	7,478,822	11,894,229	11,777,966	11,115,016
Health-Blueprint for Health	0	0	0	3,646,277	0	0	0
Health Protection	47	47	0	5,345,100	0	0	0
Public Health	0	0	425	0	78,532,039	77,819,413	72,716,332
Health Surveillance	132	132	0	14,361,537	0	0	0
Health Improvement	79	79	0	18,494,341	0	0	0
Community Public Health	208	208	0	32,481,520	0	0	0
Alcohol & Drug Abuse Programs	42	42	33	29,122,792	31,712,112	31,048,767	30,571,021
Medical Practice Board	6	6	0	807,294	0	0	0
TOTAL	604	604	529	111,737,683	122,138,380	120,646,146	114,402,369
FUND TYPE							
General Fund				9,659,146	9,156,005	8,691,752	10,586,992
Special Fund				16,607,757	15,036,331	14,496,631	12,771,415
Federal Revenue Fund				46,551,418	51,371,346	50,542,892	46,271,694
Permanent Trust Fund				19,477	10,000	10,000	10,000
Global Commitment Fund				28,064,657	45,750,567	46,000,740	42,048,127

■	Administration & Support (9.72%)
■	Alcohol & Drug Abuse Programs (26.72%)
■	Public Health (63.56%)



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration & Support**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	5,907,816	6,409,341	6,329,387	6,222,550
Operating Expenses	1,565,354	2,582,888	2,571,579	2,812,966
Grants	5,652	2,902,000	2,877,000	2,079,500
<hr/> TOTAL	<hr/> 7,478,822	<hr/> 11,894,229	<hr/> 11,777,966	<hr/> 11,115,016
FUND TYPE				
General Fund	1,057,661	651,479	634,223	943,788
Special Fund	164,025	24,743	24,678	24,678
Federal Revenue Fund	4,140,988	6,285,287	6,316,483	6,027,218
Global Commitment Fund	2,044,503	4,860,720	4,730,582	4,047,332
Interdepartmental Transfer	71,645	72,000	72,000	72,000
<hr/> TOTAL	<hr/> 7,478,822	<hr/> 11,894,229	<hr/> 11,777,966	<hr/> 11,115,016

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health-Blueprint for Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	705,951	0	0	0
Operating Expenses	760,320	0	0	0
Grants	2,180,006	0	0	0
<hr/>				
TOTAL	<u>3,646,277</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND TYPE				
General Fund	84,450	0	0	0
Special Fund	1,846,713	0	0	0
Federal Revenue Fund	1	0	0	0
Global Commitment Fund	1,715,113	0	0	0
<hr/>				
TOTAL	<u>3,646,277</u>	<u>0</u>	<u>0</u>	<u>0</u>

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health Protection**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,216,896	0	0	0
Operating Expenses	844,108	0	0	0
Grants	1,284,096	0	0	0
<hr/>				
TOTAL	5,345,100	0	0	0
FUND TYPE				
General Fund	393,072	0	0	0
Special Fund	1,151,641	0	0	0
Federal Revenue Fund	2,853,535	0	0	0
Global Commitment Fund	542,915	0	0	0
Interdepartmental Transfer	403,937	0	0	0
<hr/>				
TOTAL	5,345,100	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Health**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	0	36,310,118	36,477,008	35,134,321
Operating Expenses	0	7,326,174	7,268,658	7,360,700
Grants	0	34,895,747	34,073,747	30,221,311
<hr/> TOTAL	<hr/> 0	<hr/> 78,532,039	<hr/> 77,819,413	<hr/> 72,716,332
FUND TYPE				
General Fund	0	5,090,652	5,037,801	6,926,491
Special Fund	0	12,392,544	11,852,909	10,127,693
Federal Revenue Fund	0	36,397,848	35,656,525	31,809,266
Permanent Trust Fund	0	10,000	10,000	10,000
Global Commitment Fund	0	24,048,864	24,670,047	23,250,751
Interdepartmental Transfer	0	592,131	592,131	592,131
<hr/> TOTAL	<hr/> 0	<hr/> 78,532,039	<hr/> 77,819,413	<hr/> 72,716,332

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health Surveillance

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	9,165,406	0	0	0
Operating Expenses	2,405,451	0	0	0
Grants	2,790,680	0	0	0
TOTAL	14,361,537	0	0	0
FUND TYPE				
General Fund	2,046,595	0	0	0
Special Fund	1,952,856	0	0	0
Federal Revenue Fund	7,718,856	0	0	0
Permanent Trust Fund	19,477	0	0	0
Global Commitment Fund	2,535,586	0	0	0
Interdepartmental Transfer	88,167	0	0	0
TOTAL	14,361,537	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Health Improvement**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	7,147,747	0	0	0
Operating Expenses	1,046,468	0	0	0
Grants	10,300,126	0	0	0
<hr/>				
TOTAL	18,494,341	0	0	0
FUND TYPE				
General Fund	1,289,632	0	0	0
Special Fund	4,097,112	0	0	0
Federal Revenue Fund	8,710,176	0	0	0
Global Commitment Fund	4,397,421	0	0	0
<hr/>				
TOTAL	18,494,341	0	0	0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Community Public Health**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	12,166,126	0	0	0
Operating Expenses	6,027,058	0	0	0
Grants	14,288,336	0	0	0
<hr/>				
TOTAL	32,481,520	0	0	0
FUND TYPE				
General Fund	869,524	0	0	0
Special Fund	4,021,282	0	0	0
Federal Revenue Fund	17,180,667	0	0	0
Global Commitment Fund	10,291,068	0	0	0
Interdepartmental Transfer	118,979	0	0	0
<hr/>				
TOTAL	32,481,520	0	0	0

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,632,417	3,372,335	3,136,812	3,195,089
Operating Expenses	415,329	811,106	811,106	799,901
Grants	24,075,046	27,528,671	27,100,849	26,576,031
<hr/> TOTAL	<hr/> 29,122,792	<hr/> 31,712,112	<hr/> 31,048,767	<hr/> 30,571,021
FUND TYPE				
General Fund	3,918,212	3,413,874	3,019,728	2,716,713
Special Fund	2,566,834	2,619,044	2,619,044	2,619,044
Federal Revenue Fund	5,947,195	8,688,211	8,569,884	8,435,210
Global Commitment Fund	16,538,051	16,840,983	16,690,111	16,650,054
Interdepartmental Transfer	152,500	150,000	150,000	150,000
<hr/> TOTAL	<hr/> 29,122,792	<hr/> 31,712,112	<hr/> 31,048,767	<hr/> 30,571,021

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Medical Practice Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	682,207	0	0	0
Operating Expenses	125,087	0	0	0
<hr/> TOTAL	<hr/> 807,294	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
Special Fund	807,294	0	0	0
<hr/> TOTAL	<hr/> 807,294	<hr/> 0	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Children and Family Services

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.

Prevention is the primary mission of DCF. Its goal is to:

- 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 comprehensive child development services for children and their families from pre-birth to age sixteen. The Division is organized under three primary functional areas: Internal Child Care Management which includes the licensing, subsidy and operations units; Child Care Administrator and Workforce Development which includes Early Childhood and Afterschool Systems of Care; and External Systems and the Head Start Collaboration Office which includes Children's Integrated Services, the Early Childhood Comprehensive Systems Grant and management of grants and contracts with community based partners, e.g. the Parent Child Centers.

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

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Children and Family Services

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 1000 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 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 school readiness and life long success for Vermont's children and youth thereby reducing the need for more costly, long term social, education, economic and correction services. The CDD works in partnership with a network of community based providers to ensure a continuum of early childhood and after-school services are available throughout Vermont. Direct services for children and families include regulated early childhood and afterschool programs, early intervention services for at risk children, resource and referral for families, and parent education and family support services. The division also provides technical assistance and professional development opportunities to the early childhood and afterschool workforce in the state.

In addition, the Child Development Division is committed to the ongoing work of building an integrated system of early childhood services that are accessible to all Vermont young children. This public/private partnership is called Building Bright Futures.

Population Served:

The division provides services to children from pre-birth through sixteen and their families. The services include family support, primary prevention, early intervention and therapeutic services. The focus of efforts between six and sixteen involves after-school services.

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Children and Family Services

Major Programs/Services:

Licensing: The Licensing Unit is responsible for regulating, monitoring and providing technical assistance for child care providers including early childhood and afterschool programs, family child care registered and licensed homes, and certified legally exempt providers in Vermont. There are currently 705 Licensed Centers, 1,129 Registered Homes and 991 Certified Legally Exempt providers. The regulated child care system serves approximately 48,291 children ages 6 weeks to 13 years. The Licensing Unit processes applications for child care, including approximately 75,000 criminal record, child abuse and adult abuse screens annually. The Child Care Consumer Line (1-800-540-7942) services, complaint investigations and additional technical assistance to providers and families are also part of this unit.

Children's Integrated Early Intervention Services: This unit brings together early intervention and primary prevention services to build a more seamless continuum of services for children and families. The immediate goal is to merge three early intervention programs into a holistic approach for service delivery that utilizes a team approach, a single treatment plan, and a primary interventionist model. Each AHS region is currently involved in the implementation of this new service approach, which includes a broad range of early childhood providers. Child Development Division services included in this work are:

Maternal and child health services which provide home visiting, nursing and family support services to pregnant women and children up to 6 years who are receiving Medicaid benefits. 5,000 women and children are served annually.

Part C early intervention serves children under 3 years with established disabilities or a diagnosed condition with high probability of subsequent developmental delays. There are about 800 active participants at any given time with over 1,400 children served through the course of a year.

Early childhood and family mental health services provide mental health consultation and education services to several hundred early childhood programs annually as well as direct therapeutic services to 800 children.

Subsidy: The Subsidy Unit 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.

The Child Development Division contracts with child care community support agencies in each of the twelve AHS regions where trained specialists manage the financial assistance program and connect parents and child care providers. Provider payments are managed by the Child Development Division's central office with payments between one to one and half million dollars every two weeks. The child

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Children and Family Services

care financial assistance program is funded with the Federal Child Care Development Fund and State General Funds.

Workforce Development: This unit manages all initiatives that support improving the quality of child development services including all early childhood and afterschool 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 school age services through initiatives targeted to each age group.

Operations: The Operations Unit is responsible for the following major functional areas: CDD's Administrative Support, the CDD's IT System Helpdesk, Contract and Grants Management, CDD's web-based Bright Futures Information System, the development of management information systems for the new units of CDD, Children's Integrated Services and Community Systems, and federal and state reporting. Currently, CDD is conducting business on-line with nearly 80% of the 1600 regulated child care providers. Decreasing our paper use and improving customer service and responsiveness by growing the population of e-providers is a major accomplishment of the Operations unit utilizing the Bright Futures Information System.

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

External Systems: This unit helps ensure effective partnerships with community partners who deliver many of CDD's direct services in the AHS regions. Primarily through grants and contracts, CDD seeks to ensure access to quality early childhood and family support services for all Vermonters with young children. The goal is to improve outcomes and the general well being of children. Specific services and CDD initiatives include:

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

Family Services Division

Program Focus/Population Served:

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Children and Family Services

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:

Child abuse and neglect investigations: The division is responsible for responding to reports alleging that children are abuse or neglected. When an intake results in a child abuse investigation, a social worker must see the child within 72 hours. The focus is on the child's immediate safety. Frequently, social workers collaborate with law enforcement personnel when conducting these investigations.

Ongoing services to families at risk: For families who are at the highest risk of abuse or neglect, the division provides family services focused on addressing the underlying factors that contribute to the risk. Social workers provide direct services, and coordinate other therapeutic services targeted at risk reduction.

Substitute care, treatment and permanency planning services for children in custody: The division focuses on providing the most appropriate out-of-home living situation. Whenever possible, children are placed in their own school districts. The division is actively focused on ensuring a permanent home for children as soon as possible, preferably with the child's own family.

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

Probation and other restorative justice services for delinquent youth, including detention and treatment services at the Woodside Juvenile Rehabilitation Facility, a 28-bed facility: The division provides services to delinquent youth with a focus on balanced and restorative justice. A central goal is to avoid later involvement with the adult corrections system.

Adoption subsidy and post-adoption supports for adoptees with special needs: Children adopted through the foster care system care are often eligible for financial supports due to their special needs. In addition, adoptive families are provided with post-adoption services to ensure their success as parents through the predictably difficult times they will face in parenting children with special needs.

The Emergency Services Program: Provides after-hours support for foster parents and other families. In addition, the Emergency Services Program staff respond to reports of abuse and neglect, deploying social workers to respond when necessary.

The Residential Licensing Unit: Promotes safety of children by licensing foster families, residential facilities and child placing agencies.

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Children and Family Services

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. Contributing factors include unemployment, part-time or low-wage employment, family breakup, single parenthood, age, temporary or permanent disability, death of a family member, or other catastrophic event. These programs promote the well-being of families and individuals by providing assistance-to-work services, health care coverage, cash assistance and food support.

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

Major Programs/Services:

Reach Up Program- On a monthly average, this program serves around 4,775 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 on average serves 162 families by 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 406 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.

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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 live 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.

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 burial services for the poor.

ESD has been given authorization by the Legislature to waive the GA/EA rules to try out new approaches to serving those seeking housing assistance. ESD is operating pilots in all areas of the State.

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

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

Food & Nutrition Programs - The Economic Services Division operates two primary food and nutrition programs:

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 over \$6.7 million in federal benefit dollars in November 2008 - 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, November brought more than \$12.4 million in economic stimulus to the state of Vermont.

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3SquaresVT has been instrumental in generating funds to support modernization efforts underway at the department. Since 2006, 3SquaresVT has been awarded more than \$1.3 million via four 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 credit 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 September 2008, Governor Douglas announced that Vermont would follow the lead of 12 other states 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. This expanded eligibility for the program was implemented January 1, 2009. In FY 2010 the estimated 3SquaresVT caseload will approach 65,000 - 80,000 individuals a month and 33,000 to 40,000 households per month. These numbers are dependent on the success of aggressive outreach and program redesign strategies.

Farm To Family

Farm To Family coupons help Vermonters buy locally-grown fresh vegetables and fruits. They can be used at about 50 participating farmers' markets throughout Vermont.

About one in four Vermonters qualifies for Farm To Family coupons including families enrolled in the WIC Program and other individuals or families who have a household income at or below 185% of the federal poverty limit.

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.

Families with a WIC participant over six months old must apply at special Farm To Family sessions held by the local District Health Office. Other households must apply through their local Community Action Agency <http://dcf.vermont.gov/community_action_agencies> beginning in mid-June.

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

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Assistance Program (LIHEAP). In the last several years the state has used general funds to increase benefit levels. No state funds are being budgeting for FY2010.

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. The net income qualification for the Seasonal component is 125% of the federal poverty level (based on household size) and 150% for the Crisis component.

The Seasonal component accepts applications from early July to the end of February. 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. Benefits are not intended to meet the total cost of heating the home, but rather to provide supplemental assistance to households that qualify.

In FY2008 the Seasonal component processed 32,790 applications and assisted 21,680 households. Of those, 15,369 households received an average benefit of \$1,362 issued to their fuel supplier. A total of \$20.7 million in benefits were issued.

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 FY2008 the Crisis component assisted 6,151 households with 9,524 grants totaling \$2.5 million in benefits. The Fuel Office projects that in FY2009 over 7,000 households will be assisted from the \$4.1 million that has been designated for Crisis grants.

Health Care Eligibility Determination Services

The division determines eligibility for more than 150,000 Vermonters who are eligible for health care coverage and thousands of others who are seeking coverage but are not eligible under the program rules. The complexity of eligibility determinations results from the hundreds of available bases for health care coverage in Vermont.

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

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Income (SSI). All funds expended by DDS to process Social Security and SSI disability claims, including staff salaries and benefits, are 100% federally reimbursed. A small part of the DDS workload (7.7% in Federal Fiscal Year 2008) involves medical eligibility for Medicaid based on the regulatory definition of SSI disability and the Katie Beckett Medicaid waiver.

Office of Child Support

Program Focus:

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

OCS was funded with approximately \$2.5 million in general fund for SFY 09 and it is anticipated that the \$2.5 M will generate child support collections of \$56.5 million for families or as recovery of welfare expenditures. By maximizing federal reimbursements, as well as federal incentives awarded for meeting or exceeding performance benchmarks, OCS has remained a highly productive organization where modest General Fund investment generates a substantial return (\$56.5 million) in child support payments and state program cost recovery.

For the families served, collections are the most critical outcome. Receiving child support often makes the difference between needing state financial assistance or remaining independent and self-supporting. 46% of families served by OCS have moved away from public assistance to being self-supportive. There is a growing reliance on child support payments as the safety net for the working poor. The majority of families served by OCS (70%), although typically low income, are not receiving TANF benefits. While TANF caseloads may be declining (30% of OCS families), OCS provides an income support to the former-TANF families for many years to come.

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

Office of Economic Opportunity

Program Focus

The Vermont Office of Economic Opportunity (OEO) seeks to increase the self-sufficiency of

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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 2008, Vermont CAA's provided direct services to 46,298 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. In SFY 2008, 3,459 individuals including 773 children spent at least one night in a shelter in Vermont.

Asset Development Programs

The statewide MicroBusiness 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 2008, 75 new businesses were started, and approximately 86 new full and part-time jobs were created by business start-ups, expansions and enhancements.

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Individual Development Accounts (IDAs) - This project is a matched-savings program that allows income-eligible participants to accumulate the assets needed to purchase a home, pursue higher education or capitalize a small business. In 2008, among existing savers who have begun to spend their savings, 52 capitalized a small business, 8 were able to pursue post-secondary education, and 12 purchased their own home.

Vermont Weatherization Program

Mission:

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

History:

The Vermont Weatherization Program was started in 1976 in response to a national energy crisis. Funding for the early days of the program was provided solely by the US Department of Energy (USDOE). This changed in 1990 when the State of Vermont Legislature introduced and passed bill H.832 which established the Vermont Weatherization Trust Fund (WTF). The WTF provides state funding for weatherization through a one half percent gross receipts tax on all non-transportation fuels sold in the state. The WTF stabilized the funding, infrastructure and technical capacity of the program. It also allowed Vermont to raise the average cost per job for more comprehensive work. Current funding for weatherization in Vermont, about \$9.2 million annually, is comprised 87% from the State Trust Fund and 13% from the United States Department of Energy.

Services Available to Income-Eligible People Include:

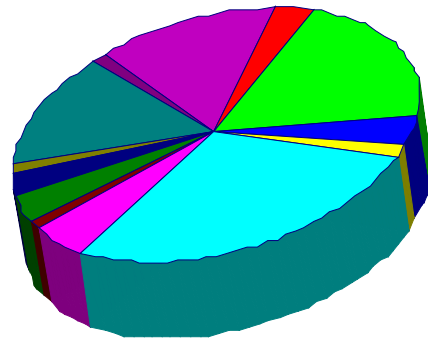
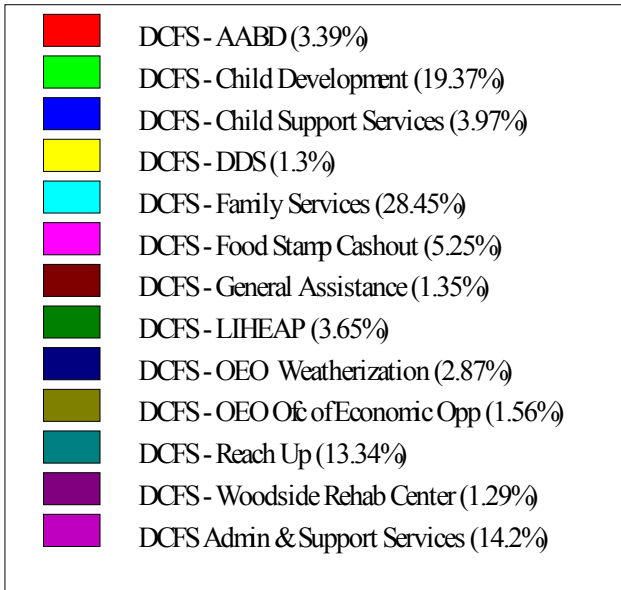
- Comprehensive “whole house” assessment of energy related problems,
- State-of-the-art building diagnostics including: blower door testing, carbon monoxide and heating system testing and infrared scans.
- “Full-service” energy efficiency retrofits including: dense-pack sidewall insulation, air sealing, attic insulation, heating system upgrades and replacements.

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Children and Family Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
DCFS Admin & Support Services	462	434	457	43,905,917	41,332,742	42,724,982	45,246,198
DCFS - Family Services	293	290	276	85,172,573	89,144,328	89,129,223	90,629,151
DCFS - Child Development	43	41	43	55,119,940	55,247,134	57,962,632	61,711,035
DCFS - Child Support Services	134	130	118	11,854,700	12,658,366	12,123,897	12,645,854
DCFS - AABD	0	0	0	11,642,154	11,790,589	11,946,709	10,806,789
DCFS - General Assistance	0	0	0	4,138,621	4,401,516	6,301,516	4,301,516
DCFS - Food Stamp Cashout	0	0	0	10,798,473	10,710,133	15,285,013	16,731,133
DCFS - Reach Up	0	0	0	41,527,796	40,298,530	44,008,952	42,492,444
DCFS - LIHEAP	0	0	0	22,808,342	11,612,664	11,612,664	11,612,664
DCFS - OEO Ofc of Economic Opp	3	3	3	5,225,940	5,269,558	5,438,529	4,967,995
DCFS - OEO Weatherization	2	2	2	7,446,493	9,032,627	9,029,271	9,143,440
DCFS - Woodside Rehab Center	33	33	34	3,417,744	3,548,725	3,729,543	4,113,242
DCFS - DDS	30	30	31	3,424,263	3,904,792	3,904,792	4,132,648
Children's Trust Fund	0	0	0	300,918	345,891	345,891	0
TOTAL	1,000	963	964	306,783,874	299,297,595	313,543,614	318,534,109
FUND TYPE							
General Fund				87,013,685	85,423,567	92,403,247	95,981,505
Special Fund				44,713,477	30,313,070	31,394,531	29,766,899
Federal Revenue Fund				105,592,584	115,659,017	121,631,433	125,704,557
Global Commitment Fund				67,882,827	67,015,569	67,228,031	66,399,149
Interdepartmental Transfer				1,581,301	886,372	886,372	681,999
TOTAL				306,783,874	299,297,595	313,543,614	318,534,109

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Children and Family Services**



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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS Admin & Support Services**

Appropriation Key Budget Issues

New Federal Mandates 2008

DCF manages the administrative function of determining eligibility not only for DCF's programs, but also for the state of Vermont's health care programs. In this capacity, DCF follows guidelines set forth by the federal government.

In 2008, Congress imposed the following three new mandates that require implementation in the near future.

PARIS - By October 2009, State eligibility determination systems must operate data matching through the Public Assistance Reporting Information System (PARIS) or risk loss of Medicaid federal matching funds for reimbursement of state costs for automated data systems used for the administration of the Medicaid state plan. This federal mandate is required by the QI Program Supplemental Funding Act of 2008.

AVS - As soon as November 2009, states are required to implement an automated verification system (AVS) for liquid assets. This federal mandate is required by the Supplemental Appropriations Act of 2008 passed July 2008

MIPPA - By January 2010, states must determine eligibility for Medicare Savings Programs for all individuals who applied for the federal low-income subsidy and are referred to the state by the social security administration. This federal mandate is known as MIPPA (Medicare Improvements for Patients and Providers Act) passed July 2008.

Continued Implementation of Recent Federal Mandates 2006-2007

Healthcare eligibility staff continue to work through the myriad implementation challenges of these recent federal mandates.

Medicare Modernization Act (MMA): The MMA, implemented on January 1, 2006, has had a significant impact on the Medicare beneficiaries who also receive benefits through the Medicaid and VPharm programs. Enrolling Medicare beneficiaries in a Medicare Part D prescription drug program and Medicaid or VPharm wrap continues to require outreach and education to beneficiaries and the public, data collection from beneficiaries, staff training, and systems and procedures redesign.

Citizenship: In the Deficit Reduction Act passed in February, 2006, Congress mandated a new verification requirement for Medicaid applicants and beneficiaries. The law now requires most US citizens who apply for or receive Medicaid funded programs to present documentary evidence of their citizenship status and identity. Medicaid applicants and beneficiaries who also receive Supplemental

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Security Income (SSI), Medicare, Social Security Disability Income (SSDI), foster children, and recipients of Title IV-E adoption assistance are exempt from the requirement.

Medical support from non-custodial parents: Pursuing medical support from non-custodial parents, which is a mandate to the Office of Child Support, is an opportunity to increase parents' personal responsibility to support their children, with an added benefit of some Medicaid savings when a child shifts to private health care coverage. This initiative has involved procedural changes, collection of additional data from families, systems redesign, staff training, and the establishment of consequences for families that do not cooperate with this mandate. Final federal regulations were promulgated in the summer of 2008 and require further review of the changes previously made.

PERM - the FFY10 Payment Error Rate Measurement review begins October 2009. This federal mandate entails an eligibility review of approximately 1400 individuals for the sample months October 2009 through September 2010.

Implementation of New State Health Care Initiatives

Premium Assistance Programs: Act 191 passed during the 2006/2007 legislative session created premium assistance programs for Employer-Sponsored Insurance (ESI) and Catamount Health. These programs were implemented October 1, 2007. Catamount Health is the private insurance product offered by Blue Cross Blue Shield and MVP to uninsured Vermonters. Premium assistance programs allow more uninsured Vermonters to obtain affordable and comprehensive health care coverage.

This initiative has resulted in the transition of some VHAP beneficiaries to the ESI program and an increase in health care program applicants through the Economic Services Division. DCF has been working collaboratively with OVHA on enhancements to the system design, rules, notices and related information for these programs.

Long term-care (LTC) Medicaid administration: DCF also manages the eligibility for Vermont's Long Term Care Programs. The increasingly complex financial situations of many applicants challenge the division to provide resources to assure the consistent and accurate administration of the program. Critical resources include adequate training, supervision, and access to legal assistance for review of case documents. Further legal analysis of federal rules and estate planning vehicles also yields program savings through changes resulting in increased cost sharing by individuals or estate recovery receipts.

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

Economic Benefits Modernization

Historically, each of the twelve DCF district offices managed eligibility functions for each of their regions. DCF is shifting that model and preparing to conduct the functions associated with determining

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DCFS Admin & Support Services

eligibility from a central location. In this new model, most client contact will be through the web or via a call center. Most local work will be done by other human services staff already located in agencies all over Vermont. This shift is slated to begin by the end of January, 2010, and be fully operational by the beginning of FY'11.

Most of the costs associated with this effort are being borne by bonuses earned by the Food Stamps Program and by a federal grant. This effort will produce financial and program efficiencies, thereby saving money in the long run.

Responding to the Food and Fuel Crisis

We are living through very challenging economic times. In the summer of 2008, fuel prices threatened to create an unprecedented crisis across the cold weather states. Food prices were rising. This was immediately followed by the dramatic collapse of the US economy.

To respond to these challenges, starting in January, 2009 and for FY'10, the food stamps program has been expanded. DCF has been allocated 16 temporary positions for an 18 month period to assist with the increased food stamp caseload.

The Home Heating Assistance Program has expanded benefits dramatically through increased federal dollars. Benefit levels and eligibility criteria will continue to be reassessed in the coming months depending on economic realities.

Rising Reach Up Caseloads

In 1996, the federal government implemented the Personal Responsibility and Work Opportunity Reconciliation Act creating the TANF program. At the time, more than 25,000 individuals in Vermont were in households who were recipients of public welfare benefits. TANF, Temporary Assistance to Needy Families, included a work requirement for recipients of TANF. Over the succeeding 12 years, the caseload fell dramatically to below 12,000 individuals (less than 5,000 households). However, beginning in summer, 2006, that number leveled off and over the past two years has inched upward. In part due to the deteriorating national economic conditions in state fiscal year 2009, TANF caseload numbers are rising faster than previous projections.

The budget also projects savings from three proposed policy changes in the Reach Up Program which require legislative action during the 2009 session:

- Inclusion of SSI benefits as "family income" in calculating eligibility-until now, that income has been exempt.
- Creating an ability to remove people from the program after they chronically refuse to complete their family development plan and meet work requirements.
- Preventing people who don't meet "hardship criteria" from receiving benefits for more than 60

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DCFS Admin & Support Services

months.

Finally, the budget does not include implementation of the Reach Ahead Program which was created in 2007 and which is slated to begin in April, 2009.

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DCFS Admin & Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	35,123,978	33,227,280	34,559,074	37,028,517
Operating Expenses	7,617,940	6,655,247	6,759,443	7,305,795
Grants	1,163,999	1,450,215	1,406,465	911,886
<hr/> TOTAL	<hr/> 43,905,917	<hr/> 41,332,742	<hr/> 42,724,982	<hr/> 45,246,198
FUND TYPE				
General Fund	11,559,762	12,422,107	13,188,157	15,139,874
Special Fund	979,283	560,036	553,998	547,960
Federal Revenue Fund	15,567,900	13,651,708	14,324,853	14,103,177
Global Commitment Fund	15,615,135	14,698,891	14,657,974	15,455,187
Interdepartmental Transfer	183,837	0	0	0
<hr/> TOTAL	<hr/> 43,905,917	<hr/> 41,332,742	<hr/> 42,724,982	<hr/> 45,246,198

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Family Services**

Appropriation Key Budget Issues

The Division has undergone significant changes over the past two years including: the creation of Centralized Intake, the implementation of various family engagement strategies, a reduction in the use of out of home care and increase in use of kin, shifting resources toward front line work (adding 5 social workers and properly equipping all social workers), expanding family visiting and “front end” services, and expanding of services to youth aging out of services

The results have been exceptional and have included a 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, and improvement in client contact.

Budget changes include a reduction in the use of substitute care, increases in adoption subsidies, 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 has significantly increased since the centralization of child abuse intake in September of 2008. We have opened 40% more investigations than during the same period in 2007.

Currently, the division provides supports to nearly 1600 adopted children with special needs. These children, adopted at an older age, continue to need supportive services after adoption.

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DCFS - Family Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	19,970,563	21,476,718	21,368,846	22,207,550
Operating Expenses	3,647,241	3,330,327	3,082,359	3,312,909
Grants	61,554,769	64,337,283	64,678,018	65,108,692
<hr/> TOTAL	<hr/> 85,172,573	<hr/> 89,144,328	<hr/> 89,129,223	<hr/> 90,629,151
FUND TYPE				
General Fund	15,290,732	17,308,746	17,863,002	20,506,450
Special Fund	1,827,863	2,213,367	2,174,222	1,966,637
Federal Revenue Fund	24,033,493	25,669,650	26,352,055	27,492,158
Global Commitment Fund	43,365,223	43,690,692	42,478,071	40,563,906
Interdepartmental Transfer	655,262	261,873	261,873	100,000
<hr/> TOTAL	<hr/> 85,172,573	<hr/> 89,144,328	<hr/> 89,129,223	<hr/> 90,629,151

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Child Development

Appropriation Key Budget Issues

Changing Federal Requirements:

A recent federal requirement mandates that the Part C Program screen all children under 3 years old who are substantiated victims of child abuse and neglect. This has increased the number of children served and the reporting requirements.

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

The Federal Improper Payment Act for the Child Care Subsidy program is having an immediate impact on Vermont. The state was notified in May of 2007 that we would be in wave one for this federal initiative that is designed to establish a national error rate for the program. Implementation began on October 1, 2007. One additional position was approved to assist with this major work requirement that included a comprehensive file review of 276 cases which was to be completed in the spring of 2008.

Pressures on the Child Care Subsidy Program:

Part of the Governor's vision for the future is to bring greater balance to government support for lifelong learning. Part of that effort is to bolster support for early care and education. Specifically, the child care subsidy budget is proposed to rise 20% to address three particular challenges in the child care system:

Quality: In 2004, Vermont initiated a quality incentive system to encourage child care providers to work toward meeting higher standards. The program has been very successful and the number of children served in quality centers has risen dramatically over the past couple years to over 1800. Currently, approximately 23% of all children served are in what the state defines as quality environments. The budget enhancement is sufficient to support that percentage rising to 35% during FY'10.

Accessibility: Currently, to be eligible for a "full" child care subsidy, a family's income must be at the Federal Poverty Level as it was set in 1999-- \$16,704 for a family of four. As family income rises, the family loses child care benefits. The loss of child care support occurs more quickly than the rise in family income, creating a disincentive for work. The overall increase in funding will allow Vermont to adjust the fee scale from the 1999 level (currently slated to move to the 2000 level in April) by several additional years, easing the "benefit cliff" and providing additional incentive for families to work.

Affordability: The standard rates within Vermont's child care subsidy program are considerably below what is recommended by federal guidelines. The continued increase in rates related to quality incentives helps with that challenge. We will also review the potential for some movement in rate, overall.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Child Development

The growing gap between the subsidy rates paid by the state and the market rate for care has led to the Child Care Bureau within Health and Human Services to advise Vermont that we need to address this issue in order to assure access to appropriate child care options for eligible families. The new initiative will help us make significant progress.

Complexity of Children's Needs:

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Child Development**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	3,660,144	3,338,891	3,281,424	3,473,066
Operating Expenses	609,720	843,660	506,305	545,908
Grants	50,850,076	51,064,583	54,174,903	57,692,061
<hr/>				
TOTAL	<u>55,119,940</u>	<u>55,247,134</u>	<u>57,962,632</u>	<u>61,711,035</u>
FUND TYPE				
General Fund	21,523,709	23,228,747	23,904,245	27,071,155
Special Fund	843,677	865,000	1,745,000	1,820,000
Federal Revenue Fund	28,034,376	26,724,411	26,808,411	27,011,234
Global Commitment Fund	4,578,671	4,289,469	5,365,469	5,669,139
Interdepartmental Transfer	139,507	139,507	139,507	139,507
<hr/>				
TOTAL	<u>55,119,940</u>	<u>55,247,134</u>	<u>57,962,632</u>	<u>61,711,035</u>

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Child Support Services**

Appropriation Key Budget Issues

Position Elimination--Conducting Business with Less:

The Office of Child Support (OCS) will attempt to be creative and efficient by developing ways to prevent service impact to its customers. However, as customer needs increase and positions decrease there will likely be a saturation level when such consequences are felt.

OCS has embarked on a Business Process Improvement (BPI) initiative by working with a BPI professional carefully scrutinizing several operational processes.

Some of the BPI recommendations resulted in the ability for OCS to quickly modify existing processes to accommodate more efficient operations. A number of recommendations point to a need for systems enhancements and improved support for systems; however, system enhancements either require resources or funding to solve.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Child Support Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	8,304,189	8,768,046	8,426,956	8,905,003
Operating Expenses	3,534,358	3,890,320	3,696,941	3,740,851
Grants	16,153	0	0	0
<hr/> TOTAL	<hr/> 11,854,700	<hr/> 12,658,366	<hr/> 12,123,897	<hr/> 12,645,854
FUND TYPE				
General Fund	2,336,578	2,690,872	2,493,917	2,671,384
Special Fund	452,239	455,718	455,718	455,718
Federal Revenue Fund	8,678,283	9,124,176	8,786,662	9,131,152
Interdepartmental Transfer	387,600	387,600	387,600	387,600
<hr/> TOTAL	<hr/> 11,854,700	<hr/> 12,658,366	<hr/> 12,123,897	<hr/> 12,645,854

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - AABD**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,688,079	1,801,009	1,801,009	1,801,009
Grants	9,954,075	9,989,580	10,145,700	9,005,780
<hr/>				
TOTAL	11,642,154	11,790,589	11,946,709	10,806,789
FUND TYPE				
General Fund	7,892,154	8,040,589	8,196,709	7,056,789
Global Commitment Fund	3,750,000	3,750,000	3,750,000	3,750,000
<hr/>				
TOTAL	11,642,154	11,790,589	11,946,709	10,806,789

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - General Assistance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	4,138,621	4,401,516	6,301,516	4,301,516
<hr/> TOTAL	<hr/> 4,138,621	<hr/> 4,401,516	<hr/> 6,301,516	<hr/> 4,301,516
FUND TYPE				
General Fund	3,073,169	2,950,196	4,850,196	2,850,196
Federal Revenue Fund	767,245	1,111,320	1,111,320	1,111,320
Global Commitment Fund	298,207	340,000	340,000	340,000
<hr/> TOTAL	<hr/> 4,138,621	<hr/> 4,401,516	<hr/> 6,301,516	<hr/> 4,301,516

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Food Stamp Cashout**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	10,798,473	10,710,133	15,285,013	16,731,133
<hr/> TOTAL	<hr/> 10,798,473	<hr/> 10,710,133	<hr/> 15,285,013	<hr/> 16,731,133
FUND TYPE				
Federal Revenue Fund	10,798,473	10,710,133	15,285,013	16,731,133
<hr/> TOTAL	<hr/> 10,798,473	<hr/> 10,710,133	<hr/> 15,285,013	<hr/> 16,731,133

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Reach Up**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	254,618	0	0	0
Operating Expenses	210,197	0	0	0
Grants	41,062,981	40,298,530	44,008,952	42,492,444
<hr/> TOTAL	<hr/> 41,527,796	<hr/> 40,298,530	<hr/> 44,008,952	<hr/> 42,492,444
FUND TYPE				
General Fund	14,581,055	13,815,723	16,836,145	15,510,237
Special Fund	17,529,610	18,200,000	18,200,000	18,025,000
Federal Revenue Fund	9,417,131	8,282,807	8,582,807	8,582,807
Global Commitment Fund	0	0	390,000	374,400
<hr/> TOTAL	<hr/> 41,527,796	<hr/> 40,298,530	<hr/> 44,008,952	<hr/> 42,492,444

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - LIHEAP**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	0	20,000	20,000	20,000
Operating Expenses	96,724	90,000	90,000	90,000
Grants	22,711,618	11,502,664	11,502,664	11,502,664
<hr/>				
TOTAL	22,808,342	11,612,664	11,612,664	11,612,664
 FUND TYPE				
General Fund	6,253,969	0	0	0
Special Fund	16,554,373	0	0	0
Federal Revenue Fund	0	11,612,664	11,612,664	11,612,664
<hr/>				
TOTAL	22,808,342	11,612,664	11,612,664	11,612,664

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp

Appropriation Key Budget Issues

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	209,257	235,441	235,441	250,236
Operating Expenses	36,177	81,555	75,526	78,644
Grants	4,980,506	4,952,562	5,127,562	4,639,115
<hr/>				
TOTAL	5,225,940	5,269,558	5,438,529	4,967,995
FUND TYPE				
General Fund	1,013,016	1,372,103	1,295,574	1,117,070
Special Fund	57,340	57,340	307,340	57,810
Federal Revenue Fund	3,973,284	3,797,615	3,793,115	3,793,115
Interdepartmental Transfer	182,300	42,500	42,500	0
<hr/>				
TOTAL	5,225,940	5,269,558	5,438,529	4,967,995

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization**

Appropriation Key Budget Issues

The Weatherization Program has been expanded both by the 2008 legislature and also by the federal government. The Weatherization Program was fully funded in fiscal year 2009.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	150,792	164,613	164,613	174,293
Operating Expenses	216,197	133,014	129,658	130,499
Grants	7,079,504	8,735,000	8,735,000	8,838,648
<hr/> TOTAL	<hr/> 7,446,493	<hr/> 9,032,627	<hr/> 9,029,271	<hr/> 9,143,440
FUND TYPE				
Special Fund	6,424,965	7,886,609	7,883,253	6,893,774
Federal Revenue Fund	1,021,528	1,146,018	1,146,018	2,249,666
<hr/> TOTAL	<hr/> 7,446,493	<hr/> 9,032,627	<hr/> 9,029,271	<hr/> 9,143,440

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - Woodside Rehab Center**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,887,097	2,899,574	3,132,974	3,482,661
Operating Expenses	530,646	649,151	596,569	630,581
Grants	1	0	0	0
<hr/> TOTAL	<hr/> 3,417,744	<hr/> 3,548,725	<hr/> 3,729,543	<hr/> 4,113,242
FUND TYPE				
General Fund	3,384,949	3,493,833	3,674,651	4,058,350
Interdepartmental Transfer	32,795	54,892	54,892	54,892
<hr/> TOTAL	<hr/> 3,417,744	<hr/> 3,548,725	<hr/> 3,729,543	<hr/> 4,113,242

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - DDS**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DCFS - DDS**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,984,708	3,330,894	3,330,894	3,508,357
Operating Expenses	439,555	573,898	573,898	624,291
<hr/> TOTAL	<hr/> 3,424,263	<hr/> 3,904,792	<hr/> 3,904,792	<hr/> 4,132,648
FUND TYPE				
Federal Revenue Fund	3,148,672	3,658,275	3,658,275	3,886,131
Global Commitment Fund	275,591	246,517	246,517	246,517
<hr/> TOTAL	<hr/> 3,424,263	<hr/> 3,904,792	<hr/> 3,904,792	<hr/> 4,132,648

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Children's Trust Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Grants	300,918	345,891	345,891	0
<hr/> TOTAL	<hr/> 300,918	<hr/> 345,891	<hr/> 345,891	<hr/> 0
FUND TYPE				
General Fund	104,592	100,651	100,651	0
Special Fund	44,127	75,000	75,000	0
Federal Revenue Fund	152,199	170,240	170,240	0
<hr/> TOTAL	<hr/> 300,918	<hr/> 345,891	<hr/> 345,891	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

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 Services Waiver (now part of the Global Commitment); Flexible Family Funding; all Older Americans Act programs in the Area Agencies on Aging, including case management and nutrition programs; Adult Day Services; Attendant Services Program; the Office of Public Guardian; Traumatic Brain Injury Waiver (now part of Global Commitment), Children's Personal Care Services (managed in DDAS, but the funds are in OVHA); and the High Tech Program (managed in DDAS, but the funds are in OVHA).

* **The Division of 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 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-

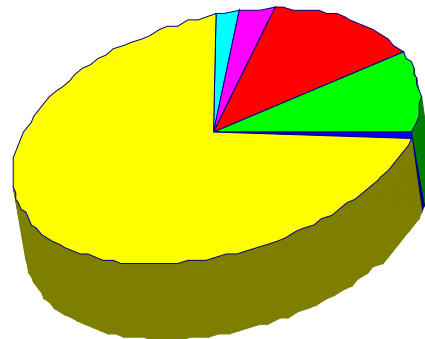
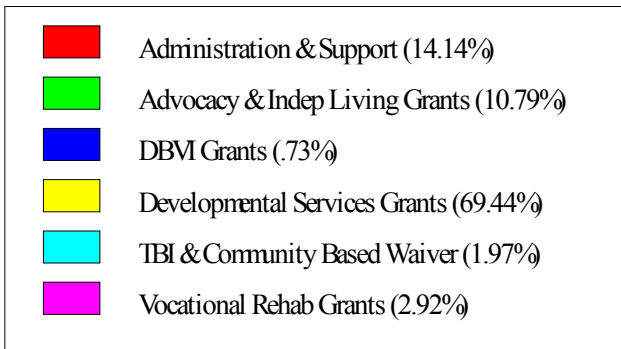
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

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 2010 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration & Support	305	316	293	27,150,887	27,920,113	27,439,397	28,456,624
Advocacy & Indep Living Grants	0	0	0	20,911,810	21,455,103	21,777,911	21,711,583
DBVI Grants	0	0	0	1,408,592	1,486,457	1,486,457	1,476,457
Vocational Rehab Grants	0	0	0	6,201,200	5,921,471	5,968,971	5,868,971
Developmental Services Grants	0	0	0	126,055,391	138,705,970	134,850,897	139,709,996
TBI & Community Based Waiver	0	0	0	3,435,535	4,127,448	4,127,448	3,962,350
TOTAL	305	316	293	185,163,415	199,616,562	195,651,081	201,185,981
FUND TYPE							
General Fund				18,505,692	18,760,978	18,677,083	18,898,470
Special Fund				1,408,053	1,350,598	1,350,598	1,306,935
Federal Revenue Fund				23,907,663	24,331,864	24,287,468	24,452,761
Global Commitment Fund				138,057,756	151,951,713	148,139,668	153,157,147
Interdepartmental Transfer				3,284,251	3,221,409	3,196,264	3,370,668
TOTAL				185,163,415	199,616,562	195,651,081	201,185,981



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration & Support**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration & Support**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	23,084,018	24,187,650	23,888,878	24,693,635
Operating Expenses	4,062,370	3,732,463	3,550,519	3,762,989
Grants	4,499	0	0	0
<hr/> TOTAL	<hr/> 27,150,887	<hr/> 27,920,113	<hr/> 27,439,397	<hr/> 28,456,624
FUND TYPE				
General Fund	6,605,247	6,709,033	6,364,367	6,952,639
Special Fund	1,067,619	941,685	941,685	1,068,022
Federal Revenue Fund	11,123,089	11,524,001	11,479,605	11,666,255
Global Commitment Fund	5,866,396	6,254,872	6,188,363	6,329,927
Interdepartmental Transfer	2,488,536	2,490,522	2,465,377	2,439,781
<hr/> TOTAL	<hr/> 27,150,887	<hr/> 27,920,113	<hr/> 27,439,397	<hr/> 28,456,624

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Advocacy & Indep Living Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,219,726	0	0	0
Grants	17,692,084	21,455,103	21,777,911	21,711,583
<hr/>				
TOTAL	20,911,810	21,455,103	21,777,911	21,711,583
FUND TYPE				
General Fund	9,859,069	10,006,493	10,229,301	9,973,447
Special Fund	28,600	0	0	0
Federal Revenue Fund	7,484,796	7,655,791	7,655,791	7,645,317
Global Commitment Fund	3,098,613	3,355,319	3,455,319	3,455,319
Interdepartmental Transfer	440,732	437,500	437,500	637,500
<hr/>				
TOTAL	20,911,810	21,455,103	21,777,911	21,711,583

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
DBVI Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Operating Expenses	(11)	0	0	0
Grants	1,408,603	1,486,457	1,486,457	1,476,457
<hr/> TOTAL	<hr/> 1,408,592	<hr/> 1,486,457	<hr/> 1,486,457	<hr/> 1,476,457
FUND TYPE				
General Fund	364,064	364,064	364,064	364,064
Special Fund	170,588	223,450	223,450	223,450
Federal Revenue Fund	623,940	648,943	648,943	648,943
Global Commitment Fund	250,000	250,000	250,000	240,000
<hr/> TOTAL	<hr/> 1,408,592	<hr/> 1,486,457	<hr/> 1,486,457	<hr/> 1,476,457

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vocational Rehab Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	6,201,200	5,921,471	5,968,971	5,868,971
<hr/> TOTAL	<hr/> 6,201,200	<hr/> 5,921,471	<hr/> 5,968,971	<hr/> 5,868,971
FUND TYPE				
General Fund	1,495,693	1,495,695	1,535,695	1,435,695
Federal Revenue Fund	4,350,524	4,132,389	4,132,389	4,132,389
Global Commitment Fund	0	0	7,500	7,500
Interdepartmental Transfer	354,983	293,387	293,387	293,387
<hr/> TOTAL	<hr/> 6,201,200	<hr/> 5,921,471	<hr/> 5,968,971	<hr/> 5,868,971

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Developmental Services Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	7,500	0	0	0
Grants	126,047,891	138,705,970	134,850,897	139,709,996
<hr/> TOTAL	<hr/> 126,055,391	<hr/> 138,705,970	<hr/> 134,850,897	<hr/> 139,709,996
FUND TYPE				
General Fund	181,619	185,693	183,656	172,625
Special Fund	141,246	185,463	185,463	15,463
Federal Revenue Fund	325,314	370,740	370,740	359,857
Global Commitment Fund	125,407,212	137,964,074	134,111,038	139,162,051
<hr/> TOTAL	<hr/> 126,055,391	<hr/> 138,705,970	<hr/> 134,850,897	<hr/> 139,709,996

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
TBI & Community Based Waiver**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	3,435,535	4,127,448	4,127,448	3,962,350
<hr/> TOTAL	<hr/> 3,435,535	<hr/> 4,127,448	<hr/> 4,127,448	<hr/> 3,962,350
FUND TYPE				
Global Commitment Fund	3,435,535	4,127,448	4,127,448	3,962,350
<hr/> TOTAL	<hr/> 3,435,535	<hr/> 4,127,448	<hr/> 4,127,448	<hr/> 3,962,350

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections

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

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, planning and a legal division staffed by the attorney general.

PAROLE BOARD

The Parole Board is an autonomous body that is included in the Corrections appropriation only for administrative purposes. The board reviews recommendations made by the Department to grant or revoke parole status. The Parole Board reviews all inmates in statutory reviews, and makes site visits to all facilities to perform parole hearings as required by law.

EDUCATION

The purpose of the Community High School of Vermont (CHSVT) is to provide an accredited, coordinated and personalized education that assists students in their academic, social and vocational successes. Through education, students in the custody of the Vermont DOC obtain the basic educational and job skills that allow a contribution to communities, as well as the economic health of our state upon release.

The Community High School of Vermont awarded 138 High School Diplomas in FY 2008.

CORRECTIONAL SERVICES

Correctional Services administers for the courts six Legal Sanctions:

Probation: An offender found guilty of a crime upon verdict or plea is released by the court without confinement, subject to the conditions and supervision by the Commissioner of Corrections. This is a

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Corrections

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

Supervised Community Sentence: Based on a law passed in 1990 that provides the legal framework for the intermediate sanctions, the judge sentences to a set of conditions and programs, as agreed by the Commissioner, under the supervision of the Parole Board. The offender is a step closer to incarceration. Violation occurs as a Parole Hearing, with lesser standards of proof and representation.

Pre-Approve Furlough: The offender is sentenced to a term of confinement, but with prior approval of the Commissioner, for immediate release on furlough. Furlough status is a community placement, but the revocation is administrative, and the rules for behavior more stringent.

Incarceration: The sentence is confinement to a correctional facility, under the care and custody of the Commissioner. Release is by the Parole Board, upon completion of the minimum term or placement on conditional reentry by the Commissioner.

Conditional Reentry: Up to 90 days prior to completion of the minimum term of sentence, the inmate may be released to the community, still under confinement, subject to conditions of reentry. This status is more restrictive than any other community based placement.

Parole: On completion of Conditional Reentry, or during the term of incarceration, on petition of the state or the inmate, the Parole Board may release the inmate on Parole, subject to the rules of the Parole Board, supervised by Corrections.

PROGRAMS:

Correctional Facilities

Central Correctional Facilities: Northern State (Newport) and Southern State (Springfield) hold and treat violent and sexual offenders serving long sentences.

Regional Correctional Facilities: Northeast Regional (St. Johnsbury), Chittenden Regional (South Burlington) 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 Windsor Community Work Camp (Windsor) provide less expensive incarceration for appropriate minimum security offenders

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Corrections

working in the community.

Facilities for Female Offenders: Northwest State Correctional Facility (St. Albans) provides incarceration for female 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, and 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. These offices manage the risk and monitor probation conditions for some 8,400 offenders on probation, 900 on intermediate sanctions, 975 on reentry from prison, and 1050 on parole.

Probation and Parole Offices provide information to the courts at sentencing and eligibility determination 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 17 Community Justice Centers that assist 71 reparative boards operating in 39 different Vermont communities. In the last year, these groups have included over 750 citizen volunteers who have developed sanctions and reparative plans for 1,331 offenders under DOC probation supervision, and a large number who were diverted from prosecution in Community Justice Centers.

Other Outcomes

There were no escapes from custody last year.

Failures to return under field supervision were down from 6.6% of the number furloughed to 4.7%.

New charges filed against persons under supervision are down from 18.1% of all charges in Vermont to 17.4% of all charges, a real reduction of 12.2% of new crimes.

Recidivism: Three year follow-up recidivism for the 2004 cohort is 50%, down significantly from the previous year's releases.

Reparation to the Community: Offender work hours decreased 1.6% to 409,700 person hours.

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Corrections

Community Involvement: More than 1,400 Vermonters volunteer time and services to inmates in prison, and through 17 Community Justice Centers and some 71 Reparative Boards.

CORRECTIONAL FACILITIES - RECREATION

The recreation fund is funded by the receipts from the commissary receipts from inmate commissary and telephone sales. 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 support for reentry after release, including housing.

CORRECTIONAL SERVICES - OUT-OF-STATE BEDS

Due to the current size and continued growth of the sentenced and detainee populations in Vermont, additional space to house inmates is provided using correctional facilities outside the state. The Out-of-State population (at this time +/- 620 inmates) is currently managed by the Out-of-State Unit, located in St. Johnsbury. This office coordinates the classification and movement of appropriate offenders between Vermont DOC facilities and out-of-state facilities located in Kentucky (approximately 540) and Alabama (approximately 80).

VERMONT OFFENDER WORK PROGRAMS (VOWP)

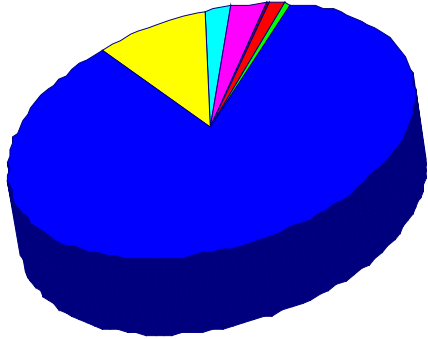
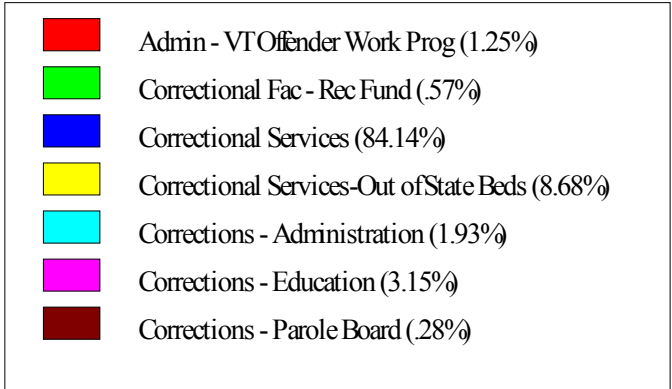
Vermont Offender Work Programs provides industrial and vocational training programs, as well as work opportunities through three divisions. The Vermont Correctional Industry (VCI) shops include a print shop, furniture manufacturing and assembly shop, a license plate and sheet metal shop, and other smaller correctional industries. The Caledonia Work Camp in St. Johnsbury provides many surrounding communities with work service crews that provide a wide variety of reparative services. Finally, the majority of Vermont DOC Probation and Parole Office 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, CRSU work crews maintain all 110 fishing access areas managed by the Department of Fish and Wildlife, Vermont State Parks sites, 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.

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Corrections

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Corrections - Administration	27	27	30	2,353,736	2,337,541	2,384,847	2,650,405
Corrections - Parole Board	3	3	3	397,952	379,449	377,361	378,495
Corrections - Education	58	58	55	4,233,633	4,374,469	4,232,970	4,322,827
Correctional Services	1,047	1,052	977	109,332,379	111,352,340	112,347,633	115,424,557
Correctional Fac - Rec Fund	9	9	7	808,494	1,126,998	1,094,684	785,820
Correctional Services-Out of State Beds	0	0	0	11,421,251	12,158,493	11,199,199	11,902,288
Admin - VT Offender Work Prog	20	19	16	1,683,410	3,282,548	3,282,548	1,709,076
TOTAL	1,164	1,168	1,088	130,230,855	135,011,838	134,919,242	137,173,468
FUND TYPE							
General Fund				121,804,060	125,347,310	125,359,437	129,595,999
Special Fund				955,871	2,223,461	2,141,147	1,732,283
Federal Revenue Fund				775,927	584,861	584,861	584,861
Global Commitment Fund				3,145,144	3,094,144	3,094,144	3,094,144
Internal Service Fund				1,683,410	3,282,548	3,282,548	1,709,076
Interdepartmental Transfer				1,866,443	479,514	457,105	457,105
TOTAL				130,230,855	135,011,838	134,919,242	137,173,468

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections**



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections - Administration**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections - Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,022,141	2,022,147	2,070,243	2,348,301
Operating Expenses	331,595	315,394	314,604	302,104
<hr/>				
TOTAL	<hr/> 2,353,736	<hr/> 2,337,541	<hr/> 2,384,847	<hr/> 2,650,405
FUND TYPE				
General Fund	2,353,736	2,337,541	2,384,847	2,650,405
<hr/>				
TOTAL	<hr/> 2,353,736	<hr/> 2,337,541	<hr/> 2,384,847	<hr/> 2,650,405

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections - Parole Board

Appropriation Key Budget Issues

The Parole board is an autonomous function, funded under the Department of Corrections for administrative purposes. The population served by the parole board continues to increase as the incarcerated population grows and is released to the community. The parole board also reviews an increasing number of offenders on parole after serving a sentence on supervised community sentence status. Although the statutory requirement 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.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections - Parole Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	320,652	317,373	319,240	320,374
Operating Expenses	77,300	62,076	58,121	58,121
<hr/> TOTAL	<hr/> 397,952	<hr/> 379,449	<hr/> 377,361	<hr/> 378,495
FUND TYPE				
General Fund	397,952	379,449	377,361	378,495
<hr/> TOTAL	<hr/> 397,952	<hr/> 379,449	<hr/> 377,361	<hr/> 378,495

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections - Education**

Appropriation Key Budget Issues

The VT DOC is statutorily mandated to provide education services for offenders in custody who are under the age of 23. Critical issues facing the education program include the provision of appropriate educational services to the offenders who are special education students. Other concerns include the ability to provide quality programs as both enrollment and funding based on enrollment decreases.

Performance Program Information

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Corrections - Education**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,558,099	4,032,390	3,892,691	4,016,553
Operating Expenses	675,527	342,079	340,279	306,274
Non Operating Exp Budget	7	0	0	0
<hr/>				
TOTAL	4,233,633	4,374,469	4,232,970	4,322,827
FUND TYPE				
General Fund	3,235,519	3,476,001	3,356,911	3,446,768
Special Fund	7,185	500,000	500,000	500,000
Interdepartmental Transfer	990,929	398,468	376,059	376,059
<hr/>				
TOTAL	4,233,633	4,374,469	4,232,970	4,322,827

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Correctional Services**

Appropriation Key Budget Issues

After finalizing the closure and reorganization of some correctional facilities in FY 2009, the Department will continue in its' efforts to reduce correctional costs and use these savings for reinvestment in programs that will ultimately reduce recidivism. VT DOC continues to be financially challenged by the staffing realities associated with operating 24/7 facilities. On-going budget issues within correctional services include funding for the annualization of pay act, DII/VISION/HRMS increases, and increases in expenditures for both the inmate health and mental health contracts. Other increases include regular inflationary items that impact facility operations (food and utilities) and fleet vehicle cost increases implemented in FY 2009. Current funding scenarios require the Department to provide the same levels of public safety with fewer staff (this includes the closure of both the Middlebury and Chelsea Probation & Parole Offices in early 2009). DOC is attempting to meet such challenges by centralizing financial processing staff, streamlining business processes and re-allocating resources as needed.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Correctional Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	76,681,988	77,382,681	78,104,558	79,057,565
Operating Expenses	29,569,731	32,273,859	32,347,275	34,763,094
Grants	3,080,556	1,695,800	1,895,800	1,603,898
Non Operating Exp Budget	104	0	0	0
<hr/> TOTAL	<hr/> 109,332,379	<hr/> 111,352,340	<hr/> 112,347,633	<hr/> 115,424,557
FUND TYPE				
General Fund	104,270,640	106,870,826	107,916,119	111,093,043
Special Fund	265,154	721,463	671,463	571,463
Federal Revenue Fund	775,927	584,861	584,861	584,861
Global Commitment Fund	3,145,144	3,094,144	3,094,144	3,094,144
Interdepartmental Transfer	875,514	81,046	81,046	81,046
<hr/> TOTAL	<hr/> 109,332,379	<hr/> 111,352,340	<hr/> 112,347,633	<hr/> 115,424,557

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund

Appropriation Key Budget Issues

The recreation fund is supported by the commission receipts from inmate commissary sales and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees for inmate recreational opportunities. Funds that are not expended in the year in which they are collected remain in the Recreation Fund to be used for this purpose in a subsequent year. In response to legislative mandate, inmate postage stamps are provided from this fund, as are some monies in support of the successful reentry of offenders. The recreation fund has struggled financially in recent years following the discontinuance of cigarette sales. Revenues continue to decrease due to the current national economic slowdown, as well as a recent (September 2008) reduction in the commission structure related to commissary items. To ensure that the inmate recreation fund can continue to be self supportive, the program will manage to the revenues collected and the \$125,000 general fund appropriation for offender mail.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	499,944	603,012	570,698	436,744
Operating Expenses	308,550	523,986	523,986	349,076
<hr/> TOTAL	<hr/> 808,494	<hr/> 1,126,998	<hr/> 1,094,684	<hr/> 785,820
FUND TYPE				
General Fund	124,962	125,000	125,000	125,000
Special Fund	683,532	1,001,998	969,684	660,820
<hr/> TOTAL	<hr/> 808,494	<hr/> 1,126,998	<hr/> 1,094,684	<hr/> 785,820

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds

Appropriation Key Budget Issues

As the population of incarcerated individuals in the State of Vermont continues to grow, our ability to house inmates in state-operated facilities will persistently be surpassed. At present, +/-620 male inmates are incarcerated outside the state in private correctional facilities. DOC recently negotiated a contract with a second provider of out-of-state beds, (LCS Corrections Services, Inc.). In an effort to reduce expenditures, DOC has initiated a sample placement of 80 offenders in FY 2009 with this new vendor in Alabama (at a significantly lower daily rate). If our initial placement with the new vendor is successful, we expect to achieve significant cost savings in this area in FY 2010. 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 2010 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	92,982	0	0	11,902,288
Operating Expenses	11,328,269	12,158,493	11,199,199	0
<hr/> TOTAL	<hr/> 11,421,251	<hr/> 12,158,493	<hr/> 11,199,199	<hr/> 11,902,288
FUND TYPE				
General Fund	11,421,251	12,158,493	11,199,199	11,902,288
<hr/> TOTAL	<hr/> 11,421,251	<hr/> 12,158,493	<hr/> 11,199,199	<hr/> 11,902,288

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

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 a downward trend in revenues due to the current economic climate. The goal of the Department is to stabilize the fund balance and minimize unnecessary expenditures until the fiscal environment improves and sales grow.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,112,544	1,372,913	1,372,913	1,154,973
Operating Expenses	570,866	1,909,635	1,909,635	554,103
<hr/> TOTAL	<hr/> 1,683,410	<hr/> 3,282,548	<hr/> 3,282,548	<hr/> 1,709,076
FUND TYPE				
Internal Service Fund	1,683,410	3,282,548	3,282,548	1,709,076
<hr/> TOTAL	<hr/> 1,683,410	<hr/> 3,282,548	<hr/> 3,282,548	<hr/> 1,709,076

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

Department Mission Statement

The Vermont Veterans' Home has been serving veterans for over 120 years. On April 1, 1887, the first Civil War Veteran was admitted to what would later become the Vermont Veterans' Home. In its earliest years, the Vermont Veterans' Home provided housing to one hundred and sixty veterans on a working farm in Bennington. That farm on the Northern gateway to town is now the site of our nursing care facility. We have changed over time but have maintained our rich tradition of serving veterans and their families. Our mission of "Fulfilling the Promise" is deeply ingrained in the culture of our Home.

The Vermont Veterans' Home is one of five skilled nursing facilities in Bennington County. We have a 177 bed skilled nursing facility with a 8 bed Residential Care Unit. We only consider Veterans, their spouses and Gold Star Parents for admission. Our facility has a certified Alzheimer's Unit and we are home to the nationally acclaimed and award winning "Namaste" program. The Namaste program is a palliative care program for those with a diagnosis of end stage dementia.

Clinically, our residents differ from those who reside in other skilled nursing facilities in that the population is overwhelmingly male, greater than 75 percent have a diagnosis of post traumatic stress disorder or depression, and many have little or no active family involvement, placing them at higher risk for negative outcomes. We continue our focus on meeting the individualized needs of our residents as veterans and as individuals. We do this by way of our skilled nursing services, skilled mental health services, a new and intensive rehabilitative service and an intensive recreational therapy program. All are designed to meet the special needs of our veteran population.

Although all Vermont veterans are eligible for admission, we currently serve residents from the following counties of Vermont: Addison, Bennington, Chittenden, Rutland, Windham, and Windsor. Additionally, since we receive Medicare and Medicaid funding and are unable to restrict admissions based on originating state, we also serve veterans from New York, Massachusetts, New Hampshire, North Carolina, and Pennsylvania.

The administration of the Vermont Veterans' Home continues to strive to:

- Assess and implement financial efficiencies without impacting resident services.
- Recruit and retain a high quality health care team.
- Continue to pursue and implement best practice programs and care interventions.
- Continue to foster and encourage residents to make their own life decisions while meeting their medical and psychosocial needs.

We look to 2010 as we continue to implement programmatic changes to improve the delivery of care to our residents:

- The development of a sub-acute wound care program.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Veterans' Home**

- Cultural changes to include alternate pain relieving techniques and improve the dining experience for our residents.
- Explore the provision of care for those veterans with traumatic brain injury.

In 2009 we will begin the internal work of the geo-thermal project. The major portion of work in this phase is the renovation of the existing Dom space into a 15 bed nursing unit

Description of Appropriations, Divisions, & Programs

The Vermont Veterans' Home is a component of the State of Vermont that provides skilled nursing, rehabilitative, psychological and domiciliary care to Veterans, spouses of Veterans and Gold Star Parents. The home generated over \$18 million of revenue in SFY '08 and provided over 58,000 days of resident care. Sources of funding were Medicare, Vermont and New York Medicaid, Private funds, other insurances and the stipends from the Veterans Administration. The budgeted revenue is based on a daily census of 159 skilled nursing and 4 domiciliary residents. This represents 90 % occupancy of available beds.

PROGRAMS:

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

1) **DEMENTIA CARE** - The Vermont Veterans' Home is the site of "Namaste", a world acknowledged dementia program. This program has 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 palliative care library serves as both a quiet place to go and a resource for end of life issues. Our Chapel continues to be available for both residents and their families.

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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

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

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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Veterans' Home**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Care and Support Services	225	222	222	16,868,758	17,497,324	18,202,831	18,258,823
<hr/> TOTAL	<hr/> 225	<hr/> 222	<hr/> 222	<hr/> 16,868,758	<hr/> 17,497,324	<hr/> 18,202,831	<hr/> 18,258,823
FUND TYPE							
Special Fund				10,909,211	10,675,489	11,380,996	10,931,473
Federal Revenue Fund				5,046,500	5,940,546	5,940,546	6,490,125
Global Commitment Fund				913,047	881,289	881,289	837,225
<hr/> TOTAL				<hr/> 16,868,758	<hr/> 17,497,324	<hr/> 18,202,831	<hr/> 18,258,823

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Care and Support Services**

Appropriation Key Budget Issues

**Vermont Veterans' Home
2008 Budget Assumptions**

Operations

- The geo-thermal/renovation project will have no budgetary impact to the Home's operations. Phase 1 will be completed by summer of 2007, providing air-conditioning and a new heating system to the Home's common areas. Phase 2 and 3 are contingent on CON approval which is expected in late 2007. Phase 2 and 3 will have a major impact on the 2009 budget.
- Maintenance of the Home's plant is always a concern. In 2007 the Home received a special appropriation through BGS to maintain and repair crucial elements of the heating system. These funds are not included in the 2008 budget request.
- The Home usually operates several LNA classes for expectant employees to become nursing assistants. These were eliminated in the 2008 budget.
- As part of Phase 2 and 3 of the geothermal/renovation project the Home will need to reduce its bed compliment. While the exact number is contingent on final construction designs and the CON process, this budget assumes a reduction of 15 beds and therefore a reduction of the bed tax. This should have no impact on the census.
- In October 2006, the Home changed its therapy provider in order to have a more integrated and comprehensive service. We have budgeted for an increase expense which is more than offset by increases in part B revenue.

Revenue

- The Veterans' Home budgeted for an average daily census of 156 nursing and 4 domiciliary days. This is a reduction of 1 from the 2007 budget and a little below the current level of activity.
- Medicare A residents are budgeted at 14, down 2 from the 2007 budget. The Medicare rate remains at \$300 a day.
- Vermont Medicaid rate is \$190 a day, our current actual rate. NY Medicaid is budgeted at the same amount. We have received notification that they will increase their payment to us.
- Part B revenue budget increased to \$338,000 based on the new service provider.
- An increase in private pay charges is incorporated in this budget. Effective January 2007 the charge will be \$224 semi-private and \$235 for a private room. We expect the charge to increase another 5% in 2008.
- The global commitment funds remain level at \$913,057.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Care and Support Services**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Care and Support Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	13,284,380	14,202,744	14,198,251	14,896,756
Operating Expenses	3,584,378	3,294,580	4,004,580	3,362,067
<hr/> TOTAL	<hr/> 16,868,758	<hr/> 17,497,324	<hr/> 18,202,831	<hr/> 18,258,823
FUND TYPE				
Special Fund	10,909,211	10,675,489	11,380,996	10,931,473
Federal Revenue Fund	5,046,500	5,940,546	5,940,546	6,490,125
Global Commitment Fund	913,047	881,289	881,289	837,225
<hr/> TOTAL	<hr/> 16,868,758	<hr/> 17,497,324	<hr/> 18,202,831	<hr/> 18,258,823

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Department Mission Statement

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

Core Values: The Commission operates with these tenets in mind:

*that all women and girls must have the opportunity and be encouraged to participate fully in society for the betterment of the lives of all.

*that all women should be able to live with justice, equity, freedom, dignity, privacy, equality, economic self-sufficiency, mental and physical health, and well-being.

The Commission is comprised of 16 Commissioners, appointed by multiple appointing authorities, and drawn throughout the state and from diverse backgrounds. An Advisory Council, representing various organizations, provides information on the concerns of Vermont women and assists the Commission with the fulfillment of its responsibilities.

Description of Appropriations, Divisions, & Programs

The Commission is the only state entity singularly focused on women's economic and social well-being. The activities of the Commission are organized into three program areas: information and referral, public education, and public policy, and the Commission work is guided by a strategic plan, summarized below:

PRIORITY AREA #1: ECONOMIC EQUITY & SECURITY

Goal: Women will have support to balance work and family life.

Goal: Women and men will earn equal pay and a livable wage.

Goal: Workplaces will be free of gender bias and harassment.

PRIORITY AREA #2: LEADERSHIP & PUBLIC LIFE

Goal: Legislature will increase its knowledge of women's issues.

Goal: Women will be influential leaders.

Goal: Vermonters will value the contributions of women now and in the future by better understanding their past.

PRIORITY AREA #3: HEALTH, SAFETY, & CIVIL RIGHTS

Goal: Women will live free of violence and have access to the health care they need.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Commission on Women

PRIORITY AREA #4: EDUCATION AND HUMAN DEVELOPMENT

Goal: Schools will be free of gender bias and harassment.

Goal: Women and girls will have equal access to math, science, and technology education.

Goal: Women will be supported at all key points in their lifelong development.

PRIORITY AREA #5: VERMONT WOMEN'S HISTORY PROJECT

Goal: Develop and maintain a web site that will provide a central directory to the primary and secondary historical resources about Vermont women.

Goal: Create programs for educators to learn a new historical narrative and develop more inclusive curricula.

Goal: Promote educational programs designed to broaden historical perspectives on women.

Goal: Provide information on cultural and heritage tourism activities and educational opportunities in Vermont related to women's history.

Goal: Encourage further historical research on Vermont women.

Goal: Maximize effectiveness by collaborating with the academic community, and partnering with public and private organizations.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Commission on Women**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Commission on Women	3	3	3	298,817	280,538	296,879	291,905
<hr/> TOTAL	<hr/> 3	<hr/> 3	<hr/> 3	<hr/> 298,817	<hr/> 280,538	<hr/> 296,879	<hr/> 291,905
FUND TYPE							
General Fund				264,764	275,538	276,081	286,905
Special Fund				1,039	5,000	5,000	5,000
Interdepartmental Transfer				33,014	0	15,798	0
<hr/> TOTAL				<hr/> 298,817	<hr/> 280,538	<hr/> 296,879	<hr/> 291,905

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Commission on Women**

Appropriation Key Budget Issues

Seventy eight percent of the Commission's budget is for personal services, providing for 2.75 FTE staff positions. Fourteen percent is for allocated expenses such as fee-for-space and VISION. The remaining eight percent covers all other operating expenses, such as commissioner travel reimbursement (mandated), staff travel, phone, printing/publications, postage, membership/dues, the copier lease, computer repair and maintenance.

Staff share responsibilities for implementation in all program areas; capital needs are met by utilizing recycled equipment from other state departments, and interns and volunteers are relied upon for many Commission activities.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Commission on Women**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	248,422	218,912	235,490	224,632
Operating Expenses	50,395	61,626	61,389	67,273
<hr/> TOTAL	<hr/> 298,817	<hr/> 280,538	<hr/> 296,879	<hr/> 291,905
FUND TYPE				
General Fund	264,764	275,538	276,081	286,905
Special Fund	1,039	5,000	5,000	5,000
Interdepartmental Transfer	33,014	0	15,798	0
<hr/> TOTAL	<hr/> 298,817	<hr/> 280,538	<hr/> 296,879	<hr/> 291,905

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program**

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 2,430 volunteers who, in grant year 2008, gave 358,812 hours of service to over 629 community non-profit organizations. These organizations include schools, aging programs, cultural organizations, libraries, hospitals, social service agencies, health care organizations, and many others.

State funding has been provided since FY 77 under Act No. 185 of the 1977 Adjourned Session. The Act reads: "funds shall be administered by the Department of Aging and Disabilities and be disbursed by it to each local program to meet direct costs incurred by supporting volunteers such as insurance, travel, and meals".

State funds are awarded, based on an agreed-upon formula, to the following non-profit agencies who sponsor RSVP programs:

- United Way of Chittenden County, Grantee for Chittenden County RSVP
- Rutland Mental Health Services, Inc., Grantee for Addison and Rutland County RSVP
- Green Mt Chapter of American Red Cross, Grantee for Green Mountain RSVP serving Windham, and Windsor Counties.
- Green Mountain Community Network for Bennington County.
- Central VT Council on Aging, Grantee for RSVP for Central Vermont (Washington, Orange, Lamoille Counties) and Northeast Kingdom (Orleans, Essex & Caledonia Counties).

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Retired Senior Volunteer Program	0	0	0	131,096	131,096	131,096	131,096
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096
FUND TYPE							
General Fund				131,096	131,096	131,096	131,096
<hr/> TOTAL				<hr/> 131,096	<hr/> 131,096	<hr/> 131,096	<hr/> 131,096

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 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 2010 BUDGET RECOMMENDATIONS
Department of Labor**

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

During this next year the department will look for further ways to improve service to Vermont's businesses and workforce. The department has updated its website to assist the user to more easily access information and services from all divisions. The department, with federal funding, is implementing internet based employer reporting systems and is working with the Tax Department and Secretary of State to create an internet based employer registration system.

The Department of Labor's total fiscal 2010 request is approximately \$29.5 million. 72 percent of the funding is federal with 12 percent special funds, 8 percent general funds and 8 percent interdepartmental transfer.

Economic and Labor Market Information

The Economic and Labor Market Information Division, in cooperation with the US Bureau of Labor Statistics, surveys businesses and utilizes information from the Current Population Survey to produce a wide variety of information on jobs, the labor force, occupations, and workplace injuries and deaths. The division also produces a number of reports for the US Department of Labor's Employment and Training Administration. The Economic and Labor Market Information Division has 13 employees. Its funding is 100 percent federal. There remains a threat of significant federal budget cuts to this activity.

Information generated by the Division is used by other state agencies particularly the Department of Economic Development and the Regional Development Corporations. We produce monthly reports disseminated to and used by a wide variety of Vermont businesses. The Division can produce certain specialized reports upon request.

Unemployment Insurance and Wages

The 85 employees of the Unemployment Insurance and Wages Division process claims for unemployment compensation, ensure employers are covered, and collect the necessary contributions.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Department of Labor

The division processes approximately 350,000 weekly claims for unemployment benefits, resolves 16,000 disputed claims and processes 92,000 employer reports annually. Benefit payments in federal fiscal year 2008 totaled \$89 million. Federal funds account for 97 percent of the division's resources and pay for unemployment insurance activities.

The Benefit Accuracy Measure and Tax Performance System programs test methods and procedures, many of which are related to federally mandated performance measures. Program Integrity Unit audits paid unemployment benefits to detect and administer improper payments stemming from unreported employment, resulting in credit adjustments to taxable employers. The Employer Services Unit and Unemployment Claims Center handle employer and claimant unemployment insurance needs.

Wage and hour staff receives over 12,000 inquiries from businesses and workers and pursues about 400 wage claims each year. The Wage and Hour program works closely with employers and employees to educate them of their rights and responsibilities under the Vermont employment laws as well as oversees the program to get mandatory postings out to Vermont employers. The division also provides information about wage and hour and child labor laws and resolves wage disputes. The 2.5 FTE wage and hour staff is supported with general funds.

The Division completed the following projects during the past year.

- Automatic cross-match with the Social Security Administration files to reduce identity theft and UI fraud.
- Internet based registration program; in the future, Secretary of State and Tax Department applications will be prefilled with redundant data already provided to VDOL.
- Totally immersed in developing processes, methods, and procedures to handle reporting and collection of contributions due on "uncovered" workers related to the 2006 Health Care Reform bill.
- Updating the computer system that accepts weekly unemployment claims. (enterprise project with DII, Tax, and DMV).

The Division continues work on developing and implementing several improvements including:

- Various Internet applications to assist claimants and employers with responding to department request and/or accessing/updating individual account information.
- Electronic benefit payments
- Enhancing cross-match of state and national New Hire directory in order to identify potential fraud.

Workforce Development Council

The Workforce Development Council is designated as the State Workforce Investment Board under the

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Department of Labor

Federal Workforce Investment Act, and under State law 10 VSA 541. The Council advises the Governor on the development and implementation of a comprehensive, flexible and responsive workforce education and training system. The Council, by law, has a business majority to help ensure that the workforce development efforts of the public members of the Council are consistent with business needs.

The Department serves as fiscal agent for the Council and staff are housed at our offices at 5 Green Mountain Drive. Limited funding is provided to the Council from the Department and the federal government.

Workers' Compensation and Safety

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

The division's goal is to:

- Reduce injuries and shorten time for those injured to return to work.
- Make safety a "core" value for all employers
- Lower workers' compensation costs

The division's strategy is to:

- Combine labor market information and workers' compensation to better determine what sectors need the most focus.
- Reach out to the medical community, employer groups, health and safety associations, insurers and others to reduce injuries and identify efficiencies.
- Acknowledge and commend those employers in Vermont who have successful workplace safety programs.

The Workers' Compensation program of the division ensures that workers who are injured because of work receive medical and disability compensation from the employer or employer's insurance company. The 17 staff provides dispute resolution, including form audits, mediation, adjudication, and compliance reviews. Annually the division receives 22,000 injury reports. Approximately 8,100 of the injuries involve lost work time of three or more days. 6,400 cases involve dispute resolution and roughly 60 went to formal hearing. The Workers' compensation Program at VDOL is funded by an assessment on workers' compensation premiums. Because it is anticipated that premiums will be reduced in calendar year 2009, it may be necessary to increase the assessment rate this year. In addition, program staff track employer compliance with Vermont's workers' compensation laws, and investigate alleged fraud. Where non-compliance or fraud is identified, administrative sanctions and penalties are issued. During the last fiscal year, approximately 60 investigations were conducted and a dozen administrative citations and penalties were issued. It is important to note the Department does NOT set worker's compensation insurance rates. That function is performed by the Banking, Insurance, Securities and Health Care Administration.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Department of Labor

The Vermont Occupational Safety and Health Administration (VOSHA) works to ensure that all persons are provided safe and healthy conditions at their workplace. Activities include inspecting workplaces for violations of VOSHA standards and imposing penalties when violations are not corrected. In addition compliance officers investigate serious workplace accidents. The VOSHA inspections at Vermont businesses are mandatory. The department also recognizes businesses for their efforts in workplace safety with programs such as the Voluntary Protection Program (VPP). The 13 employees are funded on a 50 percent federal, 50 percent general fund basis.

Project WorkSAFE provides voluntary consulting services to employers wishing to improve the health and safety condition of the workplace. Its six employees are funded with a combination of federal and state funds. Seventy-five to eighty percent of the funding is federal and the remainder is a mixture of general funds and funding from the workers' compensation administrative fund.

The Employers traffic safety program provides educational outreach to employers concerning employee travel related hazards. Travel related accidental injury or death continues to be a significant problem in Vermont and nationally. The program provides a regular safety newsletter, and works closely with the Governor's Highway Safety Council, and industry groups to promote awareness and traffic safety education. The one employee in this program is funded through a federal grant.

The Passenger Tramway Program inspects the construction, operation and maintenance of ski tows, lifts and trams and monitors them for compliance with state regulations. Each year there are about 250 injuries related to ski lifts over the course of 4 million skier days. Vermont's 26 ski areas pay the cost of this program. There are three inspectors.

Workforce Development

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

- The Next Generation Program offers a variety of services designed to help Vermonters learn about careers, complete high school, develop a relationship with a Vermont business and gain skills to get or keep a good paying job. In the most recent year, 3,700 youth participated in career develop activities, 90 students participated in alternative education, 470 youth participated in internships, 500 people learned skills need for new jobs, and 750 individuals upgraded their skills and wages.
- The Workforce Investment Act serves 1,300 disadvantaged youth, adults, and dislocated workers with case management and training assistance.
- The Apprenticeship program enables more than 900 incumbent workers to learn new skills through a combination of on-the-job training and classroom instruction. The apprenticeship program is supported with 70 percent general funds and 30 percent special funds. It should be noted enrollment in the Apprenticeship program is at an all time high since the program came to

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Department of Labor

- VDOL. Demand for these services is increasing.
- The Employment Service helps match employers and job seekers. Twelve thousand individuals, 76 percent of those exiting programs managed by the department, find employment after receiving services through this program.
 - The Workforce Education and Training Fund has \$200,000 from the general fund to assist businesses develop and implement training to improve skills to assist unemployed and under-employed workers. The application process for this funding has recently been simplified. This remains a very popular program to help employees or potential employees to develop the skills needed by Vermont employers.
 - The Reach-Up Program services are administered by VDOL under an agreement with the Department for Children and Families, the division provides case management and employment services to more than 1,500 individuals on public assistance.
 - The Division also oversees federal discretionary grant programs that currently total approximately \$900,000.

The Division is working towards:

Implementing a Demand-Driven System that will focus on and respond to employer needs.

Finalizing implementation of a New Service Delivery system for Workforce Development.

Administering the Interagency Committee within State Government to coordinate the State's response to workforce development needs

Maintaining a Seamless Continuum of Workforce Development and Training Services

Maintaining a Career Development Website System, supported by VDOL and VSAC

Expanding the use of existing training resources to include Apprenticeship Programs, OJT,

Workforce Education and Training Fund (WETF), and collaboration with all VDOL training partners.

Developing, applying for, and administering federal discretionary grants.




Administration

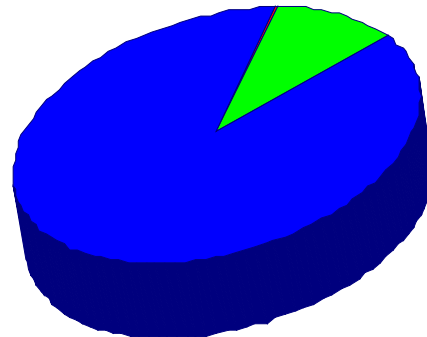
Administration consists of the commissioner's office, the business office, human resources, information technology, building maintenance and other support activities. The cost of administration is allocated across the various programs based upon a federally approved allocation formula, which focuses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

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Department of Labor**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
VDOL Program	276	255	253	24,337,389	25,804,372	25,705,854	26,197,417
VDOL Administration	40	34	34	3,142,704	3,201,189	3,295,941	3,294,754
Domestic Violence	0	0	0	0	15,000	30,000	30,000
<hr/>							
TOTAL	316	289	287	27,480,093	29,020,561	29,031,795	29,522,171
FUND TYPE							
General Fund				2,991,392	2,307,673	2,404,280	2,282,357
Special Fund				3,543,685	3,695,180	3,629,596	3,637,300
Federal Revenue Fund				18,498,472	20,613,870	20,595,650	21,198,676
Interdepartmental Transfer				2,446,544	2,403,838	2,402,269	2,403,838
<hr/>							
TOTAL				27,480,093	29,020,561	29,031,795	29,522,171

	Domestic Violence (.1%)
	VDOL Administration (11.16%)
	VDOL Program(88.74%)



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VDOL Program

Appropriation Key Budget Issues

The challenges discussed last year remain the same, but the national economic downturn will add additional burdens. Population growth for Vermont is slower than the national average. The existing workforce is aging which makes it more susceptible to workplace injury and the baby boom generation is approaching retirement. These demographic changes are creating difficulty finding skilled labor for many Vermont businesses. Skilled workers are leaving and there is difficulty finding suitable replacements. There is an increased demand for services to help locate and train workers needed to replace retiring specialized craft people. There are also increased requests for assistance in helping avoid workplace accidents and injuries.

The nation is facing an economic crisis. The demand for unemployment insurance, job finding and job training assistance increases during economic downturns. The challenge to meet the increased demand will, do doubt, be made more difficult if our federal funding remains level. However, if the proposed economic stimulus bill is passed, funds should become available not only to help administer an extension of unemployment benefits, but also fund increased training programs to shorten the time workers spend without employment.

VDOL has automated extensively in the past. The related efficiencies helped meet funding and staffing reductions in the past. The ‘low hanging fruit’ have been harvested so meeting current challenges will be difficult. Temp help now picks up the slack when systems become overloaded.

Explanation of Significant Changes:

Workers’ Compensation functions are funded through an assessment on insurance premiums paid to the insurance companies. Fortunately, workers’ compensation claims and related premiums have are declining. The decline in claims and premiums is not reflected in the workload. Fewer but more complicated cases continue to place a heavy demand for VDOL’s dispute resolution services. There is also an increased demand from employers, organized labor, and the Legislature to more actively pursue fraud on the part employers and workers and also premium avoidance. The net result is that administrative costs to VDOL have not declined. And, as the dollar value of premiums declines the assessment rate must increase to cover those costs.

The aging of the workforce, declining population growth and increased use of technology created a perfect storm for Vermont’s labor market. The major state response has been the Next Generation programs. The demand for those programs exceeds resources in most areas. The current economic climate will likely add to that demand. Next Generation is an investment in Vermont’s economic future and in the future of Vermont’s youth and adults.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VDOL Program**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VDOL Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	20,264,518	19,338,810	19,243,378	19,806,391
Operating Expenses	5,428,589	4,800,562	4,795,640	4,726,026
Grants	(1,355,718)	1,665,000	1,666,836	1,665,000
<hr/>				
TOTAL	24,337,389	25,804,372	25,705,854	26,197,417
 FUND TYPE				
General Fund	2,782,052	2,100,525	2,077,244	2,058,632
Special Fund	3,240,872	3,287,808	3,223,164	3,315,766
Federal Revenue Fund	16,191,239	18,309,290	18,299,025	18,786,531
Interdepartmental Transfer	2,123,226	2,106,749	2,106,421	2,036,488
<hr/>				
TOTAL	24,337,389	25,804,372	25,705,854	26,197,417

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VDOL Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	0	2,460,451	2,572,119	2,717,207
Operating Expenses	0	740,738	723,822	577,547
Grants	3,142,704	0	0	0
<hr/> TOTAL	<hr/> 3,142,704	<hr/> 3,201,189	<hr/> 3,295,941	<hr/> 3,294,754
FUND TYPE				
General Fund	209,340	207,148	327,036	223,725
Special Fund	302,813	392,372	376,432	291,534
Federal Revenue Fund	2,307,233	2,304,580	2,296,625	2,412,145
Interdepartmental Transfer	323,318	297,089	295,848	367,350
<hr/> TOTAL	<hr/> 3,142,704	<hr/> 3,201,189	<hr/> 3,295,941	<hr/> 3,294,754

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Domestic Violence**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	0	15,000	30,000	30,000
TOTAL	0	15,000	30,000	30,000
FUND TYPE				
Special Fund	0	15,000	30,000	30,000
TOTAL	0	15,000	30,000	30,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Education

Department Mission Statement

Mission

We provide leadership and support to help all Vermont students achieve excellence.

Vision

The State Board of Education and the Department of Education shall sustain a vision of high skills, creative thinking, and love of knowledge and learning for every student while ensuring student achievement in a safe and healthy learning environment.

In 2004, the Board, Commissioner Cate, and the Department developed a strategic plan. The plan, complete with objectives, strategies and indicators, guides the work of the Board and the Department. Each year, the Board revisits the plan and highlights specific focus strategies for the upcoming year. The guiding principles of the five-year plan are expressed in the five goals listed below, which are based on the respective Board and department roles and responsibilities.

- I. Support high-quality, innovative instruction to improve student achievement
- II. Provide and promote high-quality educational leadership
- III. Promote safe and positive learning environments
- IV. Build department capacity to best support external needs
- V. Practice and promote effective use of all resources

Description of Appropriations, Divisions, & Programs

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

Education Programs: The six major areas comprising education programs are Educator Quality, Independent School and Federal Programs, Lifelong Learning, Safe and Healthy Schools, Standards and Assessment, and Student Support. Each of these areas provides technical assistance and program support for Vermont's education system. The types of programs supported range from special education for preschool aged children to literacy skills for adults.

The remainder of the education budget is composed of the following programs.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Education

Tobacco: Tobacco Use Prevention funds administered by the Department of Education awarded directly to schools to conduct research-based tobacco prevention programs.

Act 117: Responsible for strengthening regular education capacity to better meet the needs of all students outside of special education programs, addressing staff shortages in special education instruction and special education administration, developing a consistent approach to decision-making regarding special education eligibility, and enhancing prevention and intervention in the areas of early literacy and emotional and behavioral skills problems.

Adult Education and Literacy: Funding for the four community nonprofit organizations which deliver the statewide adult basic education program distributed through a county needs-based formula.

Small Schools Grant: Grant to assist small schools with high per pupil fixed costs. Available to schools with enrollment of less than 100 students or less than 20 students per grade.

Special Education Formula: State share of special education funding including a block grant, reimbursement for extraordinary expenses, and intensive reimbursement.

State Placed Students: Reimbursement to Local Education Agency's for non mainstream special education services and residential placements for students placed by the Department of Social and Rehabilitation Services or the Department of Mental Health in a school district outside of the parents' district of residence.

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

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

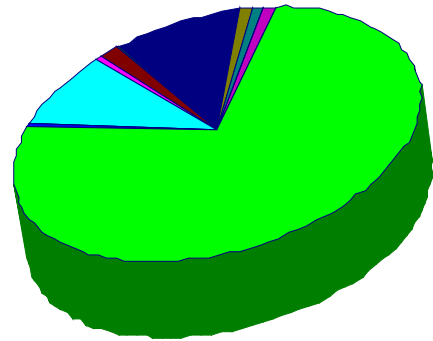
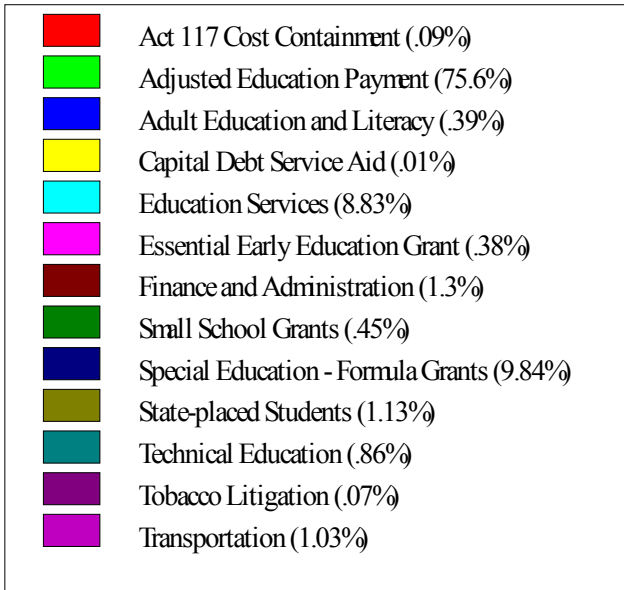
Education Grant: Funding for education spending under act 68 being implemented for the first time in FY 2005. The education spending amount makes up about 80 percent of school budgets statewide. Funding for education spending under Act 130 is being fully implemented for the first time in FY2009. Union school districts will not assess union education spending to member districts. Funding for union education spending will come directly from the State Education Fund rather than the member districts.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Education

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Finance and Administration	63	64	62	17,580,487	17,632,708	17,314,849	18,909,222
Education Services	133	121	114	115,423,925	126,048,620	125,417,389	127,961,639
Special Education - Formula Grants	0	0	0	133,827,212	142,687,975	142,760,620	142,687,975
State-placed Students	0	0	0	14,053,793	15,767,500	18,386,176	16,367,500
Adult Education and Literacy	0	0	0	5,006,782	5,315,885	6,055,316	5,713,656
Adjusted Education Payment	0	0	0	938,917,680	1,115,355,604	1,112,291,525	1,096,025,219
Transportation	0	0	0	14,453,479	15,002,711	15,002,711	15,002,711
Small School Grants	0	0	0	6,093,552	6,565,714	6,565,714	6,565,714
Capital Debt Service Aid	0	0	0	224,407	218,540	218,540	188,000
Tobacco Litigation	2	2	2	942,472	995,668	988,917	988,917
Essential Early Education Grant	0	0	0	5,095,041	5,517,841	5,517,841	5,517,841
Technical Education	0	0	0	11,115,908	12,411,841	12,744,232	12,466,259
Act 117 Cost Containment	15	15	12	1,199,134	1,330,722	1,241,779	1,282,705
TOTAL	213	202	190	1,263,933,872	1,464,851,329	1,464,505,609	1,449,677,358
FUND TYPE							
General Fund				13,717,554	13,963,125	12,908,263	12,454,310
Transportation Fund				127,483	127,483	0	0
Education Fund				1,124,964,795	1,315,047,726	1,315,843,636	1,296,841,219
Special Fund				15,307,049	15,695,107	15,651,031	17,087,218
Federal Revenue Fund				108,619,690	118,910,533	118,995,324	122,175,933
Global Commitment Fund				1,002,730	1,075,143	1,075,143	1,088,212
Interdepartmental Transfer				194,571	32,212	32,212	30,466
TOTAL				1,263,933,872	1,464,851,329	1,464,505,609	1,449,677,358

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Education**



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Finance and Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,798,148	5,161,711	4,937,942	5,173,188
Operating Expenses	1,768,972	1,713,880	1,619,790	1,651,304
Grants	11,013,367	10,757,117	10,757,117	12,084,730
<hr/> TOTAL	<hr/> 17,580,487	<hr/> 17,632,708	<hr/> 17,314,849	<hr/> 18,909,222
FUND TYPE				
General Fund	3,454,782	3,506,583	3,186,125	3,409,206
Special Fund	11,458,271	11,383,118	11,383,118	12,626,342
Federal Revenue Fund	1,866,474	1,890,747	1,893,346	2,010,732
Global Commitment Fund	772,730	845,143	845,143	858,212
Interdepartmental Transfer	28,230	7,117	7,117	4,730
<hr/> TOTAL	<hr/> 17,580,487	<hr/> 17,632,708	<hr/> 17,314,849	<hr/> 18,909,222

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Education Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	11,777,559	12,608,878	12,564,268	13,051,696
Operating Expenses	2,064,511	1,889,869	1,860,462	1,873,037
Grants	101,581,855	111,549,873	110,992,659	113,036,906
<hr/> TOTAL	<hr/> 115,423,925	<hr/> 126,048,620	<hr/> 125,417,389	<hr/> 127,961,639
FUND TYPE				
General Fund	7,545,374	7,766,318	7,134,143	6,457,109
Transportation Fund	127,483	127,483	0	0
Special Fund	1,707,172	1,985,599	2,037,217	2,189,254
Federal Revenue Fund	105,877,555	116,144,125	116,220,934	119,289,540
Interdepartmental Transfer	166,341	25,095	25,095	25,736
<hr/> TOTAL	<hr/> 115,423,925	<hr/> 126,048,620	<hr/> 125,417,389	<hr/> 127,961,639

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Special Education - Formula Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	133,827,212	142,687,975	142,760,620	142,687,975
<hr/> TOTAL	<hr/> 133,827,212	<hr/> 142,687,975	<hr/> 142,760,620	<hr/> 142,687,975
FUND TYPE				
Education Fund	133,597,212	142,457,975	142,530,620	142,457,975
Global Commitment Fund	230,000	230,000	230,000	230,000
<hr/> TOTAL	<hr/> 133,827,212	<hr/> 142,687,975	<hr/> 142,760,620	<hr/> 142,687,975

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State-placed Students**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	14,053,793	15,767,500	18,386,176	16,367,500
<hr/> TOTAL	<hr/> 14,053,793	<hr/> 15,767,500	<hr/> 18,386,176	<hr/> 16,367,500
FUND TYPE				
Education Fund	14,053,793	15,767,500	18,386,176	16,367,500
<hr/> TOTAL	<hr/> 14,053,793	<hr/> 15,767,500	<hr/> 18,386,176	<hr/> 16,367,500

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Adult Education and Literacy**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	5,006,782	5,315,885	6,055,316	5,713,656
<hr/> TOTAL	<hr/> 5,006,782	<hr/> 5,315,885	<hr/> 6,055,316	<hr/> 5,713,656
FUND TYPE				
General Fund	2,717,398	2,690,224	2,587,995	2,587,995
Education Fund	1,413,723	1,750,000	2,586,277	2,250,000
Federal Revenue Fund	875,661	875,661	881,044	875,661
<hr/> TOTAL	<hr/> 5,006,782	<hr/> 5,315,885	<hr/> 6,055,316	<hr/> 5,713,656

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Adjusted Education Payment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Grants	938,917,680	1,115,355,604	1,112,291,525	1,096,025,219
<hr/> TOTAL	<hr/> 938,917,680	<hr/> 1,115,355,604	<hr/> 1,112,291,525	<hr/> 1,096,025,219
FUND TYPE				
Education Fund	938,917,680	1,115,355,604	1,112,291,525	1,096,025,219
<hr/> TOTAL	<hr/> 938,917,680	<hr/> 1,115,355,604	<hr/> 1,112,291,525	<hr/> 1,096,025,219

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Transportation**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	14,453,479	15,002,711	15,002,711	15,002,711
<hr/> TOTAL	<hr/> 14,453,479	<hr/> 15,002,711	<hr/> 15,002,711	<hr/> 15,002,711
FUND TYPE				
Education Fund	14,453,479	15,002,711	15,002,711	15,002,711
<hr/> TOTAL	<hr/> 14,453,479	<hr/> 15,002,711	<hr/> 15,002,711	<hr/> 15,002,711

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Small School Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	6,093,552	6,565,714	6,565,714	6,565,714
TOTAL	6,093,552	6,565,714	6,565,714	6,565,714
FUND TYPE				
Education Fund	6,093,552	6,565,714	6,565,714	6,565,714
TOTAL	6,093,552	6,565,714	6,565,714	6,565,714

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Capital Debt Service Aid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	224,407	218,540	218,540	188,000
TOTAL	224,407	218,540	218,540	188,000
FUND TYPE				
Education Fund	224,407	218,540	218,540	188,000
TOTAL	224,407	218,540	218,540	188,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tobacco Litigation**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	159,023	142,152	142,062	131,153
Operating Expenses	57,237	18,114	18,114	57,584
Grants	726,212	835,402	828,741	800,180
<hr/> TOTAL	<hr/> 942,472	<hr/> 995,668	<hr/> 988,917	<hr/> 988,917
FUND TYPE				
Special Fund	942,472	995,668	988,917	988,917
<hr/> TOTAL	<hr/> 942,472	<hr/> 995,668	<hr/> 988,917	<hr/> 988,917

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Essential Early Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	5,095,041	5,517,841	5,517,841	5,517,841
TOTAL	5,095,041	5,517,841	5,517,841	5,517,841
FUND TYPE				
Education Fund	5,095,041	5,517,841	5,517,841	5,517,841
TOTAL	5,095,041	5,517,841	5,517,841	5,517,841

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Technical Education**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	11,115,908	12,411,841	12,744,232	12,466,259
<hr/> TOTAL	<hr/> 11,115,908	<hr/> 12,411,841	<hr/> 12,744,232	<hr/> 12,466,259
FUND TYPE				
Education Fund	11,115,908	12,411,841	12,744,232	12,466,259
<hr/> TOTAL	<hr/> 11,115,908	<hr/> 12,411,841	<hr/> 12,744,232	<hr/> 12,466,259

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Act 117 Cost Containment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	924,211	1,118,415	1,029,472	1,070,398
Operating Expenses	98,923	121,307	121,307	121,307
Grants	176,000	91,000	91,000	91,000
<hr/> TOTAL	<hr/> 1,199,134	<hr/> 1,330,722	<hr/> 1,241,779	<hr/> 1,282,705
FUND TYPE				
Special Fund	1,199,134	1,330,722	1,241,779	1,282,705
<hr/> TOTAL	<hr/> 1,199,134	<hr/> 1,330,722	<hr/> 1,241,779	<hr/> 1,282,705

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
General Fund Approp to Ed Fund	0	0	0	280,200,000	291,127,800	291,127,800	274,778,980
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 280,200,000	<hr/> 291,127,800	<hr/> 291,127,800	<hr/> 274,778,980
FUND TYPE							
General Fund				280,200,000	291,127,800	291,127,800	274,778,980
<hr/> TOTAL				<hr/> 280,200,000	<hr/> 291,127,800	<hr/> 291,127,800	<hr/> 274,778,980

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	0	291,127,800	291,127,800	274,778,980
Other Financing Uses Budget	280,200,000	0	0	0
TOTAL	280,200,000	291,127,800	291,127,800	274,778,980
FUND TYPE				
General Fund	280,200,000	291,127,800	291,127,800	274,778,980
TOTAL	280,200,000	291,127,800	291,127,800	274,778,980

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

Department Mission Statement

The State Teachers' Retirement System of Vermont is the uniform public pension plan covering all public school teachers and administrators in the state. It was created in 1947 and is now governed by Title 16, V.S.A., Chapter 55. It has undergone significant changes over the years, with the most recent being the implementation of a non-contributory group with major benefit reforms as provided by Act No 41 of 1981, and a significant change in a return to a mandatory contributory system as of July 1, 1990.

The system consists of approximately 10,675 active members, 2,901 inactive members, 741 vested terminated members and approximately 5,192 retirees and beneficiaries.

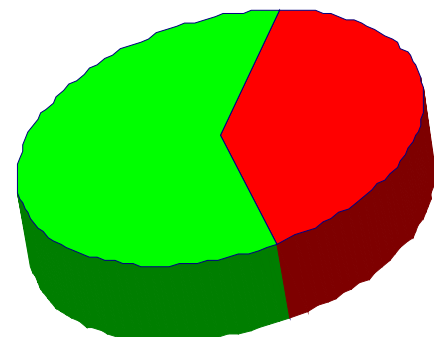
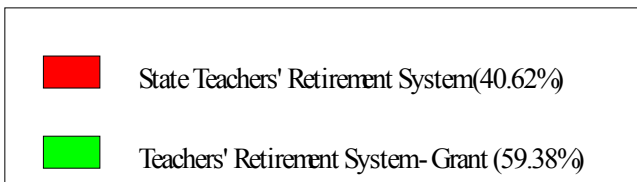
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was about \$1,541 million as of June 30, 2007, compared with about \$1,427 million as of June 30, 2006. The system paid \$74.7 million in retirement benefits during fiscal year 2007.

A Retirement Board of Trustees is responsible for the administration of the system. The Board consists of the State Treasurer, Commissioner of Education, Commissioner of Banking, Insurance, Securities and Health Care Administration, two active members elected by the membership, and one retired teacher appointed by the Vermont Retired Teachers' Association. Staff is provided by the Retirement Division of the State Treasurer's Office, which also administers the State Employees' and Municipal Retirement Systems

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Teachers' Retirement System - Grant	0	0	0	32,549,097	33,549,097	33,549,097	40,303,002
State Teachers' Retirement System	0	0	0	21,148,770	25,018,801	25,018,801	27,571,642
<hr/>							
TOTAL	0	0	0	53,697,867	58,567,898	58,567,898	67,874,644
FUND TYPE							
General Fund				32,549,097	33,549,097	33,549,097	0
Education Fund				0	0	0	40,303,002
Pension Trust Fund				21,148,770	25,018,801	25,018,801	27,571,642
<hr/>							
TOTAL				53,697,867	58,567,898	58,567,898	67,874,644



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	32,549,097	33,549,097	33,549,097	40,303,002
TOTAL	32,549,097	33,549,097	33,549,097	40,303,002
FUND TYPE				
General Fund	32,549,097	33,549,097	33,549,097	0
Education Fund	0	0	0	40,303,002
TOTAL	32,549,097	33,549,097	33,549,097	40,303,002

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Teachers' Retirement System**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	20,238,693	24,127,088	24,127,088	26,629,115
Operating Expenses	910,077	891,713	891,713	942,527
<hr/> TOTAL	<hr/> 21,148,770	<hr/> 25,018,801	<hr/> 25,018,801	<hr/> 27,571,642
FUND TYPE				
Pension Trust Fund	21,148,770	25,018,801	25,018,801	27,571,642
<hr/> TOTAL	<hr/> 21,148,770	<hr/> 25,018,801	<hr/> 25,018,801	<hr/> 27,571,642

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments**

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 2010 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Reappraisal and Listing Payments	0	0	0	3,222,972	3,240,112	3,240,112	3,270,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 3,222,972	<hr/> 3,240,112	<hr/> 3,240,112	<hr/> 3,270,000
FUND TYPE							
Education Fund				3,222,972	3,240,112	3,240,112	3,270,000
<hr/> TOTAL				<hr/> 3,222,972	<hr/> 3,240,112	<hr/> 3,240,112	<hr/> 3,270,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	3,222,972	3,240,112	3,240,112	3,270,000
TOTAL	3,222,972	3,240,112	3,240,112	3,270,000
FUND TYPE				
Education Fund	3,222,972	3,240,112	3,240,112	3,270,000
TOTAL	3,222,972	3,240,112	3,240,112	3,270,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Home Owner Rebate

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 2010 BUDGET RECOMMENDATIONS
Home Owner Rebate**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Home Owner Rebate	0	0	0	11,161,036	12,921,868	12,921,868	13,725,647
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 11,161,036	<hr/> 12,921,868	<hr/> 12,921,868	<hr/> 13,725,647
FUND TYPE							
General Fund				11,161,036	12,921,868	12,921,868	13,725,647
<hr/> TOTAL				<hr/> 11,161,036	<hr/> 12,921,868	<hr/> 12,921,868	<hr/> 13,725,647

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Home Owner Rebate**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Operating Expenses	11,161,036	0	0	0
Grants	0	12,921,868	12,921,868	13,725,647
<hr/> TOTAL	<hr/> 11,161,036	<hr/> 12,921,868	<hr/> 12,921,868	<hr/> 13,725,647
FUND TYPE				
General Fund	11,161,036	12,921,868	12,921,868	13,725,647
<hr/> TOTAL	<hr/> 11,161,036	<hr/> 12,921,868	<hr/> 12,921,868	<hr/> 13,725,647

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Renter Rebate**

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 2010 BUDGET RECOMMENDATIONS
Renter Rebate**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Renter Rebate	0	0	0	6,727,916	7,955,852	7,955,852	8,476,695
<hr/>							
TOTAL	0	0	0	6,727,916	7,955,852	7,955,852	8,476,695
FUND TYPE							
General Fund				2,236,816	2,386,756	2,386,756	2,543,008
Education Fund				4,491,100	5,569,096	5,569,096	5,933,687
<hr/>							
TOTAL				6,727,916	7,955,852	7,955,852	8,476,695

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Renter Rebate

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Operating Expenses	6,727,916	0	0	0
Grants	0	7,955,852	7,955,852	8,476,695
<hr/>				
TOTAL	6,727,916	7,955,852	7,955,852	8,476,695
FUND TYPE				
General Fund	2,236,816	2,386,756	2,386,756	2,543,008
Education Fund	4,491,100	5,569,096	5,569,096	5,933,687
<hr/>				
TOTAL	6,727,916	7,955,852	7,955,852	8,476,695

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
University of Vermont

Department Mission Statement

The University of Vermont's mission is to prepare students to lead productive, responsible, creative lives and to create, interpret, and share knowledge, applying it for the benefit of Vermont and society as a whole. Chartered in 1791, the same year that Vermont became the fourteenth state in the Union, the University of Vermont was established as the fifth college in New England. It became the state's land-grant institution in 1865, when it was merged with the Vermont Agricultural College that had been formed one year earlier in accord with provisions of the Morrill Act. In 1955, the General Assembly recognized the University of Vermont and State Agricultural College "as an instrumentality of the State for providing public higher education." Previous to that recognition Vermont had annually appropriated funds specifically to the College of Medicine and to the Agricultural Services and had appropriated tuition scholarship funds for Vermont residents in certain fields of study.

Beginning in 1956, new funding subsidizing the cost of educating Vermont students was added to the appropriations going to the College of Medicine and Agricultural Services. From that date forward, the statutory requirement is that in-state tuition cannot exceed 40% of the out-of-state tuition rate.

Description of Appropriations, Divisions, & Programs

The University of Vermont is comprised of seven separate undergraduate colleges and schools (the College of Agriculture and Life Sciences, the College of Arts and Science, the College of Education and Social Services, the College of Engineering and Mathematical Sciences, the School of Business Administration, the College of Nursing and Health Sciences, the Rubenstein School of Environment and Natural Resources), the Graduate College, the College of Medicine, the Honors College, the Extension System, and the Division of Continuing Education that operates statewide and nationally. The University offers a rich environment for research, scholarship, and creative work in many realms of human inquiry, sharing the excitement and fruits of investigation and discovery with students and society.

The University lives out its mission through teaching, research, and service. This tripartite mission supports a full range of inquiry and application within the university and in the broader community. The University of Vermont is unique in the Vermont educational system because of its comprehensive and complex offerings. The University is involved not only in undergraduate education but also to a significant extent in graduate and professional education, research, and public service activities. These high level and complex educational opportunities which are vital for the welfare of this state are more costly than are programs of institutions that do not offer degrees in, for example, engineering, medicine, clinical health programs, advanced science, or agriculture. These areas, as well as the general educational mission of the University of Vermont, are critical for Vermont's well-being in the future.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
University of Vermont

OUTCOMES

Currently, the purpose of the state base appropriation is to:

- Support the College of Medicine's education of medical students;
- Fund the teaching, research, and public service activities of Extension, the Agricultural Experiment Station, and the related agricultural services;
- Subsidize tuition rates for Vermonters, but at a level that does not cover costs; and,
- Provide matching funds for the VT Experimental Program to Stimulate Competitive Research (EPSCoR).

The University stresses the importance of educating individuals providing the State with strong leadership, good citizens, entrepreneurship, and social responsibility. In addition to high quality education, the University of Vermont is a distinguished, comprehensive research institution of nationally renown reputation-a critical driver for enhancing the State's economy, health, and well-being. The newly-educated professionals entering the workforce, research dollars generated, the businesses created, and the hundreds of millions of dollars brought into Vermont from other states and countries by the University of Vermont are essential to Vermont's future vitality.

The University of Vermont: Educating Vermonters

- Vermonters comprise 40.4% (Fall 2008: 5,167 Vermonters out of a total enrollment of 12,800) of the University's student body.
- The University is attracting academically stronger Vermont students.
- The University supports Vermonters through academic scholarships including: Vermont Scholarships for students in the top tier of their high school classes; Green and Gold Scholarships for the top student in each Vermont high school; and, Vermont Merit Scholarships for high-achieving Vermonters who qualify as National Merit Scholars.
- The University is committed to access for financially needy Vermonters.

It is estimated that about 65% of Vermont undergraduates will receive some form of financial aid this year. In addition to state and federal support, almost \$22 million in grant & scholarship aid from the University's own funds went to Vermonters in FY 2008. Starting in FY 2008, the University started awarding financial aid from the Next Generation scholarship funds.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
University of Vermont

- 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 2008, UVM was granted \$122 million in grants and contracts.
- Over 88% of University research funding comes into Vermont from out-of-state sources.
- University spin-off companies include: Apollo Bioscience, Bio-Tek Instruments, Ergomedics, HaematologicTechnologies, Green Mountain Antibodies, MicroStrain, Plomics, Stromatec, TeleMedTest, Vermont Clinical Decision Support and Vermont Natural Coatings.
- One million (\$1M) in state one-time funds received in FY 2007 was invested in agriculture and environmental innovations, advanced engineering and technology, and education and public knowledge. In FY 2008, \$250,000 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 new 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 provide health care services to help meet community needs. Graduates and residents trained in UVM/Fletcher Allen programs account for almost 40% of the physicians practicing in Vermont.
- Education and information are provided through collaborative community projects and more than 1,000 significant educational programs. University's Agricultural Extension programs make over 50,00 Vermont contacts, including 6,800 youth annually through workshops and consultations.
- The University's George Bishop Lane Series, among Vermont's premier presents of performing arts, entertained over 10,000 patrons last year.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
University of Vermont

The University of Vermont: A Major Vermont Industry

- Almost 28,000 alumni -- 30% of all UVM graduates -- reside in Vermont and contribute to their communities. Their earnings are estimated at \$1.2 billion annually.
- The University of Vermont is the fourth largest employer in the state. Over 3,700 employees will receive wages and benefits of almost \$342 million this year.
- The direct economic impact of University, faculty, staff, student, and visitor spending in Vermont is estimated at over a billion dollars annually.
- Since the beginning of 2005, the University has invested \$268 million in 35 major capital construction projects.
- The University's total operating budget for FY 2008 was \$528 million. This resulted in a **12 to 1 return** on the state's base appropriation of \$42.3 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. Increased State investment is another key source of support and will be critical to our success.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
University of Vermont**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
University of Vermont	0	0	0	42,271,836	42,271,844	42,271,844	48,195,052
UVM - Morgan Horse Farm	0	0	0	5,500	5,638	5,638	0
<hr/>							
TOTAL	0	0	0	42,277,336	42,277,482	42,277,482	48,195,052
 FUND TYPE							
General Fund				38,271,184	38,271,326	38,271,326	44,188,896
Global Commitment Fund				4,006,152	4,006,156	4,006,156	4,006,156
<hr/>							
TOTAL				42,277,336	42,277,482	42,277,482	48,195,052

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
University of Vermont**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	42,271,836	42,271,844	42,271,844	48,195,052
<hr/> TOTAL	<hr/> 42,271,836	<hr/> 42,271,844	<hr/> 42,271,844	<hr/> 48,195,052
FUND TYPE				
General Fund	38,265,684	38,265,688	38,265,688	44,188,896
Global Commitment Fund	4,006,152	4,006,156	4,006,156	4,006,156
<hr/> TOTAL	<hr/> 42,271,836	<hr/> 42,271,844	<hr/> 42,271,844	<hr/> 48,195,052

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	5,500	5,638	5,638	0
<hr/> TOTAL	<hr/> 5,500	<hr/> 5,638	<hr/> 5,638	<hr/> 0
FUND TYPE				
General Fund	5,500	5,638	5,638	0
<hr/> TOTAL	<hr/> 5,500	<hr/> 5,638	<hr/> 5,638	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Public Television**

Department Mission Statement

Vermont Public Television works to educate, inform, entertain and inspire Vermonters to be lifelong learners and to be engaged in their community by fostering:

- Understanding of one another and various points of view
- Lifelong learning
- Children's readiness to learn
- Personal enrichment through arts, culture and entertainment
- Appreciation and respect for the environment and working landscape
- Involvement and participation in community and civic affairs

Vermont Public Television was created by the State of Vermont in 1967. While continuing as a broadcaster, VPT today is a 24-hour statewide public service media organization that uses diverse platforms to meet the needs of Vermonters. Thanks to the digital upgrade, VPT now offers live webcasts of its local programs and archives them as Video on Demand. VPT offers podcasts of local shows and often hosts online discussions of public affairs. VPT serves the youngest, the oldest and everyone in between through PBS programs, local programs, Web-based services and community outreach.

Vermont Public Television strives to become an ever more vital source of information and a place where an open exchange of ideas can help shape the state's future. Whether the content of its programming and outreach involves coping with tough economic times, managing wildlife, helping citizens prepare for elections or celebrating local scientists, VPT is an independent, locally owned organization whose mission is community service. It is an essential part of life in Vermont.

Description of Appropriations, Divisions, & Programs

The annual state appropriation provides 10% of VPT's operating revenue and is an essential base of support. Critical to everything VPT does, it ensures that Vermonters of all ages, income levels and backgrounds have access to quality television and services. It demonstrates to individual and business funders the state's confidence in VPT. The state appropriation is the largest piece of the local support with which VPT leverages federal matching dollars. For every dollar VPT receives from the state, it raises about \$9 from non-state sources, including thousands of individual contributors and hundreds of businesses.

Following are details of how VPT puts state appropriations to work to make positive changes in the lives

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Public Television

of Vermonters:

Programming and Services for Children and Educators

Vermont's children are at the heart of VPT's mission. Non-violent, commercial-free programs and web resources inspire children to ask questions, solve problems, read books, understand others, explore science and appreciate nature in a safe broadcast and online environment. VPT helps prepare preschoolers to be ready to learn and older children to continue learning as they grow. Year after year, classroom teachers name PBS their number one video resource. VPT recently began offering PBS TeacherLine, an online professional development service of graduate-level courses available to Vermont's teachers. Teacher guides, free DVDs of local documentaries for schools, and online access to educational materials are part of its educational outreach.

Programming and Services That Foster Lifelong Learning

VPT gives lifelong learners inspiration and information to explore history, arts, culture and science. Nova, Antiques Roadshow, Great Performances, Live From Lincoln Center, American Experience, American Masters and Ken Burns' documentaries are among the most valued PBS shows. Local productions include weekly Profile interviews with the region's writers, artists, performers and leaders.

VPT recently received funds from Vermont EPSCoR to promote awareness of science and fundamental research, and encourage young people to consider careers in science. The project, called Emerging Science, is now in its second year. For the Champlain quadricentennial, VPT presented the documentary "Champlain: The Lake Between" on the eve of the Quad and is a partner in the Lake Champlain Voyages of Discovery: Bringing History Home consortium.

Programming and Services That Foster Community Engagement

VPT gives Vermonters information and encouragement to participate in national and local civic affairs, with programming like the NewsHour, BBC World News, Washington Week and Frontline. In its productions Vermont This Week, Report From Montpelier, Report From Washington, Call the Governor and election debates, VPT addresses issues that matter to Vermonters. Many of the programs are call-in shows, where viewers speak directly to the state's leaders.

VPT's Public Square, a monthly production and outreach effort, focuses on subject matter derived from community listening sessions held around the state, in which Vermonters talk about what matters to them. VPT partners with other community organizations to make resource information available. The focus of Public Square in 2008-2009 is affordability -- helping Vermonters cope with the costs of food, home heating, housing and other basics.

Through a rich variety of local programs, national programs and online discussions, VPT fosters understanding of various points of view, welcoming diverse voices and opinions.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Public Television**

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

Public TV has helped generations of viewers appreciate the natural world. VPT's popular Outdoor Journal series celebrates the state's traditions of recreation and conservation. The Vermont Dept. of Fish and Wildlife provides production funding. VPT produced new episodes of ReGeneration, a series on sustainable living, with a focus on green building techniques. For years, VPT has encouraged appreciation for agriculture and local products in its VPT Cooks specials, produced with help from the Agency of Agriculture.

Other VPT Services

VPT offers such public safety information as weather advisories, school closings and emergency information, and we are an Amber Alert station. Space is offered at transmission sites to public service and safety organizations, including NOAA, FBI, FAA, Vermont Dept. of Public Safety and ham radio groups. Recently, VPT has assisted broadband and wireless service providers on its transmitter sites to expand deployment of these services and help meet the Governor's eState initiative. VPT and other public television stations have offered part of their digital bandwidth for a national effort through the Dept. of Homeland Security to provide emergency information to first responders.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Public Television**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Public Television	0	0	0	605,737	645,737	645,737	564,620
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 605,737	<hr/> 645,737	<hr/> 645,737	<hr/> 564,620
FUND TYPE							
General Fund				605,737	645,737	645,737	564,620
<hr/> TOTAL				<hr/> 605,737	<hr/> 645,737	<hr/> 645,737	<hr/> 564,620

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Public Television**

Appropriation Key Budget Issues

VPT is under severe financial pressure this fiscal year and planning for worse. Health insurance will increase by about \$27,000 and PBS fees by \$26,500. At the same time, state and federal operating funds have declined. On the production side, VPT received about \$400,000 annually in USDA grants to produce programs such as our series on local foods, until that fund was suspended in 2007. VPT has not found alternatives to fully compensate.

Voluntary contributions -- the main source of revenue -- are declining, as people limit their support even of valued community organizations. The likely extension of analog broadcasting will result in tens of thousands in unbudgeted expense. Halfway through FY09, VPT estimated a variance of minus \$258,000 from projected revenues.

VPT's policy in hard times is to do everything possible to sustain the quality of its services, reducing them only as a last resort, since they are the reason people contribute. To respond to current cuts and plan for worse, VPT has taken behind-the-scenes steps, as well as some that may affect the ability to generate revenue:

Hiring freeze, including grant writer

Reducing the number of new episodes of VPT's Outdoor Journal

Temporarily suspending production of new episodes of Profile; more repeat programs

Fewer on-location productions such as coverage of Statehouse hearings

No overtime except for technical emergencies

Energy-saving initiatives

Travel reductions

Printing and mailing members' monthly program guide only on request

Salary and benefits reductions for all staff

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Public Television**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	605,737	645,737	645,737	564,620
<hr/> TOTAL	<hr/> 605,737	<hr/> 645,737	<hr/> 645,737	<hr/> 564,620
FUND TYPE				
General Fund	605,737	645,737	645,737	564,620
<hr/> TOTAL	<hr/> 605,737	<hr/> 645,737	<hr/> 645,737	<hr/> 564,620

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont State Colleges**

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 26,000 VSC alumni live and work in Vermont.

VSC colleges continue to experience enrollment at or above all-time records. In the past eight years, full-time equivalent enrollment has increased 41% (it's instructive to note that in the same time period, staffing has increased by only 11 percent). Total VSC headcount enrollment for fall 2008 is 12,310 students of which 83% are Vermonters. Fifty-seven percent of all Vermonters attending undergraduate college in Vermont go to the VSC. Additionally notable is that 52% of VSC students are the first generation in their families to go to college. More than 38% of those in the VSC are considered "non-traditional" students aged 25 or older, with many of these adult learners pursuing college education

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont State Colleges

while working to support their families. Approximately 75% of all VSC students require some form of financial aid, and the average debt load of VSC graduates is about \$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.

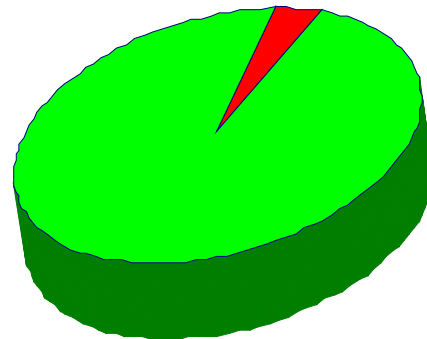
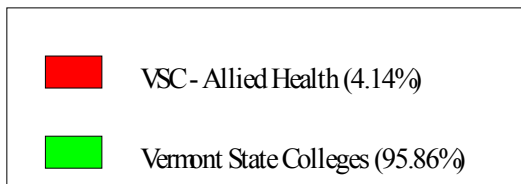
Further overseen by the VSC Board but separately tracked within the VSC's State operating appropriation are **Nursing** and **Allied Health**. Nursing was transferred from the Vermont Department of Education beginning FY1995. The Nursing and Allied Health program provide curricula to teach students to 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 five 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 to increase productivity, modernize manufacturing and business processes, adopt advanced technologies, reduce costs, and improve their competitiveness.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont State Colleges**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont State Colleges	0	0	0	24,146,748	24,120,014	24,120,014	27,849,486
VSC - Allied Health	0	0	0	1,069,432	1,096,168	1,096,168	1,202,974
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	0	0	0	25,216,180	25,216,182	25,216,182	29,052,460
FUND TYPE							
General Fund				24,810,773	24,810,775	24,810,775	28,647,053
Global Commitment Fund				405,407	405,407	405,407	405,407
<hr/>				<hr/>	<hr/>	<hr/>	<hr/>
TOTAL				25,216,180	25,216,182	25,216,182	29,052,460



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont State Colleges

Appropriation Key Budget Issues

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. These programs serve major employers including 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 from some 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.

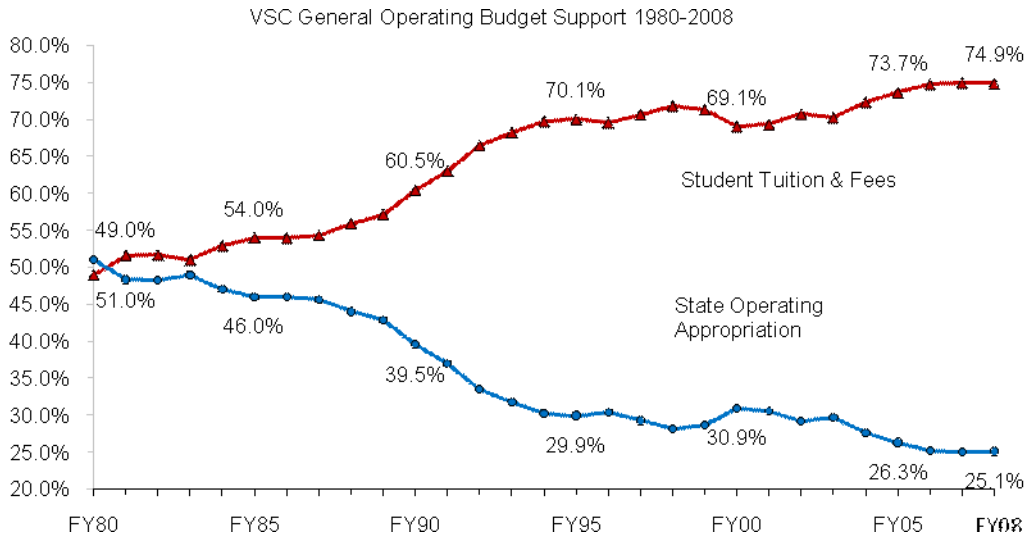
During the forty seven years since VSC came into being, the proportion of State funding for the System's general operating budget has consistently declined, from originally around two-thirds down to just under 55% in 1980 to less than one-fourth presently. In fact, the VSC now receives less appropriation per Vermont FTE in 2006 than it did in 1986 - these are pure dollars, not adjusted for inflation.

To help offset reduced State support the VSC has made concerted efforts toward cost containment. This poses a constant challenge to 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.

For many years, the State of Vermont has been last in the nation, by a wide margin, in higher education appropriations per full-time equivalent enrollment (FTE). In 2007, our appropriation per FTE was \$1,981- which is 25% less than the 49th state.

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 \$3 of tuition and fees for every \$1 of state operating appropriation.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont State Colleges**



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont State Colleges**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	24,146,748	24,120,014	24,120,014	27,849,486
<hr/> TOTAL	<hr/> 24,146,748	<hr/> 24,120,014	<hr/> 24,120,014	<hr/> 27,849,486
FUND TYPE				
General Fund	24,146,748	24,120,014	24,120,014	27,849,486
<hr/> TOTAL	<hr/> 24,146,748	<hr/> 24,120,014	<hr/> 24,120,014	<hr/> 27,849,486

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
VSC - Allied Health**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	1,069,432	1,096,168	1,096,168	1,202,974
<hr/> TOTAL	<hr/> 1,069,432	<hr/> 1,096,168	<hr/> 1,096,168	<hr/> 1,202,974
FUND TYPE				
General Fund	664,025	690,761	690,761	797,567
Global Commitment Fund	405,407	405,407	405,407	405,407
<hr/> TOTAL	<hr/> 1,069,432	<hr/> 1,096,168	<hr/> 1,096,168	<hr/> 1,202,974

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Interactive Television**

Department Mission Statement

Vermont Interactive Television's, now more commonly referred to as VIT worldwide videoconferencing, mission is to support the economic health and development of the State and its citizens by providing the statewide and worldwide videoconferencing infrastructure and operational expertise necessary to deliver education, training and information equally to all areas of the state.

Description of Appropriations, Divisions, & Programs

Appropriations

VIT evolved out of joint efforts involving the Vermont State Colleges (particularly Vermont Technical College), the Governor's Office, and the Vermont Telecommunications Commission. In 1986 the latter endorsed a report entitled "An Educational Telecommunications Transmission Network for Vermont", recommending that:

- o an integrated video, voice, and data telecommunications network be developed to meet the needs of education, government, and business; and
- o the telecommunications system be accessible within 25 miles of 90 percent of all Vermonters.

The General Assembly has supported VIT with annual operating appropriations beginning FY1989, as well as with several capital appropriations throughout the years to partially fund addition of new sites and needed replacement/upgrade to system equipment and infrastructure. Intent has continually been that VIT funding be separately appropriated and budgeted from the Vermont State Colleges, but that the VSC and its Board provide financial as well as managerial oversight to take advantage of existing administrative efficiencies. All VIT staff members are employees of the Vermont State Colleges and VIT is categorized as a higher education account. To further assure operational and policy guidance, the Governor established the VIT Coordinating Council-a seven-member group comprised of representatives from education, government, and business that meets on a monthly basis.

Community funding: All 16 sites 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 FY2009 VIT expects to bring in an estimated \$306,606 in sales and service fees, derived from rates charged to clients to use the system as well as from consulting services. FY2010 assumes a very aggressive sales goal.

Program

VIT has entered its second decade of service to Vermonters, making it possible for hundreds of

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Interactive Television

organizations (in the education, nonprofit, government and business categories) to provide education, training, and information to people in all areas of the state. VIT currently operates *15 sites (16 studios-2 in Williston)* in Vermont, one within no more than 30 minutes of most Vermonters. Sites include: Bennington, Brattleboro, Castleton, Johnson, Lyndonville, Middlebury, Montpelier, Newport, Randolph Center, Rutland, Springfield, St. Albans, Waterbury, White River Junction & two rooms in Williston), and in addition to statewide services offers nationwide and worldwide videoconferencing from all sites. VIT also has satellite downlinking capabilities; a connection to UVM's Distance Learning Network; connections to the Vermont Department of Corrections, the Vermont Criminal Justice Training Council and VSC's internet protocol based network; a working relationship with the K-12 Learning Network of Vermont; and consulting contracts with the Vermont Department of Corrections and the Vermont Criminal Justice Training Council. 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.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Interactive Television**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Interactive Television	0	0	0	858,163	879,617	879,617	769,119
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 858,163	<hr/> 879,617	<hr/> 879,617	<hr/> 769,119
FUND TYPE							
General Fund				858,163	879,617	879,617	769,119
<hr/> TOTAL				<hr/> 858,163	<hr/> 879,617	<hr/> 879,617	<hr/> 769,119

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Interactive Television

Appropriation Key Budget Issues

VIT's goal is to sustain these high level services and to retain its highly trained staff and well developed technology. During this recession, more and more Vermonters are turning to VIT videoconferencing because it is 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 $\frac{3}{4}$ ton.

Over the past six years, VIT has reduced staff (3.5 positions eliminated in 2005) and expenses to minimal operational levels. Not too long ago, VIT had 16 full-time staff members running 12 sites. Today, VIT has only 9 full-time staff members managing 16 studios, a worldwide videoconferencing service and two major consulting contracts. VIT, even with its limited staff of 9 full-time employees, continues to work on increasing sales and service revenue. FY2010 assumes a very aggressive sales goal. In addition, as previously stated, VIT communities and the VSC contribute approximately \$400,000 per year toward VIT operations. VIT will need continued support from the State in order to ensure that the 31,000 Vermonters who have come to rely on VIT will have continued access to this resource and to ensure that the future demand for videoconferencing can be met.

VIT will continue to focus on helping state agencies take advantage of this technology; thereby reducing the State travel budget, increasing staff productivity and reducing the carbon footprint.

VIT 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 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 figures provide some dimension to evolving use of VIT over the last 20+ years:

VIT...

- served 31,000 Vermonters
- hosted 1,255 videoconferences
- logged 16,000 hours on the system
- attracted 41 new clients
- hosted 205 worldwide videoconferences
- transported Vermonters to destinations near and far, including: Australia, United Arab Emirates, Brazil, New Zealand, Russia, France and the United Kingdom as well as Washington DC, California, New Jersey, Maryland, Arizona, New York, Georgia, Virginia, Texas, Connecticut, Florida, Massachusetts, Pennsylvania, Washington, North Dakota, Colorado, Oregon, Maine, Maryland, Kansas, New Hampshire and Kentucky.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Interactive Television**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Interactive Television**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	858,163	879,617	879,617	769,119
TOTAL	858,163	879,617	879,617	769,119
FUND TYPE				
General Fund	858,163	879,617	879,617	769,119
TOTAL	858,163	879,617	879,617	769,119

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

Department Mission Statement

VSAC was created by the Legislature in 1965 as a public nonprofit corporation and is overseen by an 11 member board of directors. Its mission is to ensure that all Vermonters have the necessary financial and information resources to pursue their education goals beyond high school. To achieve this mission, VSAC provides: (1) career and college planning services, (2) information on financial aid and postsecondary education and training programs, (3) financial aid in the form of grants, loans, and scholarships for qualified Vermonters, (4) early intervention and outreach to needy students, and (5) the Vermont Higher Education Investment Plan.

VSAC is unique in that all of its programs and services are available from a “one-stop” agency. VSAC is probably best known for providing complete service of student loans from origination through repayment. VSAC also supports social initiatives and addresses workforce development needs by collaborating with the Agency of Human Services and the Department of Labor, in addition to working with many other public and private organizations.

Description of Appropriations, Divisions, & Programs

Grant Program Descriptions

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 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:	FY00	FY02	FY04	FY06	FY08	Change: FY00–FY08	
						#	%
Number of Applicants	16,260	16,242	17,793	16,172	15,666	-594	-3.7%
Number of Recipients	9,078	8,961	10,054	9,097	8,817	-261	-2.9%
Amount Awarded	\$12,379,526	\$14,219,107	\$15,945,062	\$16,534,123	\$17,922,115	\$5,542,589	44.8%
Average Grant	\$1,364	\$1,587	\$1,586	\$1,818	\$2,033	\$669	49.1%

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

Vermont Part-Time Grants

Part-Time Grants are available to degree students taking fewer than 12 credits per semester. Many working Vermonters receive part-time grants.

PART-TIME GRANT PROGRAM:	FY00	FY02	FY04	FY06	FY08	Change: FY00–FY08	
						#	%
Number of Applicants	4,593	4,382	4,846	4,340	4,237	-356	-7.8%
Number of Recipients	2,364	2,108	2,408	2,073	2,007	-357	-15.1%
Amount Awarded	\$958,392	\$987,122	\$1,025,923	\$1,050,240	\$1,105,472	\$147,080	15.3%
Average Grant	\$405	\$468	\$426	\$507	\$551	\$146	35.9%

Vermont Non-Degree Grants

Non-Degree Grants are available to Vermonters for non-degree courses that will improve an individual's employability or encourage further study, and which will not necessarily lead to a degree, certificate, or diploma. Non-Degree Grants are need-based and are a major source of financial aid for Vermonters seeking to acquire, keep, or expand their employment skills.

Non-Degree Grants are used at many different institutions, including vocational/technical centers, trade-specific training schools, and community college courses. It is not unusual for Vermonters to begin a course of study by using a Non-Degree Grant and then become matriculating students. This grant is unique to Vermont, and is particularly useful for non-traditional students.

NON-DEGREE GRANT PROGRAM:	FY00	FY02	FY04	FY06	FY08	Change: FY00–FY08	
						#	%
Number of Applicants	1,679	1,551	1,792	1,752	2,108	429	25.6%
Number of Recipients	936	932	962	884	1,122	186	19.9%
Amount Awarded	\$412,143	\$663,459	\$720,909	\$724,632	\$1,666,413	\$1,254,270	304.3%
Average Grant	\$440	\$712	\$749	\$820	\$1,485	\$1,045	237.3%

Career Awareness, Education, and Outreach Programs

Early career awareness and postsecondary aspiration are vital to Vermont's economic growth and vitality; therefore, it is imperative that statewide career awareness and planning be made available to all students, starting in 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 how the choices they make today affect their lives tomorrow (such as making class choices with interests and future goals in mind).

As a state, we must invest in our youth today, so that we have better prepared graduates progressing onto postsecondary education, especially considering the economic challenges we face together at this time. Even with higher tuition and other costs, postsecondary education is as important today as a high school

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

diploma was twenty 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 in the future.

VSAC is working together with Vermont school counselors, educators, and parents to help Vermont students develop the knowledge and skills that will support their plans for the future.

Nearly 90% of students who received VSAC career and education outreach services in grades 6-12 continued on to postsecondary education, as compared to 68% of Vermont graduates overall.

Middle school contacts: 10,301 students in grades 5-8 received individual counselor contact or participated in a classroom workshop. (FY07)

High school contacts: 26,982 students in grades 9-12 received individual counselor contact or participated in a classroom workshop. (FY07)

Career Planning Initiative (CPI) Consultations and Trainings: 33 schools (elementary to high schools) and 1,261 professionals across Vermont are benefitting from VSAC CPI consultation and training services, ranging from an overview of the program, to full, ongoing consultations, and creation of a career awareness program for their students.

Adult Career and Education Counseling

It is important that we not stop at high school graduation when it comes to career education and guidance. Many adult Vermonters already in the labor force find themselves seeking assistance when faced with such circumstances as job loss or change. To be successful in today's job market, individuals often must update their skills or attain additional education to increase overall employability.

VSAC staff provide counseling and objective information on career development, education options, and financial aid to Vermonters in communities around the state in individual and group sessions. Forty-four percent of the adults are referred by human services agencies and colleges. Also offered are career and education planning workshops for the general public, and specialized workshops to meet the

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp

needs of partner agencies. During FY07, VSAC Adult Outreach Counselors provided 6,670 counseling sessions to Vermonters.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vt Student Assistance Corp	0	0	0	19,128,758	19,153,758	19,153,758	22,086,474
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 19,128,758	<hr/> 19,153,758	<hr/> 19,153,758	<hr/> 22,086,474
FUND TYPE							
General Fund				19,128,758	19,153,758	19,153,758	22,086,474
<hr/> TOTAL				<hr/> 19,128,758	<hr/> 19,153,758	<hr/> 19,153,758	<hr/> 22,086,474

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	19,128,758	19,153,758	19,153,758	22,086,474
<hr/> TOTAL	<hr/> 19,128,758	<hr/> 19,153,758	<hr/> 19,153,758	<hr/> 22,086,474
FUND TYPE				
General Fund	19,128,758	19,153,758	19,153,758	22,086,474
<hr/> TOTAL	<hr/> 19,128,758	<hr/> 19,153,758	<hr/> 19,153,758	<hr/> 22,086,474

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
NE Higher Education Compact**

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 2010 BUDGET RECOMMENDATIONS
NE Higher Education Compact**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
NE Higher Education Compact	0	0	0	84,000	84,000	84,000	84,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000
FUND TYPE							
General Fund				84,000	84,000	84,000	84,000
<hr/> TOTAL				<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
NE Higher Education Compact**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	84,000	84,000	84,000	84,000
<hr/> TOTAL	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000
FUND TYPE				
General Fund	84,000	84,000	84,000	84,000
<hr/> TOTAL	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000	<hr/> 84,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Natural Resources

Agency Mission Statement

It is the mission of the Agency of Natural Resources to protect, sustain, and enhance Vermont's natural resources for the benefit of this and future generations. To accomplish this mission, the Agency directs its activities to accomplish four primary goals:

- To promote the sustainable use of Vermont's natural resources
- To protect and improve the health of Vermont's people and ecosystems
- To promote sustainable outdoor recreation
- To operate efficiently and effectively as an agency so that we can fulfill our mission.

Description of Departments in Agency

Department of Fish and Wildlife -- responsible for the conservation and management of Vermont's fish and wildlife resources and the protection of the state's threatened and endangered species.

Department of Forests, Parks and Recreation - responsible for the conservation and management of Vermont's forest resources, the operation and maintenance of the state park system, and the promotion and support of outdoor recreation for Vermonters and our visitors.

Department of Environmental Conservation - responsible for the conservation and management of the state's natural resources and protection of the public health through various grant, regulatory, technical assistance, and public information and education programs.

Agency Central Office (Administration, Management and Planning)- responsible for leadership and oversight of all programs, including the financial management, human resource management, information system management, and legal services for the agency..

Key Budget Issues

The Agency is a partner with all the other state entities in sharing the burden of this unprecedented economic downturn. In response, the agency is making carefully targeted reductions in all areas. Fund balances are being reallocated, grants are being reduced, outside contracts are being cancelled and the agency plans to reduce a total of 16 positions to offset upward pressures and to meet budget targets.

Clean and Clear Action Plan

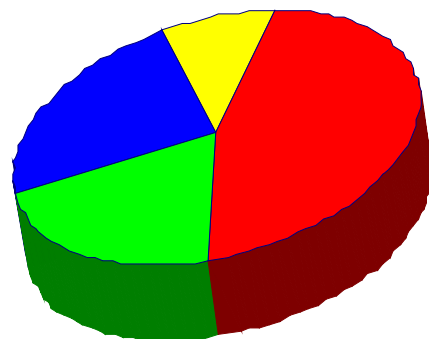
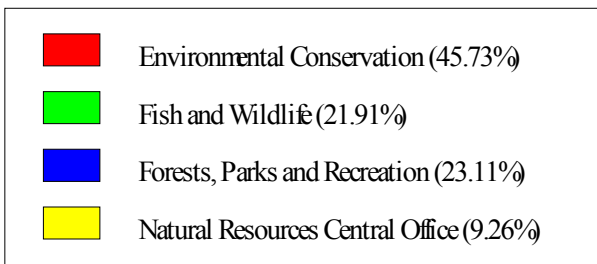
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Natural Resources

In 2004, the State of Vermont adopted an aggressive plan for reducing pollution and protecting Vermont's waters, state wide, including controlling algae-feeding phosphorus discharges to Lake Champlain. For FY10, the Governor's proposed budget provides a continuing commitment for the Clean and Clear Action Plan programs in the Agency of Natural Resources with emphasis on capital projects.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Natural Resources

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Natural Resources Central Office	61	61	47	8,127,845	8,743,806	8,673,525	7,528,821
Fish and Wildlife	134	135	130	18,228,005	17,438,600	16,936,664	17,819,893
Forests, Parks and Recreation	120	116	110	19,429,872	19,546,481	22,947,552	18,794,107
Environmental Conservation	311	306	289	38,248,298	37,857,549	37,729,355	37,188,958
TOTAL	626	618	576	84,034,020	83,586,436	86,287,096	81,331,779
FUND TYPE							
General Fund				24,774,748	25,026,938	22,788,592	21,496,793
Fish & Wildlife Fund				15,770,991	15,346,252	15,479,037	16,355,474
Special Fund				26,787,910	26,290,455	26,772,761	26,609,704
Federal Revenue Fund				14,216,930	14,375,544	18,210,222	14,715,898
Permanent Trust Fund				0	0	19,000	0
Interdepartmental Transfer				2,483,441	2,547,247	3,017,484	2,153,910
TOTAL				84,034,020	83,586,436	86,287,096	81,331,779



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Department Mission Statement

The mission of the Agency of Natural Resources Central Office is to provide both leadership for agency programs and the support that those programs need to accomplish their missions.

Description of Appropriations, Divisions, & Programs

The major components of the ANR Administration, Management and Planning appropriation are:

Secretary's Office - The Secretary's Office is responsible for the overall leadership and management of the Agency, oversight of legal services throughout the Agency, and coordination of Agency public information and education.

Legal Division - The Legal Division provides legal assistance and counsel to the Agency's three departments. These responsibilities include drafting and reviewing policies and permits, rule making and providing general advice on Agency matters. Agency attorneys also represent the Agency in Act 250 proceedings and litigation before the Environmental Court and other administrative bodies. A separate legal and investigative unit provides the enforcement function for the Agency.

Environmental Litigation Group - The Environmental Litigation Group represents the Agency in proceedings before the Environmental Court, the Public Service Board, and the Natural Resources Board. These proceedings may include: (1) Appeals of Agency actions such as the issuance or denial of permits, (2) Appeals of Act 250 permits to the Environmental Court from Environmental Commissions, and (3) the review of proposed projects seeking a certificate of public good before the Public Service Board.

Division of Regulatory Management and Act 250 Review - Members of this Division manage the Agency's review of Act 250 applications and coordinate staff review teams for Act 250 and, along with the Environmental Litigation Group, coordinate staff review of other regulatory processes, including Public Service Board and federal EIS processes. The attorneys represent the Agency in Act 250 proceedings and in other forums, including the Environmental Court and the Public Service Board. The Division publishes a weekly list of Act 250, Environmental Court and Public Service Board applications and maintains a data base of Act 250 records. The Division provides case management for large, complex projects in both pre application work and throughout the regulatory process.

Management Services Division - The Management Services Division is responsible for providing financial management services for the Agency and its departments, preparation and management of the

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Agency budget, coordination with the Agency of Administration on finance and office operations, management of Agency offices and other facilities, and logistical support of the Agency's six regional offices.

Human Resources Division - The Human Resources Division provides personnel management services for the entire Agency, including recruiting, training, employee recognition and discipline, classification, employee orientation, employee assistance, performance evaluation, employee records, and coordination with the state Department of Human Resources.

Information Technology Division - The Information Technology Division is responsible for providing direct information technology services to the entire Agency and to the Agency and Act 250 regional offices, and the development and implementation of the Agency's Information Technology Plan.

Regional Offices - The ANR Central Office appropriation includes funding to support office operations of the Agency's six regional offices, five of which are shared by staff from the Act 250 program.

Other Central Office appropriations include:

A pass-through appropriation for the Connecticut River Joint Commission, which coordinates with Vermont citizens, municipalities and the State of New Hampshire on issues related to the management and protection of the Connecticut River.

A pass-through appropriation for support of the Lake Champlain Citizen's Advisory Committee, which provides citizen input to the General Assembly, the Lake Champlain Basin Program, and the Agency on issues related to the management and protection of Lake Champlain.

An appropriation for payment in lieu of property taxes on lands owned by the Agency.

A pass-through appropriation to the Green Up Day Committee for implementation of the Green Up Day Program.

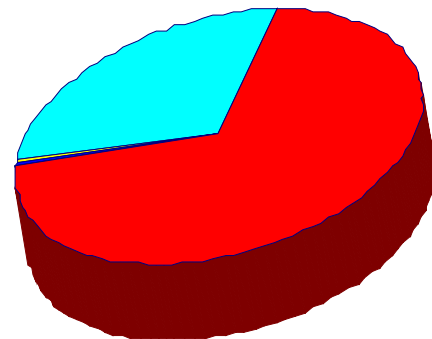
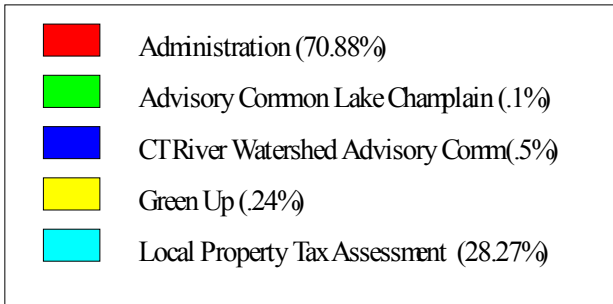
Department Key Budget Issues

The ANR Central Office anticipates reducing two positions to meet their budget target. The Fish and Wildlife inter-departmental transfer is increasing to pay a larger portion of payment in lieu of taxes for Fish and Wildlife lands. The Environmental Enforcement Division with a staff of 12 people along with associated special funds moves to the Department of Environmental Conservation.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration	61	61	47	6,473,847	6,652,206	6,488,925	5,336,444
CT River Watershed Advisory Comm	0	0	0	57,800	60,000	38,000	38,000
Advisory Comm on Lake Champlain	0	0	0	9,236	7,500	7,500	7,500
Local Property Tax Assessment	0	0	0	1,571,355	2,008,000	2,123,000	2,128,733
Green Up	0	0	0	15,607	16,100	16,100	18,144
TOTAL	61	61	47	8,127,845	8,743,806	8,673,525	7,528,821
FUND TYPE							
General Fund				6,399,282	6,803,216	6,618,698	6,522,647
Special Fund				1,106,461	1,128,752	1,128,752	18,144
Federal Revenue Fund				183,849	363,372	363,372	278,120
Interdepartmental Transfer				438,253	448,466	562,703	709,910
TOTAL				8,127,845	8,743,806	8,673,525	7,528,821



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,651,254	4,952,784	4,824,805	3,830,378
Operating Expenses	1,791,093	1,699,422	1,664,120	1,506,066
Grants	31,500	0	0	0
<hr/> TOTAL	<hr/> 6,473,847	<hr/> 6,652,206	<hr/> 6,488,925	<hr/> 5,336,444
FUND TYPE				
General Fund	5,017,334	4,983,666	4,821,148	4,769,914
Special Fund	1,095,911	1,118,202	1,118,202	0
Federal Revenue Fund	183,849	363,372	363,372	278,120
Interdepartmental Transfer	176,753	186,966	186,203	288,410
<hr/> TOTAL	<hr/> 6,473,847	<hr/> 6,652,206	<hr/> 6,488,925	<hr/> 5,336,444

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	57,800	60,000	38,000	38,000
<hr/> TOTAL	<hr/> 57,800	<hr/> 60,000	<hr/> 38,000	<hr/> 38,000
FUND TYPE				
General Fund	57,800	60,000	38,000	38,000
<hr/> TOTAL	<hr/> 57,800	<hr/> 60,000	<hr/> 38,000	<hr/> 38,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,737	3,600	3,600	3,600
Operating Expenses	5,499	3,900	3,900	3,900
<hr/> TOTAL	<hr/> 9,236	<hr/> 7,500	<hr/> 7,500	<hr/> 7,500
FUND TYPE				
General Fund	9,236	7,500	7,500	7,500
<hr/> TOTAL	<hr/> 9,236	<hr/> 7,500	<hr/> 7,500	<hr/> 7,500

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Local Property Tax Assessment**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Local Property Tax Assessment**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Operating Expenses	1,571,355	2,008,000	2,123,000	2,128,733
<hr/> TOTAL	<hr/> 1,571,355	<hr/> 2,008,000	<hr/> 2,123,000	<hr/> 2,128,733
FUND TYPE				
General Fund	1,309,855	1,746,500	1,746,500	1,707,233
Interdepartmental Transfer	261,500	261,500	376,500	421,500
<hr/> TOTAL	<hr/> 1,571,355	<hr/> 2,008,000	<hr/> 2,123,000	<hr/> 2,128,733

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Green Up**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Green Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Operating Expenses	5,057	5,550	5,550	7,594
Grants	10,550	10,550	10,550	10,550
<hr/> TOTAL	<hr/> 15,607	<hr/> 16,100	<hr/> 16,100	<hr/> 18,144
FUND TYPE				
General Fund	5,057	5,550	5,550	0
Special Fund	10,550	10,550	10,550	18,144
<hr/> TOTAL	<hr/> 15,607	<hr/> 16,100	<hr/> 16,100	<hr/> 18,144

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fish and Wildlife

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.

Description of Appropriations, Divisions, & Programs

The **Support & Field Services** appropriation provides the funding for the Department's core services. These core services include: conserving, restoring and enhancing fish and wildlife habitat, wetlands and natural communities; inventorying, monitoring and managing game species to ensure sustainable population levels are maintained; inventorying, monitoring, and managing species that are not hunted and developing recovery initiatives for species that are threatened or endangered; promoting and providing a diversity of hunting and angling opportunities; promoting and facilitating land management planning and stewardship in Vermont; managing wildlife habitat on 82 Wildlife Management Areas, maintaining public access to water bodies on over 180 Access Areas, providing viewing and photography opportunities of fish and wildlife; ensure safe practices for those participating in fish- and wildlife-based recreational activities; maintaining full response to requests from citizens and agencies regarding threats to human life or safety; limiting the number of human injuries and fatalities that result from encounters with wildlife (i.e. moose and deer car collisions); informing and educating the public; and performing basic research.

The **Watershed Improvement** appropriation provides the funding to support watershed education efforts and projects that protect, restore, or enhance Vermont's watershed resources.

Key Divisions within the Department are as follows:

Administration Division - The Administration Division provides policy, legal, planning, personnel, and financial management leadership for the Department. It oversees the production, distribution, and sales of all hunting and fishing licenses and over fifteen types of other permits related to resource protection. It is also responsible for the management of over \$5 million in federal grant dollars, ensuring the funds are spent appropriately and that all reporting requirements are met.

Fisheries Division - The Fisheries Division is responsible for the conservation and management of all fish and fish habitats throughout Vermont. Staff members are engaged in a wide variety of activities, including: monitoring populations of sport fish species and their habitats; cooperating in the research, management, and restoration of fish communities in the Lake Champlain and Connecticut River Basins; rearing and stocking more than 9 million sport fish annually for recreational and restoration purposes; evaluating current and preparing new fishing harvest regulation recommendations for lake trout, brook

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fish and Wildlife

trout, perch, northern pike, walleye, bass, and other species; participating in the protection of critical aquatic habitat through regulatory processes such as Act 250 and technical assistance; and preparing educational materials.

Law Enforcement Division - The Law Enforcement Division is an integral part of fish and wildlife 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 in the for Department involving fish and wildlife resources, conflicts, search and rescue and many other additional law enforcement assistance to citizens and other law enforcement agencies.

Outreach Division - **The Outreach Division is responsible for all major outreach and formal educational programs of the Fish and Wildlife Department. Programs are designed to improve the public's knowledge and appreciation of Vermont's fish and wildlife resources and their habitats as well as related laws, 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 131,000 acres on the Department's 82 Wildlife Management Areas, monitoring wildlife diseases and the importation of wildlife into Vermont; and, technical assistance, planning and outreach to wildlife observers, landowners, hunters, school children, and natural resources professionals regarding wildlife in Vermont.

Department Key Budget Issues

Since FY 07 revenues from hunting, fishing and trapping license sales, which are the Department's primary source of state revenue, have been increasing; through December these revenues are averaging 7% over last year. Though revenues have been increasing, the Department has continued its belt tightening in order to keep a positive fund balance. The Department is estimating there will be \$200,000 of prior year revenues available to use to support core operations in 2010.

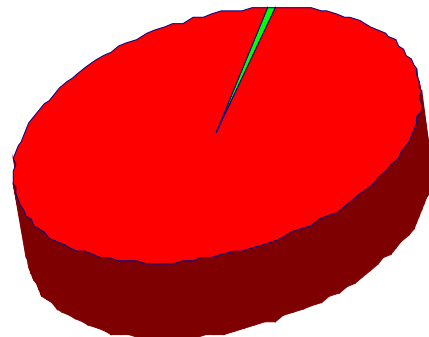
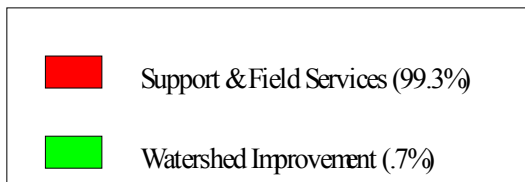
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fish and Wildlife

FY 2010 will be challenging for the Department. In order to offset reductions in General Fund allocation and the transfer of PILOT payment costs previously paid from elsewhere in the Agency, the Department will reduce its use of seasonal employees, and reduce contracts and grants. Additionally, the Department will hold three state game warden positions vacant and reduce warden overtime.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Fish and Wildlife**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Support & Field Services	134	135	130	18,166,753	17,338,600	16,836,664	17,694,893
Watershed Improvement	0	0	0	61,252	100,000	100,000	125,000
<hr/>							
TOTAL	134	135	130	18,228,005	17,438,600	16,936,664	17,819,893
 FUND TYPE							
General Fund				2,151,097	1,855,348	1,210,627	1,227,419
Fish & Wildlife Fund				15,770,991	15,346,252	15,479,037	16,355,474
Special Fund				25	0	0	0
Interdepartmental Transfer				305,892	237,000	247,000	237,000
<hr/>							
TOTAL				18,228,005	17,438,600	16,936,664	17,819,893



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Support & Field Services**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	11,723,916	12,028,245	11,728,289	12,437,985
Operating Expenses	5,418,349	4,510,355	4,308,375	4,482,575
Grants	1,024,488	800,000	800,000	774,333
<hr/>				
TOTAL	18,166,753	17,338,600	16,836,664	17,694,893
FUND TYPE				
General Fund	2,151,097	1,855,348	1,210,627	1,227,419
Fish & Wildlife Fund	15,709,739	15,246,252	15,379,037	16,230,474
Special Fund	25	0	0	0
Interdepartmental Transfer	305,892	237,000	247,000	237,000
<hr/>				
TOTAL	18,166,753	17,338,600	16,836,664	17,694,893

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Watershed Improvement**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Operating Expenses	251	0	0	0
Grants	61,001	100,000	100,000	125,000
<hr/> TOTAL	<hr/> 61,252	<hr/> 100,000	<hr/> 100,000	<hr/> 125,000
FUND TYPE				
Fish & Wildlife Fund	61,252	100,000	100,000	125,000
<hr/> TOTAL	<hr/> 61,252	<hr/> 100,000	<hr/> 100,000	<hr/> 125,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Communities and Habitat**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

Department Mission Statement

The mission of the Vermont Department of Forests, Parks and Recreation is to practice stewardship of Vermont's environment by:

- Monitoring and maintaining the health, integrity, and diversity of important species, natural communities, and ecological processes.
- Managing forests for sustainable use.
- Providing and promoting opportunities for compatible outdoor recreation.
- Furnishing related information, education, and service.

Description of Appropriations, Divisions, & Programs

Administration - The Administration Division is responsible for leadership and oversight of all Department programs, financial management, personnel management, policy development and legal services, as well as administering recreation grant programs.

Forestry - Forestry programs impact a broad and expanding constituency concerned with the sustainable use, management, protection and future condition of Vermont's forest landscape, representing 75% of the state. These forests provide the important economic resource base supporting a diverse forest products industry through sustainable timber management, the basis for biological diversity, natural communities, wildlife habitats, scenic landscapes, tourism and recreation. The Division has responsibility for administration and oversight of the 1.5 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 343,000 acres of state-owned land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the wood using industry and the administration of forestry regulatory programs.

State Parks - The State Park Division is responsible for planning for the construction, maintenance and operation of the state park system and the protection of the natural resources in the system. The State Park system includes 52 developed parks.

Land Administration - This Division has Agency-wide responsibility for the administration and real estate activity of all state-owned lands managed by the three ANR departments (approximately 343,000 acres). The Division has responsibility for maintenance of ANR property records and maps; administration of leases, licenses and special use permits for ANR lands; carrying out ANR land acquisition and transactions; assistance with long-range management planning for ANR lands; survey and mapping of ANR lands, and coordination and development of ANR lands policies.

Vermont Youth Conservation Corps - Administration of pass through monies from state parks, AOT, trail funds, general funds and donations. This program educates youth in good conservation ethics

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

through meaningful employment in natural resource related projects.

Forest Highway Maintenance - This program uses state funds to repair and maintain the ANR forest highway network consisting of approximately 600 miles of roads.

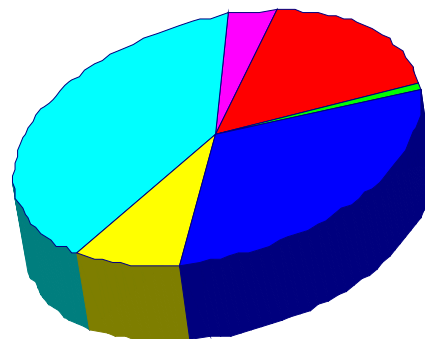
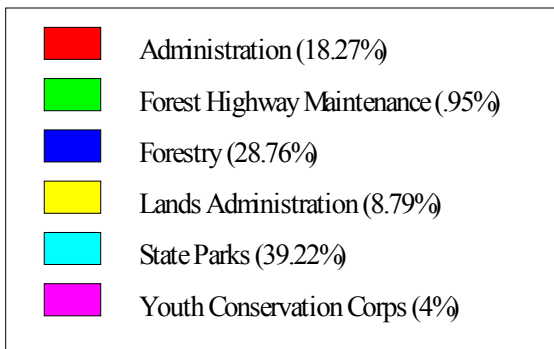
Key Budget Issues

Like all of state government, and our private sector partners, the downturn in the economy presents serious challenges to the Department of Forests, Parks and Recreation (FPR). To balance the FY 2009 budget, FPR has reduced its budget by more than \$1 million in two rescissions and reductions in travel and other expenses. The FY 2010 budget proposal includes further reductions. At present, balancing the FY 2010 budget requires significant Parks and Forestry operating cuts, the leveraging of a FPR special fund, modest inflationary increases in some park fees and a partnership with the Department of Fish & Wildlife that maximizes the use of available federal funds.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration	13	13	13	3,557,862	3,564,052	3,640,536	3,434,469
Forestry	66	63	58	5,789,100	5,644,108	5,517,356	5,405,195
State Parks	35	35	34	7,665,748	7,591,075	7,378,153	7,370,829
Lands Administration	6	5	5	1,435,024	1,659,216	5,330,878	1,652,682
Youth Conservation Corps	0	0	0	646,978	764,052	752,073	751,666
Forest Highway Maintenance	0	0	0	335,160	323,978	328,556	179,266
TOTAL	120	116	110	19,429,872	19,546,481	22,947,552	18,794,107
FUND TYPE							
General Fund				6,950,233	7,304,535	6,512,800	6,219,185
Special Fund				8,679,459	8,640,946	9,087,752	8,923,922
Federal Revenue Fund				3,492,324	3,289,000	6,811,000	3,189,000
Permanent Trust Fund				0	0	19,000	0
Interdepartmental Transfer				307,856	312,000	517,000	462,000
TOTAL				19,429,872	19,546,481	22,947,552	18,794,107



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	1,020,663	1,065,106	1,062,668	1,020,309
Operating Expenses	644,065	637,346	716,268	555,710
Grants	1,893,134	1,861,600	1,861,600	1,858,450
<hr/>				
TOTAL	3,557,862	3,564,052	3,640,536	3,434,469
FUND TYPE				
General Fund	1,214,209	1,253,052	1,219,926	1,223,859
Special Fund	1,269,914	1,406,000	1,415,610	1,305,610
Federal Revenue Fund	1,049,613	905,000	905,000	905,000
Interdepartmental Transfer	24,126	0	100,000	0
<hr/>				
TOTAL	3,557,862	3,564,052	3,640,536	3,434,469

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Forestry**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Forestry

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,594,649	4,657,620	4,582,695	4,482,990
Operating Expenses	656,153	593,488	541,661	579,205
Grants	538,298	393,000	393,000	343,000
<hr/> TOTAL	<hr/> 5,789,100	<hr/> 5,644,108	<hr/> 5,517,356	<hr/> 5,405,195
FUND TYPE				
General Fund	3,971,531	4,017,108	3,737,419	3,633,694
Special Fund	332,043	360,000	401,937	474,501
Federal Revenue Fund	1,421,950	1,240,000	1,262,000	1,140,000
Permanent Trust Fund	0	0	19,000	0
Interdepartmental Transfer	63,576	27,000	97,000	157,000
<hr/> TOTAL	<hr/> 5,789,100	<hr/> 5,644,108	<hr/> 5,517,356	<hr/> 5,405,195

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Parks**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
State Parks**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	5,291,339	5,412,517	5,247,845	5,381,818
Operating Expenses	2,374,409	2,171,558	2,123,308	1,989,011
Grants	0	7,000	7,000	0
<hr/> TOTAL	<hr/> 7,665,748	<hr/> 7,591,075	<hr/> 7,378,153	<hr/> 7,370,829
FUND TYPE				
General Fund	932,694	1,231,181	840,951	767,889
Special Fund	6,733,054	6,359,894	6,537,202	6,602,940
<hr/> TOTAL	<hr/> 7,665,748	<hr/> 7,591,075	<hr/> 7,378,153	<hr/> 7,370,829

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lands Administration**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Lands Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	446,432	437,682	435,660	443,601
Operating Expenses	850,855	1,221,534	4,895,218	1,209,081
Grants	137,737	0	0	0
<hr/> TOTAL	<hr/> 1,435,024	<hr/> 1,659,216	<hr/> 5,330,878	<hr/> 1,652,682
FUND TYPE				
General Fund	446,639	429,216	335,948	368,477
Special Fund	3,070	145,000	374,930	179,205
Federal Revenue Fund	954,961	1,050,000	4,550,000	1,050,000
Interdepartmental Transfer	30,354	35,000	70,000	55,000
<hr/> TOTAL	<hr/> 1,435,024	<hr/> 1,659,216	<hr/> 5,330,878	<hr/> 1,652,682

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Youth Conservation Corps**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	224,368	304,459	296,073	0
Operating Expenses	1	9,593	6,000	0
Grants	422,609	450,000	450,000	751,666
<hr/>				
TOTAL	<hr/> 646,978	<hr/> 764,052	<hr/> 752,073	<hr/> 751,666
FUND TYPE				
General Fund	50,000	50,000	50,000	46,000
Special Fund	341,378	370,052	358,073	361,666
Federal Revenue Fund	65,800	94,000	94,000	94,000
Interdepartmental Transfer	189,800	250,000	250,000	250,000
<hr/>				
TOTAL	<hr/> 646,978	<hr/> 764,052	<hr/> 752,073	<hr/> 751,666

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Forest Highway Maintenance**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,643	222,978	20,000	20,000
Operating Expenses	332,517	101,000	308,556	159,266
TOTAL	335,160	323,978	328,556	179,266
FUND TYPE				
General Fund	335,160	323,978	328,556	179,266
TOTAL	335,160	323,978	328,556	179,266

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Environmental Conservation

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; and (4) monitoring the environment and completing projects such as aquatic weed harvesting and riverbank restoration. DEC believes that people must be treated fairly, honestly and openly; that programs must be efficient and cost-effective; that DEC must lead by example; that actions must be timely; and that the department must show respect for both Vermont's citizens and natural resources.

The department administers various regulatory programs, mandated by the state and /or federal governments, which oversee the discharge of pollutants in the air, water and soil. In most instances, the policy decision was made over three decades ago that DEC should accept the federal delegations of the environmental regulatory program from the U.S. Environmental Protection Agency (EPA), so Vermonters could deal with the permit process locally rather than with EPA in Boston.

The department has four appropriations. Three appropriations cover the majority of the Department's work in eight divisions. Descriptions of each division are located below under their appropriation. The fourth appropriation is the Connecticut Valley Flood Control Compact.

Management and Support Services Appropriation

Commissioner's Office

The Commissioner's Office provides leadership, management, business, policy and planning services for all departmental divisions and programs. The Commissioner's Office includes the Environmental Assistance Office.

The Environmental Assistance Office (EAO) assists the public and DEC through research, assistance, and information. This office administers programs providing permitting assistance, compliance

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Environmental Conservation

assistance, municipal assistance, business assistance and recognition, pollution prevention planning and assistance, department-level continuous quality improvement for permitting and compliance, department-level information system design and oversight, mercury education and reduction, geologic research and mapping, low level radioactive waste oversight, and scientific studies management. Permit specialists provide assistance and identify needed permits for each applicant. Compliance specialists provide assistance to small businesses and municipalities to help them understand and comply with environmental requirements.

The Geological Survey is part of the EAO and conducts mapping, research and provides aid and advice about the state's geology, mineral resources and topography. Current emphasis is on bedrock and surficial mapping, applied studies, digital map products, data distribution, and education. Geological information plays a significant role in locating groundwater supplies, arranging waste disposal, understanding the movement of contaminants, and addressing natural hazards such as landslides, radioactivity, erosion, and earthquakes. Geological research helps locate the source of groundwater and earth materials upon which ecosystems are rooted and provides valuable information about the soil that supports agricultural production. The extraction of mineral resources includes dimension stone, crushed rock, and sand and gravel. Public service maps derived from the base geology relate to protecting the public health and safety and promoting the general welfare. The survey also includes the Radioactive Waste Management Program.

Compliance and Enforcement Division

The Compliance and Enforcement Division is new to DEC. This new division has incorporated the longstanding Enforcement Division that had previously been housed at the agency level. Responsibilities of this program have broadened and now include proactive management of compliance matters, as well as enforcement of all laws and regulations administered by the Agency, except for those programs managed by the Department of Fish and Wildlife. The goals of this new 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 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

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Environmental Conservation

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 has recently adopted new 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

Through a combination of assistance, planning, regulation, permitting, and inspections, the Waste Management Division oversees the management of solid and hazardous wastes to protect the public health and the environment. Hazardous and solid waste programs are managed to meet Vermont environmental law and regulatory standards and U.S. Environmental Protection Agency standards for the Resource Conservation Recovery Act. The division also oversees the investigation and remediation of sites contaminated by hazardous wastes from petroleum, chemical, and industrial release. The Petroleum Clean-up Fund is managed to remediate sites contaminated by petroleum. The Redevelopment of Contaminated Properties Program (“Brownfields”) 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, and has successfully increased compliance with regulatory requirements via a new compliance program. In addition, the division maintains a 24-hour Spill Response Team to provide assistance in the control and clean-up of spills.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Environmental Conservation

Office of Water Appropriation

Facilities Engineering Division

The Facilities Engineering Division assists in the planning, design, construction and first year operation phases for the new construction or upgrade of municipal and private potable water supply systems (including schools) and municipal wastewater systems. The division also administers the state and federal grant and revolving loan programs that fund this work. It also plans and implements the original construction or improvement projects for state-owned dams, and for Fish and Wildlife and Forests, Parks and Recreation projects such as fishing access areas, fish culture stations, and state park facilities. The division also administers the Dam Safety and Hydrology Program, which involves safety inspections of non-power generating dams, review and permitting for dam alteration or construction projects, coordinates FERC hydroelectric licensing reviews, and assures that stream flows below dams, water withdrawals, and hydropower reservoirs meet minimum standards.

Water Quality Division

The Water Quality Division helps protect surface water quality and quantity for Vermont's 800 significant lakes and ponds, 7,000 miles of rivers and streams, and 300,000 acres of wetlands. The division conducts chemical, physical and biological environmental monitoring and provides guidance to citizen monitoring programs to determine current quality and threats to that quality. It publishes assessments of streams, rivers, lakes and wetlands and prepares watershed plans for each basin through public-private collaborations that work to identify waters that are experiencing difficulties and to develop and implement corrective strategies.

The Division is responsible for implementation of the state's Wetland Program as well as state and federal Stormwater Programs. It issues Conditional Use Permits for allowed activities in state protected wetlands. It issues permits for Erosion Prevention and Sediment Control (land disturbances greater than one acre), Multi-Sector Industrial Stormwater Permits and Operational Stormwater Permits. The Division also issues permits for aquatic nuisance control, lakeshore encroachment, mineral prospecting and stream alteration. The Division's work is carried out to assure compliance with the State's Water Quality Standards. The Division issues grants and provides technical assistance for local nonpoint source pollution management activities in lake and river watersheds. Finally, the division administers aquatic nuisance management, river management and flood hazard mitigation programs, and sponsors Project WET (Water Education for Teachers).

Wastewater Management Division

The Wastewater Management Division staff administers the federally delegated permitting programs for municipal and industrial discharges. It also administers the permitting programs for indirect discharges and residuals management. These programs regulate the pollutants contained in the approximately 150

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Environmental Conservation

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 administers the wastewater system and potable water supply rules from its five regional offices. These rules regulate soil-based wastewater systems with a design capacity of less than 6,500 gallons per day as well as all connections to the municipal water and wastewater systems. The program currently 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.

Water Supply Division

The Water Supply Division is responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through sanitary surveys, technical assistance, operator certification, compliance tracking for nearly 100 contaminants, a low interest loan program and permitting of all aspects of source water development, construction and operation. The division also oversees the state's groundwater protection and well driller's regulatory programs.

Connecticut Valley Flood Control Compact Appropriation

The Connecticut Valley Flood Control Compact appropriation facilitates the management of receipts from Connecticut and Massachusetts for tax losses in Vermont towns where the U.S. Corps of Engineers has built flood control projects.

Department Key Budget Issues

The Department of Environmental Conservation (DEC) budget reflects a significant tightening of DEC resources in SFY '10. Prior increases in permit fund revenues have decreased. In addition, federal funds which make up a considerable portion of DEC's budget could possibly see a decline, but, optimistically, will remain flat in FY'10.

The tight fiscal environment means that one support function of DEC will be eliminated. This support function includes eight positions in the Management and Support Services Appropriation. Some of the work of this function will be eliminated altogether and some of it will be sent to other states and private labs. The operating and capital funds required to sustain the function in house are simply not available without an unsustainable level of subsidy by the department's other environmental programs, thereby reducing financial resources necessary for critical protection programs. Beyond elimination of this support function, DEC will also eliminate four positions within the Air and Waste Appropriation.

While we expect the budget impacts will require some internal restructuring within DEC to meet all our programmatic priorities and commitments, the budget has been built based on the current structure, priorities and needs because it is too early to know exactly what changes might be necessary.

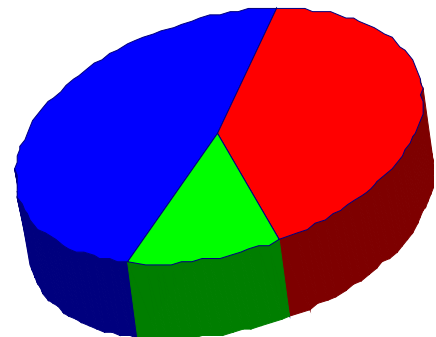
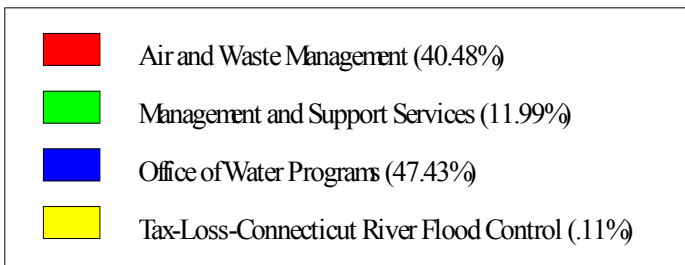
STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Environmental Conservation

The budget does not call out any increase in funds for specific activities but provides the funding required for DEC.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Environmental Conservation**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Management and Support Services	40	40	49	3,798,850	3,974,157	3,913,214	4,458,070
Air and Waste Management	86	84	77	16,292,410	15,353,380	15,208,584	15,052,624
Office of Water Programs	185	182	163	18,125,808	18,490,012	18,567,557	17,638,264
Tax-Loss-Connecticut River Flood Control	0	0	0	31,230	40,000	40,000	40,000
TOTAL	311	306	289	38,248,298	37,857,549	37,729,355	37,188,958
FUND TYPE							
General Fund				9,274,136	9,063,839	8,446,467	7,527,542
Special Fund				17,001,965	16,520,757	16,556,257	17,667,638
Federal Revenue Fund				10,540,757	10,723,172	11,035,850	11,248,778
Interdepartmental Transfer				1,431,440	1,549,781	1,690,781	745,000
TOTAL				38,248,298	37,857,549	37,729,355	37,188,958



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Management and Support Services**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Management and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,963,177	3,049,394	2,996,444	3,548,142
Operating Expenses	727,724	843,239	835,246	806,015
Grants	107,949	81,524	81,524	103,913
<hr/> TOTAL	<hr/> 3,798,850	<hr/> 3,974,157	<hr/> 3,913,214	<hr/> 4,458,070
FUND TYPE				
General Fund	1,194,124	1,008,234	640,113	570,644
Special Fund	737,189	922,426	1,013,926	2,425,301
Federal Revenue Fund	914,215	1,132,701	1,350,379	1,407,125
Interdepartmental Transfer	953,322	910,796	908,796	55,000
<hr/> TOTAL	<hr/> 3,798,850	<hr/> 3,974,157	<hr/> 3,913,214	<hr/> 4,458,070

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Air and Waste Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	6,836,350	7,760,975	7,633,020	7,183,059
Operating Expenses	7,943,627	6,181,405	6,164,564	6,483,565
Grants	1,512,433	1,411,000	1,411,000	1,386,000
<hr/> TOTAL	<hr/> 16,292,410	<hr/> 15,353,380	<hr/> 15,208,584	<hr/> 15,052,624
FUND TYPE				
General Fund	1,265,079	949,699	779,903	619,928
Special Fund	11,492,397	11,121,126	11,071,126	10,783,016
Federal Revenue Fund	3,392,494	3,108,570	3,183,570	3,439,680
Interdepartmental Transfer	142,440	173,985	173,985	210,000
<hr/> TOTAL	<hr/> 16,292,410	<hr/> 15,353,380	<hr/> 15,208,584	<hr/> 15,052,624

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of Water Programs**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Office of Water Programs**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	13,716,692	14,086,391	14,166,510	13,507,863
Operating Expenses	1,966,582	2,248,955	2,192,587	1,964,999
Grants	2,442,534	2,154,666	2,208,460	2,165,402
<hr/> TOTAL	<hr/> 18,125,808	<hr/> 18,490,012	<hr/> 18,567,557	<hr/> 17,638,264
FUND TYPE				
General Fund	6,814,933	7,105,906	7,026,451	6,336,970
Special Fund	4,741,149	4,437,205	4,431,205	4,419,321
Federal Revenue Fund	6,234,048	6,481,901	6,501,901	6,401,973
Interdepartmental Transfer	335,678	465,000	608,000	480,000
<hr/> TOTAL	<hr/> 18,125,808	<hr/> 18,490,012	<hr/> 18,567,557	<hr/> 17,638,264

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Operating Expenses	31,230	40,000	40,000	40,000
<hr/> TOTAL	<hr/> 31,230	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000
FUND TYPE				
Special Fund	31,230	40,000	40,000	40,000
<hr/> TOTAL	<hr/> 31,230	<hr/> 40,000	<hr/> 40,000	<hr/> 40,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board

Department Mission Statement

The Environmental Board and the Water Resources Board were statutorily eliminated effective January 31, 2005. The Natural Resources Board has taken the place of both Boards and commenced operations on February 1, 2005. The new Board is composed of two panels, the Land Use Panel and the Water Resources Panel.

A primary mission of the Land Use Panel of the Natural Resources Board is to administer a public regulatory, quasi-judicial process (Act 250) at the district environmental commission level for reviewing and managing the environmental and fiscal consequences of major subdivisions and developments in Vermont. Specific objectives of Act 250 program include: 1) assuring thorough review of each Act 250 permit application under the requirements of statutory criteria; 2) performing permit review as expeditiously as possible; 3) providing assistance to applicants and other parties in preparation for their participation in Act 250 proceedings; 4) assisting permittees in maintaining compliance with permit terms and conditions; 5) enforcing the requirements of Act 250 permits and the statute; 6) creating environmental and land use policy through the promulgation of substantive and procedural rules to fully implement the Act 250 regulatory process. The Panel also has major responsibilities for procedural and substantive rulemaking in the area of land use in order to fully implement Act 250.

The mission of the Water Resources Panel of the Natural Resources Board is to ensure that rules which guide the management of Vermont's water resources and wetlands are adopted by a citizen panel independent of the Agency of Natural Resources (ANR). The Water Resources Panel provides meaningful citizen involvement and oversight in the adoption and implementation of Vermont's water resource management and wetland protection policies and may participate in administrative appeals from related regulatory decisions of the ANR to the Environmental Court. The protection of water quality, resolution of conflicting uses of public waters, the designation and protection of significant wetlands and the designation of outstanding resource waters in a manner consistent with the public interest and applicable state and federal law are the major results toward which the Panel's activities are directed.

Coming into existence on February 1, 2005, the Natural Resources Board is comprised of nine members appointed by the Governor including a full time Chair of the Board. The Board consists of two separate panels; the Land Use Panel and the Water Resources Panel with distinct functions and responsibilities. Both Panels will be chaired by the Chair of the Board. On a statewide basis, the Land Use Panel oversees and administers the Act 250 process served by nine district environmental commissions. Each commission is comprised of three members with up to four alternates also appointed by the Governor. The Chair of the Board, as a full time salaried employee, has responsibility for the administration of the entire Act 250 program and all substantive and procedural rulemaking of the Natural Resources Board.

Created in 1970, the District Environmental Commissions provide a public regulatory, quasi-judicial process (Act 250) for reviewing and managing the environmental and fiscal consequences of major

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board

subdivisions and developments in Vermont.

Total general fund and special fund savings in FY 2006 amounted to approximately **\$260,000**. Since the end of FY 2008, we will have experienced more than a **20%** decrease in general funds - **\$1,057,827 in FY 2008 to \$844,500 in FY 2009** - a reduction of **\$213,327** in one fiscal year (including GF reductions in the **FY 2009** legislative budget process, the August rescission of **\$47,889** and the most recent rescission of **\$73,366**). Consequently, the NRB has increased its reliance on the Special Fund (Act 250 fees) from a budgeted **\$1,844,506** to a newly authorized **\$1,917,872** in FY 2009 fiscal year. Actual fee receipts in **FY 2008** were **\$1,668,960**.

The NRB is now approximately **70%** funded by Act 250 permit fees and **30%** funded with general funds. Historically Act 250 fees have remained relatively strong and periodically the program has had the ability to transfer surplus monies to the general fund. For instance, in **FY 2006**, the NRB transferred **\$500,000** in Act 250 fees to the general fund. The NRB ended **FY 2008** with a special fund surplus of **\$304,000** which will serve as a cushion if we experience a decrease in Act 250 permit applications in **FY 2009** due to the declining economy. However, the Administration has just indicated that it will transfer **\$100,000** of that surplus to the general fund. That leaves the NRB with a cushion of only **\$204,000** in the special fund. Surprisingly, our fees have held firm during the first quarter of **FY 2009** - we deposited approximately **\$500,000** during that quarter and have since deposited an additional **\$250,000** for a total of more than **\$750,000**. However, our revised **FY 2009** special fund appropriation is **\$1,917,872** and we are hopeful that we are on track to meet that target. That will occur only if Act 250 fees remain firm through the spring. If they do not, then the NRB must rely on the special fund surplus or risk running a budget deficit.

Description of Appropriations, Divisions, & Programs

Act 115 Transition/Act 183 Growth Center Legislation

1) Introduction

As a result of Act 115, the E Board and the WR Board were eliminated effective January 31, 2005 although they have continued to finish their respective caseloads, which was completed in 2006. There have been two remands from the Vermont Supreme Court. Act 115 consolidated all existing environmental permitting appeal routes so that acts or decisions of the District Environmental Commissions and the Agency of Natural Resources (ANR) are now subject to appeal to the newly expanded Environmental Court (E Court), as are decisions by local development review entities and jurisdictional opinions issued by District Environmental Coordinators.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board

2) New and Existing Responsibilities

Act 115 replaced the E Board and the WR Board with the Natural Resources Board (NRB), consisting of a full-time Chair and two citizen panels: a Land Use Panel (LUP) and a Water Resources Panel (WRP). These Panels consist of four citizen volunteers each, with the full time NRB Chair serving as a member and Chair of each Panel of each of the two panels.

The LUP has assumed procedural and substantive rulemaking functions previously exercised by the E Board and continues to manage the process by which Act 250 permits are issued. The LUP also initiates enforcement on related Act 250 matters, may intervene/participate as a statutory party in Act 250 appeals to the E Court,, and may petition the E Court for permit revocation. The LUP is also authorised to hear District Commission fee issue appeals, and will also hear, at the discretion of a municipality, applications for Arequests for findings of facts and conclusions of law under specific Act 250 criteria for designated Growth Centers.

3) Chair of the NRB

The full time Chair of the NRB, appointed by the Governor and confirmed by the Senate, serves as Chair of both Panels and focuses on: external relations, procedural and substantive rulemaking thus establishing significant land use and water resource policy in Vermont, enforcement of Act 250 land use permits, general oversight of E Court appeals and general oversight of the offices and employees of the NRB and the offices and employees of the District Commissions.,

4) Act 250: Vermont's Land Use Control Law

The LUP has administrative oversight of over nine dDistrict eEnvironmental cCommissions consisting of up to 63 volunteer District environmental commissioners (Environmental Commissioners (each District consists of three Members and up to four Alternates) appointed by the Governor). There are nine District Coordinators, three Assistant District Coordinators and seven administrative support staff. The professional staff of eighteen professionals support the nine district environmental Commissions in five Regional Offices: Springfield, Rutland, Essex, St. Johnsbury and Barre. The District Environmental Commissions process, an average of 500 Land Use Permit (Act 250) applications per year representing an average of \$425,000,000 in annual development activity. There are approximately 100 people in the NRB organization as a whole including Coordinators, District Commissioners, NRB Members and Alternates, legal and administrative staff.

5) Combined NRB Legal Staff

Before Act 115, a general counsel served the E Board and an Executive Officer served the WR Board. The WR Board's Executive Officer position has been eliminated. The General Counsel position is now serving the Natural Resources Board NRB and has general oversight over the legal staff. One attorney position continues to work full time on Act 250 enforcement matters in all areas of the State. In

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board

addition, two other staff attorney positions have been retained to assist the NRB and its respective Panels in the formulation of land use and water resource policy, goals, standards and the promulgation of administrative and substantive rules.

6) Administrative and Legal Support to the District Commissions

Since all appeals now go to the E Court, there has been an increased emphasis on providing necessary legal and administrative support to the District Environmental Commissions and staff in the five Regional Offices. Previous to this change, it was difficult to have complete and open discussions with the District Commissions and staff because of the E Board's role as adjudicator of District Commission decisions and the need to maintain the so called Chinese wall. Direct legal assistance is now being provided to the District Commissions without the concern that conflicts might arise in an appeal of a Commission decision to the E Board. The legal staff has assumed a much greater role in providing legal assistance to the District Coordinators and District Environmental Commissions.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Natural Resources Board	31	31	31	2,804,702	2,810,261	2,810,261	2,726,614
<hr/>							
TOTAL	31	31	31	2,804,702	2,810,261	2,810,261	2,726,614
FUND TYPE							
General Fund				1,192,326	965,755	965,755	816,942
Special Fund				1,612,376	1,844,506	1,844,506	1,909,672
<hr/>							
TOTAL				2,804,702	2,810,261	2,810,261	2,726,614

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board**

Appropriation Key Budget Issues

NRB General Fund Carry Forward and Special Fund Surplus: Key Budget Issues

*The NRB has identified our **Document Imaging and Internet Map Project** as the top priority opportunity for any available funding in FY09 and FY 2010. This project will create an on-line database of Act 250 permits and supporting documents which are used extensively by Act 250 applicants, parties, and practitioners such as attorneys, real estate and title professionals, and banking officials. The project is closely tied to recent efforts of the Agency of Natural Resources (ANR) to develop a similar on-line permit database. ANR has identified its **Electronic Content Management System** as one of the priority opportunities in its SEI Step 2 submission. Integration with Act 250 documents and data is a key part of ANR's project. We believe the combined efforts of the two agencies will bring Vermont closer to its goal of becoming an e-government leader by providing citizens with electronic access to important documents and services through a revitalized web portal and agency web sites. Strategic Enterprise Initiative Memorandum to Michael Smith, April 16, 2006.*

Performance Program Information

Annual Report: Program Performance Information

This report is based upon a statistical analysis of Natural Resources Board (Board)NRB and District Environmental Commission activity during Calendar Year 2006 (CY 2006). Where appropriate, a historical perspective has been provided to complement the current information. Information for Fiscal Year 2006 (FY 2006) has been used for the fee revenue analysis.

1) Number of Act 250 Applications (CY 2006)

In CY 2006, 490 Act 250 permit applications were submitted to filed with the nine District Environmental Commissions, compared to 516 the previous year, a decrease of 5%.

Seven permit applications were denied by the District Commissions in CY 2006, a rate of 1.4%. This compares to eight denials in CY 2005, a denial rate of 1.5%.

2) NRB Special Fund - Permit Application Fees

Act 250 permit application fees are based on the estimated cost of construction for each project, except state and municipal projects which are exempt from fees. 10 V.S.A. Section 6083a.

3) District Commission Performance (CY 2006)

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board

In CY 2006 83% of all Act 250 applications were processed as either minor applications or administrative amendments, compared to an average of 81% the previous year. For minors, no hearing is held unless a statutory or permitted party files a timely request for a hearing, a hearing within Administrative amendments are processed without a hearing; the amendment is distributed to all statutory parties and adjoining property owners with opportunity for reconsideration within 15 days. The minor and administrative amendment rate for CY 2006 was consistent with the average of 81% for the past several years.

The median processing time at the District Commission level for all decisions in CY 2006 was 27 days from the date the application was deemed complete. In CY 2006, 66% of all permit decisions were issued within 60 days and 83% were issued within 120 days. These percentages are comparable to those from the previous year.

4) Enforcement Activity

The NRB has a successful enforcement program. In 2007, the NRB reallocated significantly more of its legal resources to Act 250 enforcement. The result is a comprehensive, fair and even handed approach to Act 250 violations. This enhances the integrity of the Act 250 program and furthers the State's interest in its public health and environment.

The LUP of the NRB has certain administrative enforcement jurisdiction by virtue of 10 VSA Section 6027 (G); 10 VSA Section 8004; 10 VSA Section 8007; 10 VSA Section 8221 and Memorandum of Understanding and Delegation of Authority from ANR to LUP renewed on 9/1/06 for two years.

Thirty-five (35) administrative enforcement files were opened in CY 2006. Twenty-two (22) of these cases were resolved by the parties executing Assurances of Discontinuances. (AODs)

Eleven (11) cases opened in CY 2006 remain open and are in varying stages of administrative activity. Enforcement was declined in two matters after the files were opened.

In addition to the above, four files opened in CY 2005 were resolved by AODs.

Penalties assessed (AODs and AOs) in CY 2006 total \$26,861. Penalties collected in CY 2006 (assessed in CY 2005 and CY 2006) were \$30,986. In addition to penalties, 10 V.S.A. Section 8007(b) allows the LUP to include in any AOD, money for supplemental environmental projects (SEPs). SEPs assessed in CY 2006 total \$56,000. SEPs collected in CY 2006 were \$32,000.

The above numbers do not account for the large number of potential compliance/violation matters which see immediate correction due to the attention of our Coordinators and enforcement attorney.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board

In addition we have hired a permit compliance officer to investigate many of our cases. With our own full time compliance officer we will for the first time have a systematic process for checking the status of Act 250 permits while the projects are being built. This will allow the NRB to not only be more pro-active in the enforcement arena but also help prevent many violations before they become major problems.

5) Public Information and Education

We continue to improve our access to E Board decisions and other information for both staff and the general public, using our web site and legal research tools such as the Board's E-Note Index. In CY 2006 NRB and Commission staff continued to educate the general public, the business community, and other interest groups about the role of Act 250 in Vermont's regulatory system by giving presentations to numerous groups throughout the state. We have made extensive use of our 18-page color brochure about the Act 250 process as well as slide and Power Point presentations developed for specific audiences.

In CY 2006 the NRB initiated a project which will result in a searchable, on-line database of all Act 250 District Commission decisions dating back to 1970, including scanned images of these decisions and all other important associated file documents. This database will significantly improve access to Act 250 documents for the general public and Act 250 practitioners, facilitating real estate transactions and the resolution of title issues. The NRB has contracted with a vendor, Competitive Computing, to conduct a systems analysis and to develop a comprehensive scope of work for this project. The NRB anticipates that this project will be completed in CY 2009.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Natural Resources Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	2,408,042	2,465,153	2,465,153	2,379,294
Operating Expenses	396,660	345,108	345,108	347,320
<hr/> TOTAL	<hr/> 2,804,702	<hr/> 2,810,261	<hr/> 2,810,261	<hr/> 2,726,614
FUND TYPE				
General Fund	1,192,326	965,755	965,755	816,942
Special Fund	1,612,376	1,844,506	1,844,506	1,909,672
<hr/> TOTAL	<hr/> 2,804,702	<hr/> 2,810,261	<hr/> 2,810,261	<hr/> 2,726,614

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

Agency Mission Statement

The mission for the Agency of Commerce and Community Development is to help Vermonters improve their quality of life and build strong communities.

Description of Departments in Agency

The Agency is comprised of the Departments of Administration, Economic Development, Tourism and Marketing, and Housing and Community Affairs. Vermont Life Magazine is part of the Department of Tourism and Marketing, and the Division for Historic Preservation is part of the Department of Housing and Community Affairs.

Administration

Administration consists of the Office of the Agency Secretary, Deputy Secretary, Communications, IT Services, Administrative Services, 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.

Housing and Community Affairs

The Department of Housing and Community Affairs serves Vermont's regions, municipalities, housing development organizations, owners of older and historic buildings, and the visiting public through 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.

Economic Development

The Department of Economic Development provides support for businesses and job creation by assisting with finance, permitting, foreign trade, export finance, training, business recruitment/expansion, government marketing, and captive insurance sales and marketing services. The Vermont Economic Progress Council is an arm of the department but operates under the direction of a separate board. The department also funds and supports regional economic development efforts through

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

the Regional Development Corporations and general business development through other partners.

Tourism and Marketing

The Department of Tourism and Marketing (VDTM) promotes Vermont as a travel destination in order to support a diverse and vital economy. The VDTM mission is accomplished through the development and implementation of a comprehensive marketing plan that integrates television, radio, newspaper, magazine print and media communications with VermontVacation.com, the state's most comprehensive tourism database.

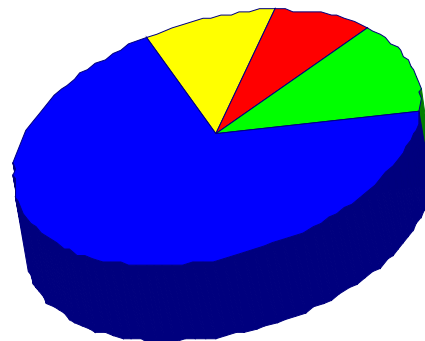
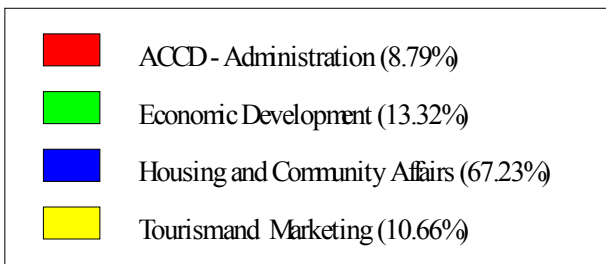
The department also supports and/or funds statewide initiatives including 5-1-1 travel information, Low Powered FM Radio (LPFM), VT/NH/ME Tri-State organization (TRIO), Discover New England (DNE), travel and trade shows and familiarization trips. Informative and effective communication with the industry through newsletters, meetings, and conferences is also a priority of the Department.

Vermont Life Magazine promotes Vermont as a beautiful and interesting place to travel, work and live.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
ACCD - Administration	23	22	21	2,847,769	3,811,912	3,423,517	3,693,051
Housing and Community Affairs	33	35	31	18,135,362	16,318,397	15,296,950	28,249,653
Economic Development	21	21	18	5,938,422	5,962,753	5,459,950	5,595,090
Tourism and Marketing	24	22	20	5,284,361	4,875,333	4,574,003	4,479,230
TOTAL	101	100	90	32,205,914	30,968,395	28,754,420	42,017,024
FUND TYPE							
General Fund				14,586,509	14,101,260	12,745,629	12,708,641
Special Fund				5,720,360	5,357,102	4,525,935	4,556,950
Federal Revenue Fund				11,027,588	10,517,348	10,446,510	23,741,457
Enterprise Fund				654,411	767,974	796,635	850,978
Interdepartmental Transfer				217,046	224,711	239,711	158,998
TOTAL				32,205,914	30,968,395	28,754,420	42,017,024



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
ACCD - Administration**

Department Mission Statement

The mission of Administration is the oversight and coordination of agency efforts to implement programs, develop policy and meet statutory objectives in all areas of responsibility.

Description of Appropriations, Divisions, & Programs

The Department is responsible for serving the members of the agency in the areas of communications, human resources, IT, legal, grants management, administrative support, management and supervisory training, and the prioritization of agency initiatives. The Office of the Chief Marketing Officer for the State of Vermont adds the responsibility of supporting state-wide marketing coordination.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
ACCD - Administration**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Administration Division	23	22	21	2,847,769	3,811,912	3,423,517	3,693,051
<hr/> TOTAL	<hr/> 23	<hr/> 22	<hr/> 21	<hr/> 2,847,769	<hr/> 3,811,912	<hr/> 3,423,517	<hr/> 3,693,051
FUND TYPE							
General Fund				2,807,293	2,911,912	2,523,517	2,793,051
Federal Revenue Fund				0	800,000	800,000	800,000
Interdepartmental Transfer				40,476	100,000	100,000	100,000
<hr/> TOTAL				<hr/> 2,847,769	<hr/> 3,811,912	<hr/> 3,423,517	<hr/> 3,693,051

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration Division

Appropriation Key Budget Issues

The Administration Department's budget challenges include maintaining level services with cuts in resources, retaining valuable personnel, and planning for the future.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Administration Division

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,814,674	2,026,671	1,706,926	1,914,002
Operating Expenses	586,895	639,041	587,701	642,659
Grants	446,200	1,146,200	1,128,890	1,136,390
<hr/> TOTAL	<hr/> 2,847,769	<hr/> 3,811,912	<hr/> 3,423,517	<hr/> 3,693,051
FUND TYPE				
General Fund	2,807,293	2,911,912	2,523,517	2,793,051
Federal Revenue Fund	0	800,000	800,000	800,000
Interdepartmental Transfer	40,476	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 2,847,769	<hr/> 3,811,912	<hr/> 3,423,517	<hr/> 3,693,051

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Housing and Community Affairs

Department Mission Statement

To promote the production of housing that is affordable to all Vermonters, to preserve Vermont's built and archaeological heritage, and to promote vibrant communities.

Description of Appropriations, Divisions, & Programs

The Department of Housing and Community Affairs offers a wide range of programs to support sustainable development of Vermont communities: preservation of Vermont's historic downtowns and village centers; local and regional land use planning; the Vermont Community Development Program; 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.

Applications from municipalities to the Vermont Community Development Program (VCDP) greatly outstrip the available grant resources each year. VCDP has been funded at a level of \$7.5M annually through the Federal Community Development Block Grant Program. Grants are made directly to municipalities for vital community development projects, such as affordable housing, economic development, and public facilities such as daycare centers.

The department has been approved by the U.S. Department of Housing and Urban Development (HUD) to administer the National Stabilization Program (NSP). This will result in the dispensing \$19.6 million in federal funds to help address the housing foreclosure crisis through the acquisition and redevelopment of foreclosed, blighted and abandoned properties.

The lack of housing stock in many regions of the state has led to escalating home prices and rents. A Vermont family must earn approximately \$16.00 an hour to afford a typical two-bedroom apartment. The statewide Housing and Homeless Needs Assessment, completed in June of 2005 as part of the Consolidated Plan, showed a serious shortage of both rental and ownership units in the region. An updated Housing Needs Assessment is planned for completion in the fall of 2009. The Housing Division worked on two bills enacted in July 2008 that resulted from the work of the Vermont Advisory Commission on Manufactured and Mobile Homes. The park sale and closure process was amended so that a park is not allowed to be under both sale and closure notices at the same time. Now, before a park can be closed the owner must give the mobile home owners a sale notice and opportunity to buy the park, unless the park owner does not sell the land for five years. A second change creates a method for a person who is buying or financing a mobile home on leased land, which is generally located in a mobile home park, to finance the mobile home with real estate financing. This law is an important first step for

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Housing and Community Affairs

lenders who want the ability to sell mobile home loans on the secondary market because having the secondary market available for the purchase of mobile home loans has the potential to provide much more competitive loan rates and terms for consumers. The new law does not affect the availability of the types of secured personal property loans that have traditionally been available for mobile homes, or immediately convert all mobile homes into real estate.

The Vermont Downtown Program (VDP) supports community efforts to strengthen downtowns and village centers through training and technical assistance. There are incentives for both the public and private sector within the designated area, including tax credits for historic building rehabilitations and code improvements, transportation-related public improvements, and priority consideration for other State programs. Long-vacant upper floors in many downtowns are now being rehabilitated for housing and offices, storefronts and facades are being improved, and buildings are becoming more accessible and safe through code improvements. Downtowns are seeing lower business vacancy rates and stronger businesses. Tax credit rehabilitations are beginning to develop in the village centers which can have a big impact where there is otherwise little commercial activity. There are 23 Designated Downtowns, 83 Village Centers, 2 Growth Centers and 1 Vermont Neighborhood.

The Downtown Program is also responsible for administering the Growth Center Program. Created in 2006, the Program provides incentives for communities to designate areas appropriate for dense and compact growth. Communities must show that necessary infrastructure is, or will be, in place to support the growth, and that key natural resources are protected. The first community that was designated demonstrated that their Growth Center would be able to support more than 50% of that community's growth for the next 20 years on just 3% of the Town's land base. There are 2 communities designated to date, with another 7 working on designation.

In 2008, legislation creating the Vermont Neighborhood Program was enacted to support much needed housing development within or contiguous to designated downtowns and villages, and served by sewer systems. These neighborhoods must be dense, walkable, and integrate the new housing into existing neighborhoods, commercial and civic services and facilities. This program will further the state's longstanding goal of compact communities surrounded by working landscape. Several communities and projects are working on applications.

Many Vermont villages have no community wastewater infrastructure, effectively blocking the growth of new housing or businesses within those villages. In 2008, the Division finalized a publication for local government officials to help them address their wastewater infrastructure needs. A spring conference on this topic attracted 120 participants, and the Division continues to work to develop solutions to this dilemma.

As well as administering the Downtown, VT Neighborhood and Growth Centers programs, the Division for Community Planning and Revitalization (CP&R) also provides technical assistance to local and regional officials on smart growth planning tools, primarily via coordination of the Vermont Land Use Education & Training Collaborative. This collaborative, primarily staffed by DHCA, manages the

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Housing and Community Affairs

Vermont Planning Information Center (VPIC) website at VPIC.info, has administered contracts for a series of publications and final editing. In 2006, the range of training services was expanded to include Municipal Education Grants - small grants a town can apply for to pay for direct training to volunteer decision-makers at its local meetings to improve local capacity.

The CP&R Division also administers the Municipal Planning Grant Program and state funding for the 11 Regional Planning Commissions (RPCs). The FY09 Municipal Planning Grants (MPG) will be awarded this February. More than 90 Vermont towns have applied for this competitive and popular program. The Division is also managing approximately 70 MPG grants from past years, as well as \$428,000 in grants to 89 municipalities to research “ancient roads”, a part of legislation aimed at clearing real estate title problems that have emerged.

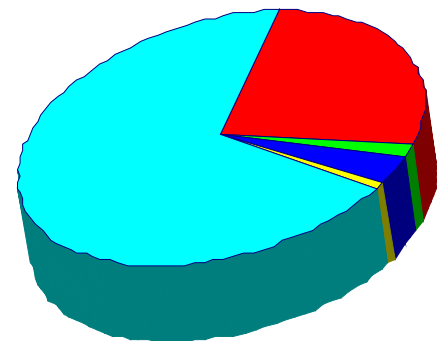
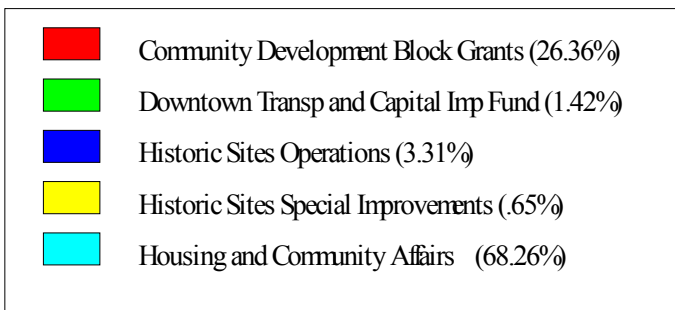
The Division for Historic Preservation supports the continued use of historic buildings, and research and protection of archaeological sites. The Division assists communities in adopting preservation-based development practices, giving new life to old buildings while protecting community character and pride. The Division administers small grant programs (Historic Preservation and Barn grants), and tax credits, which are in great demand. It also reviews and comments on developments for their impact on historic and archaeological resources, and provides education and training about historic resources and their protection. The State Historic Sites tell a story of Vermont’s past in the places where it happened. There are 10 sites open to the public, including the village of Plymouth Notch, 2 Revolutionary battlefields, and the tallest structure in the state - the Bennington Battle Monument. Revenues from ticket and gift shop sales provide a portion of the sites’ budget. The Division also owns several bridges, underwater shipwrecks, an iron blast furnace, and a variety of historic houses and taverns, all representing Vermont’s rich history.

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Housing and Community Affairs**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Housing and Community Affairs	27	29	25	6,709,780	7,102,534	6,084,770	19,283,496
Historic Sites Operations	5	5	5	937,704	911,554	907,871	935,180
Historic Sites Special Improvements	0	0	0	342,130	457,779	457,779	184,447
Community Development Block Grants	0	0	0	9,272,761	7,446,530	7,446,530	7,446,530
Downtown Transp and Capital Imp Fund	1	1	1	872,987	400,000	400,000	400,000
TOTAL	33	35	31	18,135,362	16,318,397	15,296,950	28,249,653
FUND TYPE							
General Fund				1,992,755	1,935,586	1,801,144	1,698,598
Special Fund				5,195,322	4,840,752	4,009,585	4,050,600
Federal Revenue Fund				10,770,715	9,417,348	9,346,510	22,441,457
Interdepartmental Transfer				176,570	124,711	139,711	58,998
TOTAL				18,135,362	16,318,397	15,296,950	28,249,653



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Housing and Community Affairs

Appropriation Key Budget Issues

The Department of Housing and Community Affairs is heavily dependent on federal funds. Over the last few years, there has been a decline in these funds.

The Growth Centers program deals with complex issues that require professional planning expertise of Housing Department staff and has adjusted its staffing structure to appropriately administer the program. The Planning Division and Downtown Program have been merged into the new Division for Community Planning and Revitalization (CP&R) division to better utilize the synergy between planning and downtown/village revitalization and to bring a planning component to the growth center work.

While visitors remain pleased with their experience at the State historic sites, attendance has been declining yearly for the past decade. The basic costs of maintenance, insurance, utilities, and staffing have not decreased. With fewer visits to the sites, there is less income, which puts pressure on the General Fund portion of the budget. The Division continues to take steps to improve visibility and increase the number of visits. In calendar 2008, the number of visitors has increased some and expenses have been reduced which has improved the bottom line. Ticket sharing between museums and a state park in the east central part of the state has also met with success. Marketing promotes the sites with brochures and on the Vacation.Vermont website and most notably, with the Governor's public service announcements throughout the 2008 season. The Division is also working to improve the visitor "experience" with new technology and family activities.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Housing and Community Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	2,218,506	2,302,051	2,125,055	2,333,275
Operating Expenses	316,464	381,619	375,018	420,760
Grants	4,174,810	4,418,864	3,584,697	16,529,461
TOTAL	6,709,780	7,102,534	6,084,770	19,283,496
FUND TYPE				
General Fund	1,452,195	1,393,684	1,262,925	1,153,070
Special Fund	3,905,045	4,021,100	3,189,933	3,210,948
Federal Revenue Fund	1,350,690	1,687,750	1,616,912	14,881,478
Interdepartmental Transfer	1,850	0	15,000	38,000
TOTAL	6,709,780	7,102,534	6,084,770	19,283,496

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Historic Sites Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	597,223	610,229	578,016	593,585
Operating Expenses	337,481	298,325	327,005	338,745
Grants	3,000	3,000	2,850	2,850
<hr/>				
TOTAL	<hr/> 937,704	<hr/> 911,554	<hr/> 907,871	<hr/> 935,180
 FUND TYPE				
General Fund	540,560	541,902	538,219	545,528
Special Fund	397,144	369,652	369,652	389,652
<hr/>				
TOTAL	<hr/> 937,704	<hr/> 911,554	<hr/> 907,871	<hr/> 935,180

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Historic Sites Special Improvements**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	146,246	304,537	304,537	108,200
Operating Expenses	195,884	153,242	153,242	76,247
<hr/> TOTAL	<hr/> 342,130	<hr/> 457,779	<hr/> 457,779	<hr/> 184,447
FUND TYPE				
Special Fund	20,146	50,000	50,000	50,000
Federal Revenue Fund	147,264	283,068	283,068	113,449
Interdepartmental Transfer	174,720	124,711	124,711	20,998
<hr/> TOTAL	<hr/> 342,130	<hr/> 457,779	<hr/> 457,779	<hr/> 184,447

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	9,272,761	7,446,530	7,446,530	7,446,530
TOTAL	9,272,761	7,446,530	7,446,530	7,446,530
FUND TYPE				
Federal Revenue Fund	9,272,761	7,446,530	7,446,530	7,446,530
TOTAL	9,272,761	7,446,530	7,446,530	7,446,530

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Downtown Transp and Capital Imp Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	61,048	70,035	70,035	72,978
Operating Expenses	1,315	0	0	0
Grants	810,624	329,965	329,965	327,022
<hr/> TOTAL	<hr/> 872,987	<hr/> 400,000	<hr/> 400,000	<hr/> 400,000
FUND TYPE				
Special Fund	872,987	400,000	400,000	400,000
<hr/> TOTAL	<hr/> 872,987	<hr/> 400,000	<hr/> 400,000	<hr/> 400,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Economic Development

Department Mission Statement

To lead a statewide coordinated effort to foster the growth of higher quality jobs that will develop a more vital and diverse economy through supporting existing businesses coupled with attracting new businesses to the state.

Description of Appropriations, Divisions, & Programs

Retention and Expansion: DED's retention and expansion team assists new and expanding companies that operate in Vermont with facility site relocation and/or expansion support, financing and marketing information, entrepreneurship, state permits and regulation information, and workforce training initiatives, by means of client interaction through our partnership with the Regional Development Corporations (RDCs).

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; and to support entrepreneurial efforts to establish new businesses and create new jobs.

In 2008, DED staff made over 650 on-site visits to Vermont companies in all 14 counties of the state in conjunction with the RDCs.

Procurement Technical Assistance Center (PTAC): The 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. PTAC 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. PTAC serves over 1,600 subscribers to this bid board. Additionally, PTAC maintains the Vermont Business to Business Directory, a fully searchable database of over 14,000 Vermont businesses available on the internet.

For FY 08, PTAC clients were awarded over \$55,037,809 in contracts contained in 358 awards. During

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Economic Development

the fiscal year, the program has given direct one-on-one counseling to 258 Vermont companies, of which 90 companies were new to the program. An additional 84 companies received comprehensive bid match services from the program and another 1,600 Vermont business subscribers used the VT Bid forwarding service. PTAC also sponsored 12 training and outreach events and participated in eight other events to further the goals of the program.

Vermont Training Program (VTP): VTP promotes industrial expansion and encourages the creation and retention of jobs in manufacturing by providing training contracts to new and existing businesses, thereby increasing the skills of the Vermont workforce, improving wages, and Vermonters' standard of living.

In FY 08, the VTP completed 81 training contracts with Vermont companies. Types of training provided included on-the-job training, classroom training, ISO-9000 training, and lean manufacturing. The VTP provided training support to 4,926 Vermont workers, resulting in an average wage of \$15.95, under this program. In addition to FY 08 completed contracts, VTP carried over 47 contracts into FY 09, providing training for an additional 2,427 workers. Every dollar invested in the VTP yields \$2.67 in revenues to Vermont's economy.

International Trade: The Vermont Global Trade Partnership (VGTP) provides international trade assistance, educational support, and informational services to Vermont businesses to help them expand their international business. The VGTP provides technical support to businesses with emphasis on international market research, trade technical assistance, international skills training, and new market development as well as coordinated participation in international trade shows and trade missions. The Partnership includes, but is not limited to representatives from the 12 RDCs, Vermont Chamber of Commerce, U.S. Customs and Border Protection, Champlain College, Marlboro College, the U.S. Department of Commerce, and Vermont's Congressional delegation.

In FY 08, the Vermont Global Trade Partnership responded to a total of 604 trade-related assistance requests from 266 unique businesses and organizations from across Vermont's Regional Development Corporation (RDC) territories through in-person, written and telephone assistance to Vermont companies, organizations and individuals.

The VGTP organized, contributed or presented over 15 educational events, distributed monthly international trade e-newsletters and targeted industry e-blasts, and supported 8 inbound and outbound trade delegations

Results:

- Nearly \$4.5 million in FY08 export sales reported by VGTP clients.
- Over \$1.9 million in FY08 12-month projected exports reported by VGTP clients.
- An additional \$1 million in 12-month export sales projected from the FY08 MEDICA 2007 "Best of New England" trade show, with 4 new agent/distributor relationships pending
- Initial evaluation results from the FY09 (November 2008) Ireland trade mission organized by the VGTP project \$19.5 million in expected sales and investments over the next 12-18 months and

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Economic Development

an additional \$50 million in sales in the next 3-4 years for participating companies.

Entrepreneurship: DED develops and supports a focused approach that optimizes the utilization of Vermont's resources in its efforts to establish and retain highly successful start-up businesses - both technology-based as well as general business - through coherent and inter-related strategies for incubation and access to risk capital.

DED sponsors the Vermont Investors Forum. This is held annually to facilitate meetings between entrepreneurs and potential investors. There are also educational sessions covering both the entrepreneurial and investor sides of the equation. The 2008 Forum was held in Stowe in October with eleven presentations to the investor audience, and five presenters in the "Innovators' Corner".

DED also hosts North Country Angels, an angel investor's network that meets regularly to consider financing a large variety of entrepreneurs.

Recruitment: The Recruitment Program's goal is to attract business to relocate and/or expand to Vermont by using specialized marketing strategies to reach specific industries/businesses in a geographic region generally bounded by a line from Virginia to Ohio, north to the Canadian border, east to Maine and then south down the east coast. Opportunities outside the target geographic market area are provided support and assistance as they arise, however they are not the focus of the targeted marketing effort. The program is divided into two parts: 1) promoting the Vermont brand with broad market awareness and general recruiting, and 2) identifying and leveraging industry clusters that maximize connections and assets in Vermont like software developers and green technology.

Historically, Vermont targets smaller operation prospects, with 20 to 200 employees, in order to complement our overall business model.

Examples of this program's success in FY 08 include:

- Enpro Services, an environmental clean-up company working in remediation and hazardous waste removal, established operations in Williston
- Utility Risk Management Corporation which has established operations in Stowe
- Vermont Castings which chose to establish its steel stove division in Vermont over several competing states
- Tata's Natural Alchemy which has established an organic skin care operation in Shoreham
- Dominion Diagnostics, a Rhode Island based provider of comprehensive clinical quantitative urine drug testing, medication monitoring, and support services which established a satellite lab in Williston

Financial Services (Captive Insurance): The Financial Services Program promotes Vermont's leading position as a U.S. captive domicile, and seeks out new and diversified opportunities within the financial services field. In 2008, the total number of captives domiciled in Vermont surpassed 800, with annual premium taxes collected totaling over \$24,000,000.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Economic Development

Administration: The Administration division oversees the human, technical, and financial resources of the Department; administers the grant programs with RDCs and other economic development partners; provides outreach via the media, partnerships, seminars, and direct client contact.

VT Economic Progress Council (VEPC): VEPC is an independent body governed by a nine-member board appointed by the governor. VEPC has two staff and is attached to the Department of Economic Development for administrative support. Note that in accordance with statute, by April 1, 2009, the VEPC transitions to become the Economic Incentive Review Board, with the same duties as outlined below. The Council, supported by staff, administers the application and approval 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, the Council and staff continue to jointly administer, with the Department of Taxes, the reporting, performance review, and recapture functions for the remaining incentive authorizations made under the Economic Advancement Tax Incentive (EATI) program which ended in December 2006.

The major budget costs consist of salaries and benefits for two staff, statutory per diem and travel costs for board members, contract and license fees for an economic and fiscal cost-benefit model that is required by statute, and operating costs.



Through December 2006, EATI incentives with a net value of \$100 million were authorized for 142 projects that would occur between 1998 and 2010. Through the 2006 tax year, a total of \$32.6 million in income tax credits, sales and use exemptions, and property tax reductions and exemptions have been exercised. In return, Vermont has retained over 9,000 jobs, added 1,773 new jobs with an average compensation of \$48,044 and added over \$689 million in new capital, research and development, workforce training, and high technology investments.

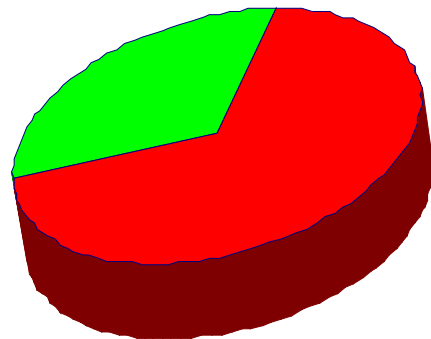
During the first two years (2007-2008) of the VEGI program, VEPC authorized net incentives valued at \$12 million to 20 companies. These companies must meet and maintain payroll, employment, and capital investment targets each year to earn the incentives. Then the incentives are paid out in five installments for each year earned. If the incentives are earned, by 2013 Vermont will gain 1,536 new qualifying jobs, \$62.6 million in new qualifying payroll and \$112 million in capital investments. In addition, the state will realize over \$9.9 million in net new revenues.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Economic Development**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Economic Development	20	20	16	4,250,696	4,319,904	3,825,267	3,891,935
Vermont Training Program	1	1	2	1,687,726	1,642,849	1,634,683	1,703,155
<hr/>							
TOTAL	21	21	18	5,938,422	5,962,753	5,459,950	5,595,090
FUND TYPE							
General Fund				5,158,421	5,152,403	4,649,600	4,594,740
Special Fund				523,128	510,350	510,350	500,350
Federal Revenue Fund				256,873	300,000	300,000	500,000
<hr/>							
TOTAL				5,938,422	5,962,753	5,459,950	5,595,090

	Economic Development	(69.56%)
	Vermont Training Program	(30.44%)



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Economic Development**

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Economic Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,746,061	1,924,000	1,706,829	1,530,824
Operating Expenses	745,691	806,925	691,258	619,677
Grants	1,758,944	1,588,979	1,427,180	1,741,434
<hr/> TOTAL	<hr/> 4,250,696	<hr/> 4,319,904	<hr/> 3,825,267	<hr/> 3,891,935
FUND TYPE				
General Fund	3,471,186	3,544,554	3,049,917	2,926,585
Special Fund	522,637	475,350	475,350	465,350
Federal Revenue Fund	256,873	300,000	300,000	500,000
<hr/> TOTAL	<hr/> 4,250,696	<hr/> 4,319,904	<hr/> 3,825,267	<hr/> 3,891,935

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Training Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	75,376	125,474	125,474	197,200
Operating Expenses	22,704	33,754	25,588	22,334
Grants	1,589,646	1,483,621	1,483,621	1,483,621
<hr/> TOTAL	<hr/> 1,687,726	<hr/> 1,642,849	<hr/> 1,634,683	<hr/> 1,703,155
FUND TYPE				
General Fund	1,687,235	1,607,849	1,599,683	1,668,155
Special Fund	491	35,000	35,000	35,000
<hr/> TOTAL	<hr/> 1,687,726	<hr/> 1,642,849	<hr/> 1,634,683	<hr/> 1,703,155

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tourism and Marketing

Department Mission Statement

To promote Vermont's travel, recreation and cultural attractions, as well as the state's goods and services, to a global audience, in coordination with public and private sector partners and in a manner consistent with the values and traditions of the state for the economic benefit of all Vermonters.

Description of Appropriations, Divisions, & Programs

The Department of Tourism and Marketing's (VDTM) key objective is to increase awareness of Vermont as a tourism, recreation and conference destination. To accomplish the objective VDTM markets Vermont to likely travelers from across the country, from around the world and from within Vermont itself, as well as encouraging the purchase of Vermont products and services. VDTM continues to promote Vermont in the key drive/fly markets of New York City, Boston, Montreal, and Philadelphia, as well as important secondary markets.

Vermonters continue to discover that the best tourism and recreation opportunities are right in their backyard. The success of the Department's initial in-state tourism program titled the resident awareness campaign demonstrated that this is a market with considerable growth potential. Current efforts are focused on highlighting the Vermont tourism experience for a broad cross-section of Vermonters.

Research: A benchmark study to measure the impact of travel and tourism on the Vermont economy during 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.

Advertising: The Fiscal 2009 and 2010 media strategy includes a proven combination of television, magazine, newspaper, radio, out of home (outdoor advertising) and online advertising. Advertisements are placed in publications, locations, and broadcast networks that attract potential visitors interested in outdoor recreation, cultural heritage, unique lodging, fine dining and the Vermont experience. The call to action on all advertising campaigns and printed materials directs consumers to VermontVacation.com and 1-800-VERMONT.

VDTM is developing multi-demographic campaigns targeted at drawing different markets. Most

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Tourism and Marketing

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. VDTM hopes 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. The partnership with Cabot Creamery and the Vermont Ski Area Association and pooling of marketing dollars allows the Department to purchase more television spots than it's budget alone would allow. The FTMI and Chamber matching programs have also been integral in increasing Vermont media and promotion exposure.

Sales: Regular communication and sales missions with travel agents and tour operators ensure that Vermont retains a strong presence in travel trade product offerings throughout the world. Motorcoaches continue to be an integral part of the Vermont tourism mix. Hundreds of motorcoach companies come to Vermont with thousands of travelers during all four seasons. Interaction with consumers at special events and consumer shows highlight Vermont as a vacation destination in a way that other promotional mediums cannot.

VDTM has in-country representation in France, Japan and Canada, as well as in the U.K. and Germany through Discover New England. These contractors focus on public relations opportunities, familiarization trips, and selling Vermont as a premier vacation destination. Other efforts to attract international travelers include trade shows, sales missions, and the Internet. The Department has pages on VermontVacation.com translated into German, French, U.K. English and Japanese which complement lure pieces in the same languages.

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 (40,000 addresses) highlighting happenings in Vermont and directing readers to the web for more information.

The Vermont Vacation Planner is the state's most comprehensive listing of lodging, dining, attractions, and events. It is the most used portion of VermontVacation.com, with an average of 150,000 searches for information each month. The event listings are also distributed and used by other web sites, magazines, newspapers, radio and television in Vermont and throughout the Northeast. The site has seen remarkable growth over the past five years, with page views increasing from 12.8 per unique visitor in 2004 to 21.7 in 2008.

Our pay-per-click (PPC) online advertising campaign promotes the ease and convenience of planning a stay in Vermont. With PPC search marketing, advertisers pay a set amount each time their ad is clicked.

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Tourism and Marketing

The return on investment for PPC is nearly double the return from traditional direct mail campaigns. eScapes, a direct e-mail marketing campaign further supports the overall web marketing effort with interest-specific seasonal promotions. Prospective travelers visiting VermontVacation.com “opt in” to receive quarterly e-newsletters highlighting the best of Vermont and targeting their chosen interests. The eScapes are fully interactive, enabling recipients to navigate through topics of interest, plan vacations, or request additional information.

Public Relations: Media relations translate into millions of dollars in advertising value equivalency each year for Vermont, which is further enhanced by the value placed on editorial coverage by consumers

The Department continues to focus on expanding outreach efforts. The Department continues to populate VermontPressroom.com and Vermont.Gov with story ideas and market its resources to journalists. The Department is attending more press events and meetings with journalists in major media markets.

Cultural Heritage: In 2005, Vermont launched its first-ever celebration of culture and heritage. In 2006 the program was expanded to include Independence Day activities. The goal is to showcase Vermont’s rich cultural heritage through a broad range of events and experiences. During the summer of 2006, VDTM initiated a first-ever in-state promotion of Vermont Cultural Heritage Days with public service announcements and paid advertising to encourage Vermonters to explore their own state and participate in local events. The program received a tremendous amount of interest and continues into 2009.

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 and reaching and agreement with Vermont’s Quadricentennial Commission for the sale of Quad logo merchandise. Vermont Life is focusing on increasing the sale of both in and out of state subscriptions and increasing the sales of products distributed through Vermont Life’s catalogue.

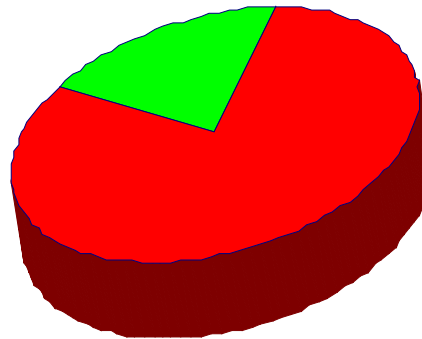
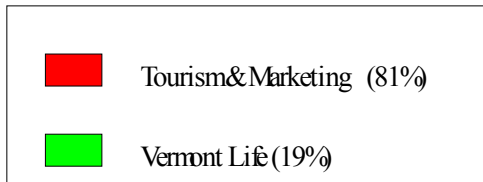
Vermont Life is published quarterly in February, May, August and November as the State of Vermont’s official magazine. The magazine explores the state’s people, places and heritage. Vermont Life Magazine celebrated 60 years of publication in 2006. Vermont Life has won over 95 national and international magazine awards since 1990.

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tourism and Marketing**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Tourism & Marketing	13	12	9	4,629,950	4,107,359	3,777,368	3,628,252
Vermont Life	11	10	11	654,411	767,974	796,635	850,978
<hr/>							
TOTAL	24	22	20	5,284,361	4,875,333	4,574,003	4,479,230
 FUND TYPE							
General Fund				4,628,040	4,101,359	3,771,368	3,622,252
Special Fund				1,910	6,000	6,000	6,000
Enterprise Fund				654,411	767,974	796,635	850,978
<hr/>							
TOTAL				5,284,361	4,875,333	4,574,003	4,479,230



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Tourism & Marketing

Appropriation Key Budget Issues

Statewide Tourism Marketing Campaign: 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 on such advertising than Vermont's competitive neighbors do.

Governor's Quadracentennial Committee: 2009 marks the 400th anniversary of Samuel de Champlain's exploration of the lake that bears his name. VDTM Commissioner Bruce Hyde is chairing the Lake Champlain Quadracentennial Commission formed by Governor Douglas in 2003. In FY2009 VDTM had an appropriation of \$50,000 to support planning for Vermont's role in Quadracentennial Celebration. VDTM secured a contract with PDI Creative for design and planning services attributed to the Quadracentennial. VDTM has organized and participated in a number of special events held during the past year aimed at increasing public awareness of the Celebration, including the public release of the Quadracentennial logo.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Tourism & Marketing**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,634,974	1,670,581	1,688,000	1,448,276
Operating Expenses	2,620,412	2,069,778	1,871,418	2,008,976
Grants	374,564	367,000	217,950	171,000
<hr/> TOTAL	<hr/> 4,629,950	<hr/> 4,107,359	<hr/> 3,777,368	<hr/> 3,628,252
FUND TYPE				
General Fund	4,628,040	4,101,359	3,771,368	3,622,252
Special Fund	1,910	6,000	6,000	6,000
<hr/> TOTAL	<hr/> 4,629,950	<hr/> 4,107,359	<hr/> 3,777,368	<hr/> 3,628,252

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Life**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	621,036	667,074	695,735	740,669
Operating Expenses	33,375	100,900	100,900	110,309
<hr/> TOTAL	<hr/> 654,411	<hr/> 767,974	<hr/> 796,635	<hr/> 850,978
FUND TYPE				
Enterprise Fund	654,411	767,974	796,635	850,978
<hr/> TOTAL	<hr/> 654,411	<hr/> 767,974	<hr/> 796,635	<hr/> 850,978

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Department Mission Statement

The mission of the Vermont Arts Council is to advance and preserve the arts at the center of Vermont communities partnerships, grants and information services. Specific goals include increasing participation in the arts, and supporting art-based programs and services that provide clear and demonstrable returns on the public investment made in them.

The Vermont Council on the Arts, Inc. d/b/a the Vermont Arts Council was organized as a 501(c)(3) not-for-profit corporation in 1964 to promote and support quality art activities and opportunities for all Vermonters and visitors to the state. In 1965, Congress passed PL 89-209 creating the National Council on the Arts and Humanities with funding for the states in both of these disciplines. The Vermont legislature authorized the Arts Council (Act 170 of 1965), as the agency to represent Vermont in state and federal arts programs, for the purpose of "increasing the opportunities for Vermont's citizens and visitors to view, enjoy and participate" in the arts.

Description of Appropriations, Divisions, & Programs

The Council's funding sources are a combination of State appropriations and collaborative projects, a Federal "Partnership" grant from the National Endowment for the Arts, and a small amount of private (corporate, individual, and foundation) funding.

The Arts Council provides technical and information services to its constituents, collaborates with state and local agencies on projects of mutual interest, and serves as the largest single financial resource to the state's creative sector. As a granting agency, its three funding areas are designed to:

- Support artists and arts organizations and help them to provide their audiences with excellent artistic products and services;
- Promote high quality arts education and lifelong learning in and through the arts;
- Support the development of healthy communities through funding strategies that enable local artists and arts organizations to develop a critical role in decisions that positively impact the quality of local community life.

The Council supports and provides leadership in state and local partnerships that value the role of the arts in local economic development, invest in physical improvements to our cultural infrastructure, and promote the products and services of Vermont's "creative sector." Examples of Council collaborative activities are:

- Collaborating with the Agency of Transportation, the Department of Tourism and Marketing, and the Agency of Commerce and Community Development to create and maintain an online interactive statewide Arts and Cultural Events calendar that offers our site visitors a comprehensive picture of cultural activities around the state, while making it easier for artists and presenters to promote their events;
- Coordinating the "Art in State Buildings" program to commission art works to enhance new and

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

renovated public buildings in partnership with the Department of Buildings and General Services (most recently, the reopening and dedication of 133 State Street office building);

- Administering the "Cultural Facilities" grant program that enables local organizations to expand their cultural offerings in their communities in partnership with the Agency of Commerce and Community Development, Division of Historic Preservation, the Vt. Historical Society, and the Vt. Museum and Gallery Alliance and others;
- Overseeing a model transportation enhancement project based on creative improvements as part of the reconstruction of the Route 2 corridor through the village of Danville in partnership with the Vermont Agency of Transportation;
- Developing initiatives such as Head Start arts programs for underserved children and families and sustainable arts education programming in schools and communities throughout the state with local arts and municipal partners;
- Engaging communities statewide in community arts projects (Palettes of Vermont, Art Fits Vermont);
- Administering the Local Arts Partnership Initiative which provides funding to cultural institutions seeking to broaden the impact of the arts at the community level through activities that engage the arts in social service, education, or economic development activities.

The major goals the Council is pursuing to achieve its mission are:

- 1) To increase opportunities for everyone in Vermont to experience and/or participate in the arts**
 - Increasing opportunities for the public to see and experience high quality art in all its forms and to achieve greater understanding of the arts; help artists increase direct access by the public to their work
 - Improving conditions for showcasing excellent art
 - Improving communications and information-sharing networks that inform the public about art-related activities and encourage its participation
- 2) To demonstrate and promote the positive ("public value") benefits of investing tax dollars to support the arts**
 - Supporting local arts organizations' efforts to broaden their programs and services within their local communities which, in turn, make the communities more attractive to investors, homeowners, tourists, etc.
 - Helping schools plan and implement curricula in which the arts are integrated, fully staffed, and supported which greatly increase the ability of the school to prepare students for the 21st century "knowledge/creative economy"
 - Increasing the number of communities who embrace the Creative Economy as a core strategy for community economic development; supporting artists and arts organizations in communities that are engaged in Creative Economy activities
- 3) To expand and sustain our capacity to serve our constituencies**

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Vermont Council on the Arts

- Improving communications with and among constituents, and with key decision-makers
- Expanding the online “library” of best practices, calendars, directories and other professional development tools that serve the needs of the Arts community
- Maintaining and expanding collaborations that support our technological capacity
- Expanding sources of support for Council projects and collaborative activities

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Council on the Arts**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Council on the Arts	0	0	0	569,868	559,258	559,258	507,607
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 569,868	<hr/> 559,258	<hr/> 559,258	<hr/> 507,607
FUND TYPE							
General Fund				545,618	559,258	559,258	507,607
Special Fund				24,250	0	0	0
<hr/> TOTAL				<hr/> 569,868	<hr/> 559,258	<hr/> 559,258	<hr/> 507,607

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

Appropriation Key Budget Issues

Demands and pressures on the arts sector to play a key role in the economic and cultural vitality of the State will continue to challenge its operating infrastructure, organizational capacity and resources.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Council on the Arts**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	569,868	559,258	559,258	507,607
<hr/> TOTAL	<hr/> 569,868	<hr/> 559,258	<hr/> 559,258	<hr/> 507,607
FUND TYPE				
General Fund	545,618	559,258	559,258	507,607
Special Fund	24,250	0	0	0
<hr/> TOTAL	<hr/> 569,868	<hr/> 559,258	<hr/> 559,258	<hr/> 507,607

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

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, 2007 - August 31, 2008), the VSO performed 38 major presentations in 20 Vermont towns plus Lebanon, NH. These offerings included two major statewide tours-the foliage season Made in Vermont Music Festival (nine concerts), and the ten-concert Summer Festival-along with the Masterworks series in Burlington (five concerts); the Sunday Matinee Series in Rutland (three concerts), two Holiday Pops concerts; four 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; and the Waltz Night gala.

The recently-concluded 2007/2008 season boasted some of the best-ever numbers for presentations and students served through the VSO's *SymphonyKids* statewide educational programs: 232 events were produced, involving 28,198 Vermont schoolchildren from 173 schools in 142 towns (including three in New York). The attendance represents nearly half of all Vermont K-6 schoolchildren. No other orchestra in the country can lay claim to such a pervasive education program. The VSO continues to rely on substantial support for *SymphonyKids* from the New Jersey-based Turrell Fund. Like most private foundations, however, funding from that source has been reduced over time because of a decline in the stock market. 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

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Vermont Symphony Orchestra

guest artists, composers, and other musical personalities supplement these mainstays.

The VSO presented a total of 339 concerts and programs during its 2007/2008 season, reaching 61,358 people statewide. 296 of the events were offered free of charge to audience members.

The VSO further fulfilled its statewide mission last season by expanding its major offerings in Southwestern Vermont. A new three-concert Sunday Matinee Series was inaugurated at Rutland's Paramount Theatre. Further, efforts to expand performances in the Upper Valley and Southeast Vermont commenced with the forming of two new volunteer regional boards of trustees. Already, a 2008 Made in Vermont Music Festival tour concert was scheduled for the Bellows Falls Opera House, and the Upper Valley regional board is looking at ways to increase performances in their region.

Market

The Vermont Symphony Orchestra was organized nearly 74 years ago to serve all of the communities of Vermont. As the name implies, it is a state orchestra that provides services and programs throughout Vermont. Out of hundreds of professional U.S. orchestras, only several hold this statewide distinction, but among those few, the VSO is unmatched in the size and proportion of rural communities it annually serves, making it a unique American institution.

The significance of Vermont's rural setting is essential to understanding the VSO's market, challenges, and successes. According to 2005 census data, the average U.S. orchestra in the VSO's budget class serves a metropolitan area population of 456,383 people. The VSO market of 623,000 constitutes 37% more than the average; however, this market covers an entire state, one with great economic and demographic diversity as well as geographic features that isolate areas of the state from each other. There is no statistical data available on the number of communities served each year by other orchestras of similar budget size to the VSO, presumably because they each serve one principal community. By contrast, the VSO serves many communities.

Since 1939, the Vermont legislature has recognized the VSO's unique mission by annually granting a direct appropriation, making it the oldest state-supported orchestra in the country. The most important component of the market that compels the Orchestra's existence is the 60,000± individuals who use VSO programs, more than forty-five percent of whom are children. The in-school presentations and children's concerts add to each school district's ability to enrich the education of its students. A National Center for Education Statistics study supports the assertion that music and arts education have a significant positive impact on students' cognitive and reasoning skills. This study shows that students who take part in music programs routinely have higher achievement test scores than their classmates, and have higher grades in their classes. Children who experience music regularly from an early age have been shown to have an enhanced mathematical ability over their classmates. This and other studies only add to what we already know: children who learn to appreciate music and art early in life retain that appreciation and equate it with an appreciation for other important cultural components and, in turn, help to improve society. It is the VSO's goal to reach an ever-increasing audience each year, in as many

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Vermont Symphony Orchestra**

communities as possible.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Symphony Orchestra	0	0	0	122,343	125,402	125,402	113,821
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 122,343	<hr/> 125,402	<hr/> 125,402	<hr/> 113,821
FUND TYPE							
General Fund				122,343	125,402	125,402	113,821
<hr/> TOTAL				<hr/> 122,343	<hr/> 125,402	<hr/> 125,402	<hr/> 113,821

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra**

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 <u>FY06</u>	Actual <u>FY07</u>	Actual <u>FY08</u>	Estimated <u>FY09</u>	Estimated <u>FY10</u>
Ticket Sales	\$367,666	\$410,756	\$428,186	\$459,867	\$470,000
Attendance	57,635	58,068	61,358	63,000	65,000

Ticket sales and attendance figures vary based on the number of presentations. VSO concerts typically enjoy excellent attendance with a high percentage of capacity. Many concerts are performed in relatively small spaces in rural communities. This allows the Orchestra to increase its coverage of the state as mandated by its mission. Given programmatic changes and the economic downturn, the relative stability of sales and attendance suggests organizational strength among the VSO's patronage. Projections for the next two years show modest increases, based on limited programmatic expansion.

2) The number and variety of programs/services offered and the number of different Vermont communities participating in those programs. The chart below shows historical and projected numbers of major events planned for each fiscal year, followed by the number of Vermont communities served:

	Actual <u>FY06</u>	Actual <u>FY07</u>	Actual <u>FY08</u>	Estimated <u>FY09</u>	Estimated <u>FY10</u>
Number of Programs	36	48	38	49	40
Number of Communities	22	25	21	26	27

Orchestral Youth Concert tours take place every other season; thus the numbers of programs and communities are fewer during even years.

3) Statistical evidence of broadening community and business support across the state. Included below are the results and projections from annual individual and business fundraising efforts.

	Actual <u>FY06</u>	Actual <u>FY07</u>	Actual <u>FY08</u>	Estimated <u>FY09</u>	Estimated <u>FY10</u>
Individual Gifts	\$289,824	\$303,322	\$296,362	\$335,796	\$342,500
Business Support	\$189,050	\$226,507	\$252,595	\$310,800	\$317,000

Even with difficult economic times, the VSO has been able to maintain a slow but steady increase in

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

business and individual support.

Broadening community support is also measured in terms of volunteer participation and non-cash giving. The number of active volunteers has grown to well over 400, while the value of in-kind contributions averages \$193,500 annually.

Funding from the National Endowment for the Arts and the Vermont Arts Council has been inconsistent in recent years: FY08 support dropped by 36%, but FY09 support nearly doubled the reduced FY08 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 downturns in the economy.

To bolster the VSO's financial underpinning, the Governing Board of Directors has embarked on a \$3,500,000 campaign, to increase the permanently restricted fund (endowment) to a level that is closer to the national standard for orchestras (at least three times the annual operating budget). Adding these new funds to the VSO's existing modest endowment will eventually result in a new annual funding stream of approximately \$140,000, based on a conservative 4% draw. This will help the VSO maintain its offerings, even during uncertain economic times. To date, over \$2,500,000 has been pledged from 44 individuals, businesses and foundations. The campaign will be announced to the public in January 2009.

4) Evidence of artistic and administrative excellence and financial results and evidence of economic impact. The Vermont Symphony Orchestra has developed a consistent, superior level of artistic ability that is unparalleled locally, and is competitive at the regional and national level. This is indicated both through critical reviews of performances and from periodic review by outside agencies, some of which fund the VSO in a highly competitive environment. Annual indicators include the Vermont Arts Council, the National Endowment for the Arts, and several private foundations. During the past four 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 six years and increasingly active governing and regional boards have played a role in the financial turnaround of the organization. Since FY01, the VSO has reduced its accumulated operating deficit by 80%, from <\$585,964> to <\$114,954> (audited FY07 year-end result). The FY09 budget was crafted under the same principles as have been employed since FY02: conservative (in many cases, zero-based) revenue projections, tight expense controls, and elimination of unnecessarily risky activities. The VSO's Governing Board of Directors and its six Regional Boards of Trustees have committed to raising additional funds to help reduce the accumulated deficit and improve the cash position. Success in these efforts will be required for several more years to completely eliminate the accumulated deficit, and provide the Orchestra with ample reserves to weather economic ebbs.

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Vermont Symphony Orchestra**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	122,343	125,402	125,402	113,821
<hr/> TOTAL	<hr/> 122,343	<hr/> 125,402	<hr/> 125,402	<hr/> 113,821
FUND TYPE				
General Fund	122,343	125,402	125,402	113,821
<hr/> TOTAL	<hr/> 122,343	<hr/> 125,402	<hr/> 125,402	<hr/> 113,821

STATE OF VERMONT
FISCAL YEAR 2010 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

The Society possesses many resources designed to educate diverse audiences about the state’s history. It operates a museum that creates exhibits and lends and borrows objects for display; sponsors public programs throughout the State of Vermont; provides services, training, and resources for educators, students, and local historical societies; runs a 50,000-volume research library; publishes periodicals and books that promote research and the dissemination of information about Vermont history; and collaborates with other educational and cultural organizations to gather, preserve and make available to the public resources and information about Vermont’s past.

To accomplish its overall mission, VHS has identified the following three broad strategic goals as top priorities:

- Explore Vermont’s past in ways that are dynamic, engaging and inclusive by providing statewide leadership in Vermont history in the areas of K-12 education, public programming, publishing, and in local historical society field services.
- Maintain the museum and library collections as good stewards and as keeper of many of Vermont’s historical treasures so that future generations can be enriched by these memories.

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Vermont Historical Society

- Maintain the Vermont History Center as an important hub for collecting, preserving and sharing Vermont's history throughout the state.

In order to achieve the programming, collections and facilities goals, VHS will continue to build a strong fiscal foundation and work to improve our organizational infrastructure by stabilizing the VHS budget, enhance VHS development efforts, and improve VHS internal policies and procedures.

The 2008-2013 strategic plan identifies specific action steps for each of these goals, with timetables, budgets and staff assignments to ensure their completion.

On an annual basis, VHS's audiences have been: its donors/members (3,500); library patrons, 50% of whom are genealogists (3,000-4,000); informational/ research inquiries (11,500 via telephone, e-mail, letter); museum visitors, including school groups (11,000-13,000); museum/book store customers (booklist circulation: 3,400, excluding donors/members); local historical societies (8,500+); program attendees (1,500-1,800); staff speaking engagements (1,500-1,750 people); heritage tourism initiatives (7,000+); teachers/school librarians/homeschoolers mailing list (1,900); school outreach programs-history kits, lending library, etc. (3,500), and virtual visitors (approximately 2.5 million "hits" per year on our website). Via our presence at state and local events and sponsoring booths at the Vermont Antiquarian Booksellers Association, Vermont Antique Dealers Association, Vermont Library Association, and other annual shows and conventions, VHS introduces itself to even larger audiences (50,000+). VHS also cultivates some 6,000 potential supporters; the State Legislature (180); 200 media contacts; and visitors to the state, through annual distribution of 75,000-100,000 information pieces at major tourist venues and state welcome centers. As the Society expands its outreach efforts, these figures will continue to grow.

In addition, during FY08 the Society reached out to Vermonters through a variety of special events and presentations, including:

- A series of Family Fun Workshops for children at the "Freedom and Unity" exhibit in the Pavilion Building (November-March).
- More than 50 staff lectures on various aspects of Vermont history, in towns throughout the state. Including a new lecture on the late Harold Goddard Rugg, former VHS Trustee and second largest collector of Vermontiana.
- Vermont History Day (April), featuring the work of some 300 Vermont students.
- Published Almost Utopia: The Residents and Radicals of Pikes Falls, Vermont, 1950. Text by Greg Joly and photographs by Rebecca Lepkoff.
- The ninth annual Vermont History Expo (June 2008), in Tunbridge, which drew an audience of

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Historical Society

4,000 visitors. An award-winning model for state history festivals nationally, Expo 2008 featured displays by more than 100 local historical societies and museums in Vermont.

As in the past, the Society continued to produce its quarterly newsletter, *History Connections*, and its biannual scholarly journal, *Vermont History*, and to upgrade its website for use by the general public as well as school students and teachers.

FY2008 ended with a balanced VHS budget. New money received from private-sector sources for the Society FY2008 operating budget totaled some \$645,000. Over the past five years the total development effort has more than doubled the Society's private-sector income from unrestricted and restricted sources.

During FY2008 the Society maintained operations at the Vermont History Center. The Center, which opened officially to the public on July 20, 2002, now provides space for the Society's research library, environmentally stable storage space for all of its collections, and new administrative offices.

In the Society's space on the first floor of the Pavilion Building in Montpelier, the 5,000-square-foot *Freedom and Unity* exhibit in the Pavilion continued to attract very positive public reactions and good visitation numbers. This exhibit, the only one of its kind in Vermont, presents a chronological overview of Vermont's human history, featuring artifacts, audio/visual components, recreated period rooms and installations, a 15-minute movie on Vermont's tradition of civil discourse on controversial issues, and many other features to help Vermonters and out-of-state visitors alike learn about and appreciate our state's history. The Society's Pavilion space also includes a new hands-on classroom and an expanded museum store.

In FY08 sales remained strong for Freedom and Unity: A History of Vermont, the Society's 730-page overview of the state's past. Written by Michael Sherman, Gene Sessions and Jeff Potash, this book will remain the definitive history of Vermont for decades to come. VHS is currently seeking bids for the third printing of Freedom and Unity: A History of Vermont.

The Society's growth and advancement in recent years have attracted a good deal of attention and approval. The American Association for State and Local History has bestowed two national Awards of Merit on VHS, in 2002 for Vermont History Expo and in 2005 for the *Freedom and Unity* exhibit and its accompanying one-volume history of Vermont. In 2007, the Institute of Museum and Library Services selected VHS as one of 10 American organizations (out of 140,000) to receive a National Medal for Museum and Library Services, the nation's highest honor for community service in our field.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Historical Society**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Historical Society	0	0	0	836,992	849,050	849,050	795,669
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 836,992	<hr/> 849,050	<hr/> 849,050	<hr/> 795,669
FUND TYPE							
General Fund				836,992	849,050	849,050	795,669
<hr/> TOTAL				<hr/> 836,992	<hr/> 849,050	<hr/> 849,050	<hr/> 795,669

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Historical Society**

Appropriation Key Budget Issues

The Society also recognizes that the State is now facing unusual and perhaps unprecedented budgetary challenges. The Society has made every effort to meet these extraordinary times with measures that are fiscally prudent, but that have required tough choices about our priorities and the services we provide; In the past 6 months VHS has reduced staff by 25% (4.5 FTE positions), reduced senior manager salaries by 5%, reduced our work week from 40 hours to 37.5 hours, reduced museum hours and postponed Vermont History Expo.

We are confident that we will be able to weather these times and continue to fulfill our mission through careful management, the support of our loyal donors and our ability to maintain open and clear communication with the State.

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Historical Society**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	836,992	849,050	849,050	795,669
<hr/> TOTAL	<hr/> 836,992	<hr/> 849,050	<hr/> 849,050	<hr/> 795,669
FUND TYPE				
General Fund	836,992	849,050	849,050	795,669
<hr/> TOTAL	<hr/> 836,992	<hr/> 849,050	<hr/> 849,050	<hr/> 795,669

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board**

Department Mission Statement

The Vermont Housing and Conservation Board (VHCB) is a public body established in 1987 by amendment to 10 V.S.A. to add Chapter 15, with the purpose of improving the quality of life for Vermonters by implementing the dual goals of creating "affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, important natural areas, recreational lands, and historic properties."

The Board's programs serve lower income Vermonters (families earning below median income, with an emphasis on very-low income households) and all Vermonters interested in or users of agricultural, natural, and recreational lands, historic properties and affordable housing. The Board makes grants and loans to municipalities, to non-profit organizations, including land trusts and conservation groups, to housing cooperatives, and to qualifying state agencies.

A major VHCB goal is to assist communities in implementing local plans and activities which further the Board's statutory mission. The Board's awards support community-based projects that preserve affordable housing units, create or rehabilitate additional affordable housing, correct infrastructure deficiencies in mobile home parks, conserve and protect agricultural lands, natural and recreational land and historic properties. The Board's work results in re-investment in downtowns and surrounding neighborhoods while preserving the rural working landscape.

VHCB's program contributes to Vermont's economy in many ways: 1) it leverages more than \$4 for every dollar appropriated; 2) affordable housing is critical to economic growth and attracting future employees, and housing construction is one of the most effective generator of jobs; 3) the working landscape is among Vermont's primary economic assets - investment in conservation supports travel, tourism and recreation; investment in agriculture promotes inter-generational transfers, expansion, efficiency and diversification.

Description of Appropriations, Divisions, & Programs

The vast majority of the Board's funds are used to provide grants and/or loans to eligible projects. In housing activities the Board generally provides funds for acquisition and rehabilitation and development of housing properties. For conservation activities the Board generally provides grants to assist in the purchase of an interest in real estate (an easement or purchase of land in fee). The programs are enhanced by matching federal funds administered by VHCB including the HOME Program, HUD Economic Development Initiative/Special Projects Grants, Lead Paint Hazard Reduction Program, Housing for Persons with HIV/AIDS, Farm Preservation Program, and an AmeriCorps program, all of which supplement the VHCB funds in projects.

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Vt Housing and Conservation Board

The VHCB works toward the goal of creating and preserving affordable housing by providing funds for projects with mechanisms which assure perpetual affordability, that serve the most economically distressed households, and by placing a priority on "at risk" housing where a lack of action may result in displacement of residents and where action is necessary to prevent the loss of federally subsidized housing projects. In recent years, because of a housing shortage, the Board has also prioritized developing new units. When reviewing a project the Board considers the availability of other amenities related to housing, including access to social services, transportation, recreation, and access to open space.

Objectives for the retention of agricultural land include the funding of projects which have a specific and current agricultural use, have the potential of being an economically viable farm unit, and/or where the loss of the farm would have significant negative impact on neighboring farms. The Board reviews potential farm applications with the help of an Agricultural Advisory Committee. State funds for purchasing conservation easements are matched on a one to one basis by funds from the federal Farms Preservation Program. VHCB has been able to match state funds with just under \$17.7 million from this program to date.

The Farm Viability Program is now operating in partnership with the Agency of Agriculture, Food and Markets (VAAFMM) 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 2010 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vt Housing and Conservation Board	0	0	0	22,302,255	26,350,369	26,131,206	17,933,436
<hr/>							
TOTAL	0	0	0	22,302,255	26,350,369	26,131,206	17,933,436
 FUND TYPE							
General Fund				0	0	700,000	0
Special Fund				14,510,875	14,368,258	13,449,095	6,326,662
Federal Revenue Fund				7,791,380	11,982,111	11,982,111	11,606,774
<hr/>							
TOTAL				22,302,255	26,350,369	26,131,206	17,933,436

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board**

Appropriation Key Budget Issues

Considering the difficult economic times, there are several changes to the normal allocations for VHCB in FY2010. The Governor has sought to maintain the state's commitment to affordable housing even during this challenging budget year. This has been accomplished as follows:

The VHCB annual state appropriation comes mainly from Property Transfer Tax receipts. The budget recommendation is \$4,101,662 for funding for VHCB from the Property Transfer Tax in FY10. This lower appropriation from the Property Transfer Tax is based on a one year freeze on funding for land conservation projects in FY10 for a reduction of \$4,362,433 as well as a reduction of \$4,000,000 in the VHCB Housing related funding from the Property Transfer Tax. This \$4 million for housing projects reduced from the Property Transfer Tax will be replaced with federal Neighborhood Stabilization Program funds in order to keep affordable housing efforts on track.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	22,302,255	26,350,369	26,131,206	17,933,436
<hr/> TOTAL	<hr/> 22,302,255	<hr/> 26,350,369	<hr/> 26,131,206	<hr/> 17,933,436
FUND TYPE				
General Fund	0	0	700,000	0
Special Fund	14,510,875	14,368,258	13,449,095	6,326,662
Federal Revenue Fund	7,791,380	11,982,111	11,982,111	11,606,774
<hr/> TOTAL	<hr/> 22,302,255	<hr/> 26,350,369	<hr/> 26,131,206	<hr/> 17,933,436

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Humanities Council

Department Mission Statement

The Vermont Humanities Council (VHC) is dedicated to creating a state in which every individual reads, participates in public affairs, and continues to learn throughout life.

The VHC believes that engagement with the world of ideas, in interaction with others, contributes uniquely to richer lives, stronger communities, a more humane society, and a better world. Because the humanities and the world of ideas belong to everyone, the VHC has developed a broad range of programs that serve Vermonters of all ages and backgrounds. The humanities include history, literature, art history, and comparative religion. They are the tools of self-reflection; they help us better understand ourselves and others, and the past and present.

Description of Appropriations, Divisions, & Programs

The State of Vermont's allocation to VHC is essential to pursuing its mission by complementing federal funds and enabling it to leverage dramatically the state's allocation with private donations. These funds pay for the critical programs that contribute toward a literate and engaged citizenry and vital, healthy communities.

In 2008 VHC sponsored nearly 1,400 programs for both targeted literacy audiences and the general public; they occurred in 155 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 93 *Connections* sessions (26 multi-part programs), of which 68 were at prisons or probation sites. 574 adults participated, including 245 at correctional sites. Ten correctional sites participated in Vermont Reads, VHC's statewide one-book community reading program, so that these men and women on the inside felt part of a statewide program for the general public, helping them make connections to the local community when they are released. Beginning in 2008, VHC's adult literacy initiatives included:
 - programs at the Vermont State Hospital in Waterbury.
 - a pilot program on restorative justice hosted by the Brattleboro Community Justice Center for ex-offenders, volunteers on the reparative board, and community members; it featured three reading discussions with two author visits.
 - a reading and discussion project that reached 188 women who are striving to rise out of poverty and who are served by eight social service and educational organizations in the Burlington area; the women read Mary Childers's powerful childhood memoir *Welfare Brat*, met and talked with the author, and then reflected on and wrote about their own experiences.

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Vermont Humanities Council

- 150 *at-risk middle-school students* took part in 10 theme-based, week-long humanities summer camps. Humanities Camp is the first time that many students have met with academically-related success and literally the first time that they have known the joy of reading or learning. Camps introduce them to the world of ideas and foster self-expression and confidence in a nurturing environment. Many come to see themselves differently and to set higher academic and career goals for themselves. For a significant number of these students, their Humanities Camp experience is identified by them, their parents, and their teachers as *the* factor that causes them, upon graduating from high school, to be the first member of their family to go on to college.
- 600 different *child care providers* and 455 different *parents* (including incarcerated men and women) took part in 375 VHC early literacy training workshops.
- Staff and students at the State's network of *Adult Education and Literacy Centers* benefited from 25 VHC literacy programs. VHC professional development programs equipped 47 State of Vermont adult educators to lead reading and discussion programs, and they, in turn, led 18 multi-session reading and discussion programs that reached 331 adult students, including many refugee and immigrant English Language learners. Nine adult education sites participated in our statewide Vermont Reads program in 2008.
- 18 literacy *mini-grants* totaling \$5,000 were awarded to other organizations to support literacy projects where a little help could make a big difference.

These various humanities-based literacy programs, conducted in partnership with the Department of Education, Department of Children and Families, Department of Corrections, Adult Essential Skills Centers, local parent-child centers, and other service providers, serve low-income adults and families struggling with literacy. They foster a deeper appreciation for reading and ideas, and increase participants' abilities and insights in order to facilitate their personal and economic well-being.

VHC also ran hundreds of events and other projects that engaged tens of thousands of the general public statewide.

- VHC's *statewide one-book community program, Vermont Reads*, continues to be enormously successful at promoting literacy, encouraging life-long learning, and strengthening community. Again in 2008, the program engaged almost 10,000 students and adults (confident and fragile readers alike) from 58 towns in reading and discussing a young-adult-level novel and participating in events related to the book. In 2008 schools, libraries, after-school programs, businesses and scores of other groups participated -- as well as adult literacy students at AEL centers and prisons. They read *A Restless Spirit*, Natalie Bober's insightful and beautifully written biography of Vermont's iconic poet, Robert Frost. As part of Vermont Reads, almost 300 public programs occurred statewide as part of Vermont Reads, and more than 400 people heard the author speak at special programs in Woodstock, Brattleboro, and Middlebury. In addition, an estimated 30,000 people heard five VPR programs featuring Frost saying his own poems and interviews with Bober, other Frost scholars, and Frost's grand daughter.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Humanities Council

- VHC hosted 203 *free public lectures* or living history performances in libraries, schools, museums, and other community centers in 94 Vermont different towns. These include programs of the VHC *Speakers Bureau*, a VHC-sponsored Farmers' Night presentation by "Eleanor Roosevelt," and talks that are part of VHC's "*First Wednesdays*" series - now held monthly, October through May, in the public libraries in nine different regions of the state -- Brattleboro, Burlington, Manchester, Middlebury, Montpelier, Newport, Norwich, Rutland, and St. Johnsbury. All these events promoted life-long learning, reading, and vital libraries, fostered community building, and contributed to Vermont's "creative economy," cultural tourism, and our state's attractive quality of life.
- Fiction and nonfiction *book discussion series*, led by VHC scholar-discussion leaders, were held in the libraries and other community centers of 35 Vermont towns. VHC sponsored 208 such gatherings. These programs, like *First Wednesdays* and *Speakers Bureau* events, strengthen Vermont's communities not only by their character and design, but also by happening in the facilities of key town organizations such as libraries, museums, community centers, and schools.
- *Health care professionals* in 10 of Vermont's 15 hospitals, including the VA Hospital, took part in "*Literature and Medicine: Humanities at the Heart of Health Care*," a national award-winning reading and discussion program that, as one participant writes, "renews the heart and soul of health care." *Lit & Med* discussions have helped health care professionals improve their communication and interpersonal skills while increasing their job satisfaction, cultural awareness, and empathy for patients.
- VHC's *grants program* provided 16 general humanities grants totaling \$48,974 to schools, museums, historical and other community organizations to support their humanities programs and nearly 100 events, including several multi-day events.
- VHC initiated a project to identify and interpret Vermont's *Civil War home front history*. With support from the National Endowment for the Humanities, we encouraged Vermonters to identify the places in their communities affected by the Civil War, where troops assembled, uniforms were sewn, money raised, and memorials erected. Through lectures, workshops, a symposium on the Civil War home front, and distribution of our Civil War Research Kit, we've sparked the interest of hundreds of Vermonters and initiated more than forty community research projects. Though VHC's formal role in the project ended in January 2009, we have created an array of permanently available resources for Civil War research, including our research kit, and templates and a Civil War Places logo for towns, schools, individuals, and historical societies to use in creating Civil War brochures, walking tour maps, and other materials.
- VHC's 2008 *annual autumn conference*, "Delight & Wisdom: The Life and Poetry of Robert Frost," drew more than 190 people. Presented in partnership with Middlebury College, the conference brought together some of the most distinguished Frost scholars with Vermonters from

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FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Humanities Council

a broad range of ages and backgrounds.

- In 2008 VHC published its second book, *A Guide to Fiction Set in Vermont for Children and Young Readers*. It is a companion volume to *A Guide to Fiction Set in Vermont*, published in 2005. The book's descriptions of hundreds of novels set in Vermont from 1835 to the present invite readers to discover what stories were set in their favorite Vermont towns and to learn how the idea of Vermont has changed over the decades. These two books are celebrations of Vermont and Vermont towns that promote reading and life-long learning.

- The VHC participated in and helped promote the annual *Poetry Out Loud* program, a statewide program that encourages high school students to memorize and recite poetry from memory. It continues to be one of three sponsors of the *statewide middle school spelling bee*, the winner of which represents Vermont in the national championship. And it has been active in the *State's Council on Civics Education*, headed by the Social Studies Coordinator for the State Department of Education, the *Quadricentennial Commission*, *Vermont's Lincoln Bicentennial Committee*, and the planning for the upcoming *sesquicentennial of the Civil War*.

It is critical to Vermont's future that every citizen be able to read, to write, and to discuss ideas. The Vermont Humanities Council will continue its commitment to literacy, lifelong learning, and community engagement, and to enriching the lives of all Vermonters through the humanities.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Vermont Humanities Council	0	0	0	185,599	190,239	190,239	172,670
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 185,599	<hr/> 190,239	<hr/> 190,239	<hr/> 172,670
FUND TYPE							
General Fund				185,599	190,239	190,239	172,670
<hr/> TOTAL				<hr/> 185,599	<hr/> 190,239	<hr/> 190,239	<hr/> 172,670

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

Description of Appropriations, Divisions, & Programs

The state allocation has and will continue to advance the work of leading Vermont toward full literacy. Vermont state participation is an essential component which complements federal funds and private donations. These appropriated funds not only pay for the material programs that we provide but demonstrate the State's commitment to a literate, well-read citizenry.

Examples of program successes:

1. Last year we were able to support over 2,500 humanities programs reaching Vermonters from every county.
2. In partnership with the Agency of Human Services, the Department of Health, local parent-child centers, and other service providers, we were able to furnish books through more than 100 Connections programs, the adult literacy student conference, and fifteen humanities camps which serve low-income families to develop a love of reading for all family members.
3. The Council's grants program, mini-grants, and Creating Communities of Readers grants provided over \$250,000 to historical societies, community groups for literacy, museums, adult basic education centers and other service organizations.
4. Lectures and performances through our Speakers Bureau in more than 100 Vermont towns and the autumn conference challenged participants to learn about history, literature, philosophy, and other humanities ideas that foster community building.
5. Our Never Too Early program furnished approximately 500 childcare providers with books and training to learn how to stimulate the love of reading in young children.
6. The Council sponsored over 275 book discussion programs for general audiences throughout the state.

We firmly believe it is critical to Vermont's future that every citizen be able to read, write and discuss ideas. The Vermont Council on the Humanities will continue our commitment to literacy for all Vermonters and to the enrichment by the humanities in the personal lives and public discourse of our State.

Appropriation Key Budget Issues

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Humanities Council

In 2007, the most recent year for which complete financial information is available, VHC was pleased that its budget of \$1,220,473 was balanced.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	185,599	190,239	190,239	172,670
TOTAL	185,599	190,239	190,239	172,670
FUND TYPE				
General Fund	185,599	190,239	190,239	172,670
TOTAL	185,599	190,239	190,239	172,670

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Transportation

Agency Mission Statement

The Vermont Agency of Transportation's vision is a safe, efficient and fully integrated transportation system that promotes Vermont's quality of life and economic wellbeing.

VTrans' mission is to provide for the movement of people and commerce in a safe, reliable, cost-effective, environmentally responsible manner.

The Agency of Transportation is committed to developing and maintaining a seamless, integrated transportation network that includes all modes of travel, for freight as well as passengers.

Achieving that objective requires a blend of connections between and among modes that is safe, reliable and produces a seamless transition with minimal disruptions or delays. Establishing such integration across the state requires an annual investment based on the optimal allocation of resources. From expert planning and precision engineering to careful construction and maintenance, the Agency's primary focus is to maintain and improve Vermont's transportation infrastructure in a way that is both safe and environmentally sound.

Investment in transportation infrastructure brings lasting and substantial economic benefits through the ability to grow the state's economy, create and retain jobs, and maintain a high quality of life. VTrans continues to be committed to providing a balanced and integrated intermodal transportation system that meets the diverse needs of the state's citizens while preserving the significant investment Vermont has made in its existing transportation infrastructure.

To meet these various objectives, VTrans has established a set of four goals that act as guiding principals in everything the Agency does. These goals are:

SAFETY: Make safety a critical component in the development, implementation and maintenance of the transportation system.

EXCELLENCE: Cultivate and continually pursue excellence in financial stewardship, performance accountability, and customer service.

PLANNING: Optimize the future movement of people and goods with corridor and natural resource management, balanced modal alternatives, and sustainable financing.

PRESERVATION: Protect the state's investment in its transportation system.

In preparing the FY10 budget, a thorough review of the State's transportation needs was conducted to assure that the available resources are being best used in a manner that not only promotes these goals but

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Transportation

meets the objectives found in the Long Range Transportation Plan and codified at 19 V.S.A. Section 10(i)(c). These are:

1. Managing, maintaining and improving the state's existing transportation infrastructure to provide capacity, safety, and flexibility in the most cost-effective and efficient manner.
2. Developing an integrated transportation system that provides Vermonters with transportation choices.
3. Strengthening the economy, protecting the quality of the natural environment, and improving Vermonters' quality of life.

In FY10, the highest priorities for emphasis include pavement, bridges and culverts, maintenance, and modernization of the computer systems for the Department of Motor Vehicles.

The Agency is organized in four divisions and one department: Operations, Policy and Planning, Finance and Administration, Program Development, and the Department of Motor Vehicles. VTrans also provides assistance to Vermont municipalities through several Town Highway programs.

VTrans looks forward to working with all interested parties in accomplishing the goals of this budget.

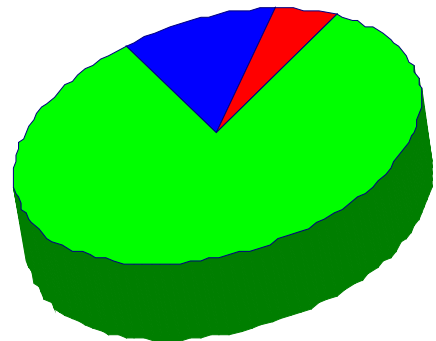
Description of Departments in Agency

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Agency of Transportation

AGENCY SUMMARY BY DEPARTMENT

Department	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
AOT Division Approps and Programs	1,051	1,060	1,042	292,070,900	330,851,074	319,975,334	380,408,297
AOT Department of Motor Vehicles	250	250	249	26,421,646	25,925,911	24,267,627	25,290,315
AOT Town Highway Programs	0	0	0	67,054,034	55,934,031	53,358,765	58,002,842
TOTAL	1,301	1,310	1,291	385,546,580	412,711,016	397,601,726	463,701,454
FUND TYPE							
General Fund				69,000	0	0	0
Transportation Fund				191,572,389	187,062,515	175,419,302	196,259,394
Special Fund				1,020,445	0	0	0
Federal Revenue Fund				173,380,367	203,753,166	203,152,200	239,405,989
Internal Service Fund				14,013,374	14,930,774	12,065,663	17,828,075
Transportation: Local Match				2,488,271	2,553,311	2,553,311	2,956,903
Interdepartmental Transfer				3,002,734	4,411,250	4,411,250	7,251,093
TOTAL				385,546,580	412,711,016	397,601,726	463,701,454

■	AOT Department of Motor Vehicles (5.45%)
■	AOT Division Approps and Programs (82.04%)
■	AOT Town Highway Programs (12.51%)



STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

Department Mission Statement

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) continues to implement asset management and create performance measures that will evaluate the impact of asset management. Asset management is a systematic process of operating, maintaining and upgrading the Agency's physical assets in a cost-effective way. The process combines engineering and mathematical analyses with sound business practices and economic theory. Like the traditional planning process, asset management includes data collection, strategy evaluation, program development, and feedback. It is a strategic approach that takes both a global and long-term view of infrastructure performance and cost. Asset management is a tool which allows VTrans to consider options in a comprehensive, well informed, and proactive manner. Its value will be measured in its outcomes and benefits. Asset management is really a form of best business practices which the private sector has been using successfully for years.

There are three main goals to asset management:

- To build, preserve, and operate facilities and assets in a cost-efficient manner.
- To provide customers the best value for the public tax dollar.
- To enhance the credibility and accountability of the Agency of Transportation.

VTrans provides a number of services through four divisions: Operations, Program Development, Policy and Planning, and Finance and Administration, plus the Department of Motor Vehicles. These five organizational areas play an integral role in supporting VTrans' mission.

OPERATIONS DIVISION

Vermont has a substantial public investment in its existing transportation infrastructure, of which effective and efficient management is crucial. The primary mission of the Operations Division is to preserve, develop, and enhance an integrated and seamless transportation system. The transportation system should provide a connected and coordinated network involving all travel modes, accommodate the level of service expected by all transportation customers, and provide a range of transportation choices needed to support Vermont's future and economic growth.

The Operations Division, which comprises over 550 employees, operates and maintains Vermont's highways, railways, airports, and public transit systems. The Division's mission is to keep State owned

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

facilities open, safe, and aesthetically pleasing to the transportation network user, as well as to manage the transportation system in a cost-effective and environmentally-sensitive manner, and to enable efficient service (both passenger and freight) through our rail, air and public transit systems.

We must maintain a safe and reliable transportation system that facilitates the movement of people and goods to maximize Vermont's economic growth and development. The division's nine Maintenance Districts provide both immediate and long-term preventative maintenance of the State's highways. The Aviation Program provides a safe environment for the system users, preserves the State's aviation infrastructure, promotes aviation-related activities and education programs, and provides expanded travel opportunities at the 17 public-use airports located throughout Vermont.

The Rail Program assists in the development of rail transportation options for shippers and passengers, as well as provides support to improve the freight and passenger infrastructure recognizing the social, economic, and environmental importance of rail as a component of the State's transportation system. The Public Transit Program both encourages and promotes statewide public transportation by coordinating transit services to make sure common sense transit solutions are available for the transit dependant and general population so they can access employment, medical appointments and other needs. The program provides opportunities for congestion mitigation that preserves air quality, supports economic development and tourism, and provides connectivity to commuter and intercity transit services as well as passenger air systems.

The Operations Division also oversees the State's Occupational Health and Safety Program, Hazardous Waste and Materials Program, Maintenance Programs, Intelligent Transportation Systems and Roadside Vegetation Management. In addition to routine maintenance activities, the Division provides technical assistance to communities for Town Highway Bridge Programs, Town Highway Class 2 Resurfacing and Rehabilitation programs, Federal-Aid on Town Highways, and emergency programs related to natural disasters.

PROGRAM DEVELOPMENT

The Program Development Division is responsible for the design, permitting, Right of Way, and construction of all capital projects undertaken by VTrans.

The Paving Program is responsible for maintaining the surfaces of approximately 3,200 miles of two-lane paved road. The program divides roads into three networks: Interstates, State Highways, and Class 1 Town Highways. Program functions include monitoring and analyzing network-wide pavement conditions, developing cost-effective preventative maintenance and rehabilitation strategies, preparing plans and specifications, and providing technical assistance during construction.

Bridges and culverts are an integral part of Vermont's highway infrastructure, and VTrans' Structures Program makes it a high priority to keep them in a safe and usable condition. The program is responsible for inspecting 2,690 long-span bridges (greater than 20 foot spans) on both the State and local highway systems. The program is also responsible for 1,292 short structures (between six and 20

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

foot spans) on the State system. Inspections are typically performed on a two-year cycle for long-span structures and on a five-year cycle for short structures, but inspections are performed more frequently when deemed necessary. The Structures Program is responsible for programming and design of bridge maintenance, rehabilitation and reconstruction projects from project inception through the project development process, and then on to construction for any state or local bridge that qualifies for funding. The Structures Section also provides both project management and engineering for structures selected by the Operations Division for replacement or rehabilitation including railroad structures. The Section is also responsible for the inventory and inspection of state-owned railroad structures, pedestrian bridges, retaining walls, and overhead sign supports.

The Roadway Program addresses locations that have been identified as either structurally deficient or hazardous to the traveling public. Roadway projects generally fall into one of three categories: reconstruction, rehabilitation or restoration. New highways or capacity additions to existing highways are also considered within this program.

The Traffic and Safety Program implements highway operational and safety improvements. Projects include traffic signals, roundabouts, flashing beacons and non-signalized intersections installation; management and replacement of signs and pavement markings; the identification, evaluation and correction of hazardous locations on the public highway system; and upgrades to public rail-highway crossings.

The Local Transportation Facilities Section (LTF) consists of four major components: the Transportation Enhancement Program, the Bike and Pedestrian Facilities Program, the Park-and-Ride Program and the Local Projects Program. In addition, LTF is responsible for the development of Scenic Byway, Public Lands Highway, and "Local" projects, which have a high degree of local focus and, for the most part, development and construction is managed by local municipalities.

The Right-of-Way and Environmental Services Sections are responsible for providing expertise in several specialty areas to Agency programs, consultants, and the private sector. Section capabilities include the establishment of geodetic control and survey for design and construction of Agency projects, hydraulic analysis of bridge and culvert improvements, utility coordination and highway access permitting, environmental permitting, and right-of-way acquisition of real property needed for transportation projects.

The Materials and Research Section provides materials testing, subsurface investigation and geotechnical analysis, concrete and hot mix plant inspection, independent assurance testing, materials certification requirements, research and development of new products, laboratory testing of materials, chemical analysis of materials, and quality control oversight for transportation projects.

The Construction Section is responsible for the construction phase of the vast majority of contracts that are let by VTrans. Utilizing a staff of Resident Engineers, the Agency's Construction Program is

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

administered through four Regional offices located in Burlington, St. Johnsbury, White River Junction and Rutland. Resident and Regional Construction Engineers work closely with the Project and Program Managers to insure that the projects are built as designed and in accordance with all resource permits and regulations. Field work includes: project layout, inspection and quality acceptance of all work incorporated into the project, quantity computation, contractor payments, monitoring of contractor compliance with resource regulations, and insuring the project is completed in conformance with the contract. The Construction Finals group in Montpelier performs a review to ensure all quantities are verified before final payments are made to the contractor.

POLICY AND PLANNING

The Policy and Planning Division works with all of VTrans as well as other state and federal agencies, transportation research centers, Regional Planning Commissions and the Chittenden County Metropolitan Planning Organization to provide comprehensive, coordinated transportation plans for future improvements to the transportation system. The division is responsible for VTrans' strategic planning, asset and performance management, policy analysis and formulation, and integration of transportation plans. Policy and Planning is also responsible for coordinating with the Agency of Commerce and Community Development on the interactions between transportation and economic development.

The Policy Analysis Section assists the Secretary in analyzing federal transportation policy and reauthorization issues, manages the Legislative Liaison function of the Agency, updates the State's 20-year Long Range Transportation Plan at five-year intervals, and serves on various inter-agency task forces and committees related to smart growth initiatives, intelligent transportation systems, and environmental policy.

The Systems Planning Section manages the day-to-day operations of the Transportation Planning Initiative, which engages Vermont's citizens, towns, regional planning commissions, and the Chittenden County Metropolitan Planning Organization in dialogue about issues of transportation planning and needs identification. The section also provides systems analysis and planning, statewide transportation modeling, and both modal and inter-modal operational planning.

Data services are provided by three sections. The Traffic Research section reviews all Act 250 applications for impacts on the transportation system and consistency with Agency plans or policies as well as compiles the Agency response or recommendations to the district environmental commissions. The section is responsible for both traffic monitoring and data analysis.

The Highway Research Section monitors highway system conditions, collects highway video logs, reports highway sufficiency rating data, and manages the Crash (highway accident) data base. The Mapping Section provides town mapping, maintenance of the GIS database and the routelog system.

The Office of Civil Rights and Labor Compliance is responsible for ensuring compliance with all federal and state Equal Employment Opportunity and Affirmative Action regulations and labor requirements

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

within not only the Agency but on all US Department of Transportation funded projects. VTrans' goal of creating workforce diversity and a workplace free from harassment, intimidation and discrimination is pursued through the development and administration of numerous programs and initiatives.

FINANCE AND ADMINISTRATION

The mission of the Division of Finance and Administration is to provide support for and to communicate methods to achieve VTrans goal of a safe, effective, and balanced transportation system for the State of Vermont. The Division's goal is to maximize financial and human resources, and improve the Agency's business practices to meet the needs of its internal and external customers. The division consists of the following sections: Audit, Contract Administration, Information Technology, Budget and Financial Operations and Human Resources.

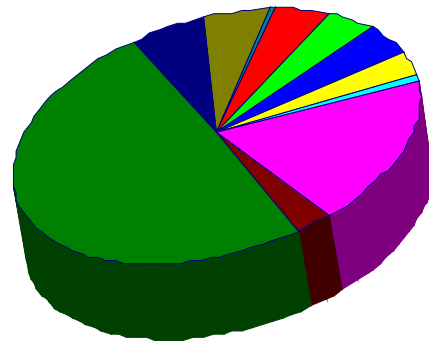
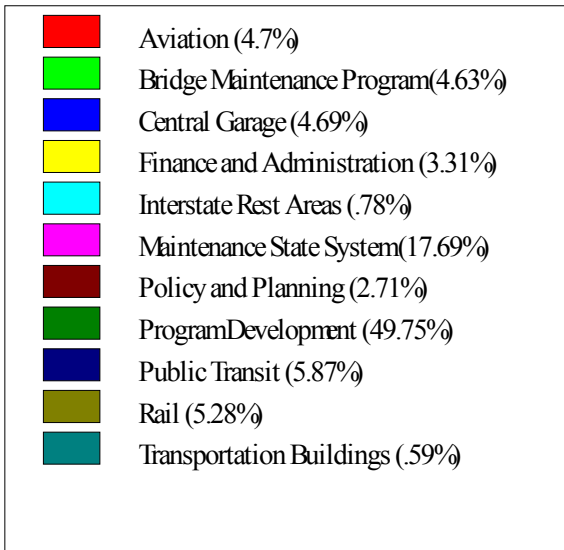
Audit provides audit assistance to VTrans' management and audit assurance about VTrans' administration of public funds. Contract Administration is responsible for the performance of various contracting functions. Information Technology is responsible for assessing and supporting VTrans' information technology requirements. Budget and Financial Operations oversees the development and control of VTrans' budget and processes all financial and related transactions. Human Resources provides the Agency with all personnel-related activities including training, recruitment, benefits administration, and labor relations.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Finance and Administration	129	132	129	11,194,809	11,875,420	11,336,148	12,609,399
Aviation	7	8	8	8,336,974	9,425,424	9,180,615	17,892,075
Transportation Buildings	0	0	0	1,070,877	1,646,000	1,246,000	2,261,500
Program Development	317	318	309	148,270,047	165,077,162	162,056,363	189,235,319
Interstate Rest Areas	0	0	0	196,064	3,950,000	3,900,000	2,950,000
Maintenance State System	496	500	499	62,681,996	63,960,874	62,826,479	67,298,309
Policy and Planning	48	48	41	9,363,681	11,022,950	10,896,685	10,293,841
Rail	8	8	10	13,340,834	16,794,901	16,509,646	20,083,163
Bridge Maintenance Program	0	0	0	4,423,521	12,448,348	10,298,348	17,623,700
Public Transit	6	6	7	19,178,723	19,719,221	19,659,387	22,332,916
Central Garage	40	40	39	14,013,374	14,930,774	12,065,663	17,828,075
TOTAL	1,051	1,060	1,042	292,070,900	330,851,074	319,975,334	380,408,297
FUND TYPE							
General Fund				69,000	0	0	0
Transportation Fund				128,073,561	124,615,982	117,206,319	134,283,932
Federal Revenue Fund				145,880,176	185,416,076	184,815,110	219,444,767
Internal Service Fund				14,013,374	14,930,774	12,065,663	17,828,075
Transportation: Local Match				1,032,055	1,476,992	1,476,992	1,600,430
Interdepartmental Transfer				3,002,734	4,411,250	4,411,250	7,251,093
TOTAL				292,070,900	330,851,074	319,975,334	380,408,297

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs**



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Finance and Administration**

Appropriation Key Budget Issues

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Finance and Administration**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	8,912,080	9,314,503	8,975,861	10,071,137
Operating Expenses	2,282,729	2,560,917	2,360,287	2,538,262
<hr/> TOTAL	<hr/> 11,194,809	<hr/> 11,875,420	<hr/> 11,336,148	<hr/> 12,609,399
FUND TYPE				
Transportation Fund	10,827,050	11,375,420	10,836,148	12,109,399
Federal Revenue Fund	367,759	500,000	500,000	500,000
<hr/> TOTAL	<hr/> 11,194,809	<hr/> 11,875,420	<hr/> 11,336,148	<hr/> 12,609,399

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Aviation

Appropriation Key Budget Issues

Vermont's aviation assets (essential infrastructure including runways) remain in relatively stable, good condition. The focus in FY10 needs to be on a continuing, modest level of investment to maintain the current infrastructure as well as upgrading assets when it makes sense for economic development, safety, and security purposes.

The proposed FY10 budget includes a modest investment, as well as continued support for Vermont's major commercial service airport - Burlington International Airport - which is municipally owned. With FAA Reauthorization still undecided, federal funding participation is currently planned at 90 percent (10 percent match) in FY10 from the current 95 percent (5 percent match) in FY09. With major runway reconstruction projects on the horizon, there will be challenges in future years to identify funding for the Aviation Program to continue to maintain the condition level of its assets. The Aviation Program has one large-scale safety project planned for Knapp State Airport located in Berlin which the FAA has identified as an excellent candidate for funding under the expected Federal Stimulus Bill. Barring unforeseen local and state land use permitting issues, this looks very promising and would be a boon to the Central Vermont economy.

Land-side infrastructure is also starting to show its age, and the Aviation Program is seeing an increase in emergency repair work to heating systems, roofs and other mechanical systems associated with its terminal buildings and hangars. The recently completed statewide Airport System Plan identified shortcomings in the overall system of airports which will need to be addressed and incorporated into future planning and budgets. Aviation will finalize airport business plan development for all state-owned airports to provide baseline financials, revenue enhancement strategies, and economic development opportunities.

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 Regional Airport to Boston, has increased passenger traffic by 143 percent from one year ago. In addition to the two commercial service options (Burlington and Rutland), airports must be able to accommodate corporate and business travelers in all weather conditions with 24-hour access. Appropriate runway length, good instrument approach capability (navigational aids), and lighting facilities are key components for providing a safe environment for business, recreational, and emergency responders. There will be a focus on utilizing new technologies to enhance efficiencies and safety throughout the system. Further development of General Aviation security programs will also be a priority in providing a safe and secure environment for our airport system.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Aviation

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Aviation

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	1,747,783	1,928,595	1,923,024	1,448,274
Operating Expenses	6,346,935	7,336,829	7,097,591	16,283,801
Grants	242,256	160,000	160,000	160,000
TOTAL	8,336,974	9,425,424	9,180,615	17,892,075
FUND TYPE				
Transportation Fund	1,953,280	2,207,424	2,009,615	2,251,575
Federal Revenue Fund	6,383,694	7,218,000	7,171,000	15,640,500
TOTAL	8,336,974	9,425,424	9,180,615	17,892,075

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Transportation Buildings

Appropriation Key Budget Issues

Transportation Buildings work includes:

- A systematic replacement cycle for facility components such as roofs, heating plants, and fuel storage tanks.
- New salt and sand sheds (to address environmental and operational efficiency issues).
- Major renovations when required (heating, new bays for additional trucks, connections to municipal sewer systems, energy efficiency upgrades such as lighting, insulation, and windows).
- New garages to replace those which due to their poor condition are beyond rehabilitation or repair.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Transportation Buildings**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	90,070	72,000	72,000	0
Operating Expenses	980,807	1,574,000	1,174,000	2,261,500
<hr/>				
TOTAL	1,070,877	1,646,000	1,246,000	2,261,500
FUND TYPE				
Transportation Fund	1,070,877	1,646,000	1,246,000	1,501,500
Federal Revenue Fund	0	0	0	760,000
<hr/>				
TOTAL	1,070,877	1,646,000	1,246,000	2,261,500

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Program Development

Appropriation Key Budget Issues

The core appropriations within Program Development are Bridge, Paving, Roadway & Traffic Safety, and Local Transportation Facilities. The downturn in state revenues, volatility in fuel and material costs, and anticipated rollout of a massive federal stimulus package has made project estimating and scheduling a significant challenge during this budget year.

Even so, as in previous years the primary focus for Program Managers in developing the FY10 budget is to apply asset management principles in consort with continued use of VTrans' Project Prioritization Systems that was initiated in FY07. Through this effort, the Agency has a clear and transparent method for choosing which projects move forward in the project-development process.

General highlights for each of the core appropriations are as follows:

Bridge Program: Preservation of existing bridges and culverts remains the primary focus. The recent report meeting the requirements of Section 29 of last year's transportation bill 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 remains one of the primary areas of focus for Program Development as it is recognized as a key activity to ensuring a safe and mobile transportation system. This year's budget for paving has remained relatively equal to last year for resurfacing and crack sealing along our Interstate, State, and Class 1 Town Highways. Quarterly meeting with partners in the paving industry will assist us in maximizing the rate of return on tax payer investments.

Roadway & Traffic Safety: The Roadway & Traffic Safety Program aligns this year's budget with the priorities laid out in the Road to Affordability initiative, as well as the Strategic Highway Safety Plan. The program is directing resources toward system preservation strategies such as ledge and slope repairs as well as small culvert and drainage system repairs. The focus remains the same on highway safety, which results in pretty much level funding from the previous fiscal year.

Local Transportation Facilities: The Agency remains committed in offering municipalities the opportunity to manage projects at the local level, and the Agency continues to leverage federal and state funds so that communities can deliver transportation infrastructure improvements on the local level. The FY10 Bicycle and Pedestrian Facilities and Enhancement Programs have reduced slightly since last year's budget, however, they are poised to deliver important construction funds to the communities.

Park & Rides: The Park & Ride program is recognized as a critical area of investment considering the

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Program Development

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, FY10 funding for this program remains stable, and important projects in Enosburg, Hartland, Putney, Richmond, Waterbury and Weathersfield are slated for construction funding.

The Agency goals of Safety, Planning, Preservation, and Excellence are the guiding principles in the FY10 Program Development budget.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Program Development**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	31,731,668	35,192,941	34,926,429	36,275,422
Operating Expenses	106,636,739	106,514,171	103,759,884	127,125,275
Grants	9,900,590	23,370,050	23,370,050	25,834,622
Non Operating Exp Budget	1,050	0	0	0
<hr/> TOTAL	<hr/> 148,270,047	<hr/> 165,077,162	<hr/> 162,056,363	<hr/> 189,235,319
FUND TYPE				
Transportation Fund	35,094,672	28,465,101	25,998,268	28,029,207
Federal Revenue Fund	109,405,154	131,223,819	130,669,853	152,829,432
Transportation: Local Match	1,032,004	1,476,992	1,476,992	1,600,430
Interdepartmental Transfer	2,738,217	3,911,250	3,911,250	6,776,250
<hr/> TOTAL	<hr/> 148,270,047	<hr/> 165,077,162	<hr/> 162,056,363	<hr/> 189,235,319

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Interstate Rest Areas**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	127,780	100,000	100,000	100,000
Operating Expenses	68,205	3,850,000	3,800,000	2,850,000
Grants	79	0	0	0
<hr/> TOTAL	<hr/> 196,064	<hr/> 3,950,000	<hr/> 3,900,000	<hr/> 2,950,000
FUND TYPE				
Transportation Fund	50,382	417,300	367,300	379,740
Federal Revenue Fund	145,682	3,532,700	3,532,700	2,570,260
<hr/> TOTAL	<hr/> 196,064	<hr/> 3,950,000	<hr/> 3,900,000	<hr/> 2,950,000

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Maintenance State System

Appropriation Key Budget Issues

Adequate financial resources which will accommodate all maintenance needs are still the major constraint in dealing with Vermont's aging infrastructure. Vermont is experiencing an increasing rate of failures in system components such as culverts, bridges and roadside slopes. We are at the end of the useful life of many structures, and without targeted investment in these transportation assets our needs not only will increase but become more costly to address.

The last two fiscal years have seen modest funding increases to the maintenance appropriation, which has allowed us to continue to focus in the areas of culvert repair, culvert replacement and slope stabilization. This increase in infrastructure investment needs to not only continue, but expand into other needed areas. Additional emphasis on preventive maintenance for bridges will extend the useful life of our structures and lessen the need for more costly repairs and replacements.

The continuing increase in fuel cost drives the budget needs for winter maintenance activities. Fuel cost increases not only impact the operational costs of our vehicle fleet, but affect the cost of other major items such as salt, parts and steel products. Yearly budget increases are partially negated by these increasing costs, resulting in no net gain in productivity. At the same time, Vermont is experiencing an increased demand on the transportation system with not only a rising amount of vehicle miles traveled, but a change in travel patterns as Vermont is experiencing an increase in the use of its transportation system outside of the core daytime hours for both commuting and through traffic.

VTrans will continue its emphasis on developing and using asset management. Inventory and condition rating of small culverts is underway and will allow for targeted investment. Exploration of methodology and equipment to decrease salt usage is underway. Better coordination with other parts of the Agency will result in shared efforts to improve systems and react to problems.

Additional efforts are necessary to influence users of the network so they can make informed decisions when they travel. ITS systems such as 511 and Road Weather Information Systems (RWIS) need to be enhanced to provide better information, and disseminate it to the traveling public. A journey without an incident is a journey that does not divert our staff and require state resources such as emergency services. ITS services provide staff with timely and appropriate information about weather events to use in snow and ice control. VTrans also will continue to pursue the installation of fiber optic cable to provide better connectivity with State highway garages and the various ITS system components that will serve not only VTrans but the traveling public as well.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Maintenance State System**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	33,439,957	32,012,562	31,463,796	34,028,928
Operating Expenses	28,418,346	31,632,292	31,046,663	32,991,361
Grants	823,693	316,020	316,020	278,020
<hr/> TOTAL	<hr/> 62,681,996	<hr/> 63,960,874	<hr/> 62,826,479	<hr/> 67,298,309
FUND TYPE				
Transportation Fund	60,277,143	60,295,608	59,161,213	64,315,237
Federal Revenue Fund	2,401,368	3,565,266	3,565,266	2,883,072
Interdepartmental Transfer	3,485	100,000	100,000	100,000
<hr/> TOTAL	<hr/> 62,681,996	<hr/> 63,960,874	<hr/> 62,826,479	<hr/> 67,298,309

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Policy and Planning**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	3,962,949	4,383,915	4,355,253	4,099,519
Operating Expenses	987,650	1,234,291	1,136,688	1,169,550
Grants	4,413,082	5,404,744	5,404,744	5,024,772
<hr/> TOTAL	<hr/> 9,363,681	<hr/> 11,022,950	<hr/> 10,896,685	<hr/> 10,293,841
FUND TYPE				
Transportation Fund	2,153,998	1,983,875	1,857,610	2,295,512
Federal Revenue Fund	6,948,651	8,639,075	8,639,075	7,623,486
Interdepartmental Transfer	261,032	400,000	400,000	374,843
<hr/> TOTAL	<hr/> 9,363,681	<hr/> 11,022,950	<hr/> 10,896,685	<hr/> 10,293,841

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Rail

Appropriation Key Budget Issues

Vermont is unique in that about half of the active rail lines are state-owned, whereas most rail lines in the US are privately owned. VTrans primary focus is on the preservation and improvement of Vermont's rail infrastructure, both public and private, and encouraging increased use of rail for moving freight efficiently.

Vermont's rail infrastructure, especially bridges, must eventually meet the national standard of handling 286,000 pound rail cars in order for Vermont to compete and be accessible on a nationwide scale. Achieving this standard will be essential to support future economic growth and provide the means for decreased truck traffic on Vermont highways.

In addition to bringing the rail infrastructure to the 286,000 standard, Vermont must continue to work to improve rail clearances to accommodate both high and wide loads such as double stack containers and tri level autoracks. Preserving and improving our rail infrastructure will also provide opportunities for passenger and/or intercity rail transport that is economically feasible and optimizes services. One of our major clearance projects, the Bellows Falls Tunnel, 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 bridges to bring them to the 286,000 standard. VTrans is inspecting those bridges and prioritizing. We have a number of bridges in the pipeline for rehabilitation/replacement, and in the coming years we will work to bring the Bellows Falls-Florence-Rutland-Hoosick Junction corridor to the 286,000 standard.

SAFTEA-LU also provided an earmark to VTrans for improvements on the Western Corridor rail system. VTrans has been working with its partners along the western corridor to establish a financial plan to improve the corridor for passenger service, and to move more freight by rail. The Environmental Impact Study for the Middlebury Rail Spur project has been completed, while the Rutland Rail Yard relocation study is still under way. In addition to the SAFTEA-LU earmark, VTrans is utilizing an FRA grant to upgrade portions of the Vermont Railway between Bennington and Burlington to provide an improved infrastructure for increased freight usage and future passenger usage.

VTrans continues to make infrastructure improvements to the 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. Traffic on this line continues to grow.

VTrans acknowledges the need for a long-term financial commitment to support and improve both passenger and freight service. The affordability of passenger service will be a major topic of discussion in the coming years.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Rail**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Rail**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,008,448	7,524,901	7,254,304	3,625,048
Operating Expenses	10,332,386	9,270,000	9,255,342	16,458,115
<hr/>				
TOTAL	13,340,834	16,794,901	16,509,646	20,083,163
FUND TYPE				
Transportation Fund	8,559,934	8,538,901	8,253,646	9,729,388
Federal Revenue Fund	4,780,900	8,256,000	8,256,000	10,353,775
<hr/>				
TOTAL	13,340,834	16,794,901	16,509,646	20,083,163

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Bridge Maintenance Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	582,278	0	0	0
Operating Expenses	3,841,243	12,448,348	10,298,348	17,623,700
<hr/> TOTAL	<hr/> 4,423,521	<hr/> 12,448,348	<hr/> 10,298,348	<hr/> 17,623,700
FUND TYPE				
Transportation Fund	1,483,233	3,008,456	858,456	6,844,140
Federal Revenue Fund	2,940,237	9,439,892	9,439,892	10,779,560
Transportation: Local Match	51	0	0	0
<hr/> TOTAL	<hr/> 4,423,521	<hr/> 12,448,348	<hr/> 10,298,348	<hr/> 17,623,700

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Transit

Appropriation Key Budget Issues

The FY10 Public Transit budget is geared towards continuing efforts to create a statewide, integrated public transit system to meet general public and human-service transportation needs as mandated by the Federal Transit Administration through the United We Ride initiative. (The United We Ride initiative is aimed at coordinating all of the various Transportation funding sources and services to achieve maximum service and utility.)

There are only two direct recipients of FTA Public Transit funding in Vermont, Chittenden County Transit Authority (CCTA) and the Vermont Agency of Transportation. While CCTA is a direct recipient and service provider, VTrans sub-contracts transportation service as well. Actual transportation services are provided primarily through 11 regional, not-for-profit transportation organizations, including CCTA. Funding is provided under the terms and conditions of annual grant agreements. Potential fund sources include:

The Congestion Mitigation and Air Quality Program enables transportation agencies (for-profit and not-for-profit) to apply for funding in non-attainment and maintenance areas which reduce transportation-related emissions. Public transportation is one of the identified transportation control measures identified as eligible projects through the Clean Air Act. However, not all public transportation improvements are eligible under the CMAQ program. The general guideline for determining eligibility is whether an increase in public transportation ridership can reasonably be expected to result from the project. This expectation must be supported by a quantified estimate of the effects on emissions as a result of the project. The federal share for eligible projects is 80 percent. The local match (non federal or state funds) requirement is 20 percent (under federal programs as of this writing) during the 3-year demonstration period, and must be sustained after the demonstration period.

Non-Urbanized Transportation & Marketing 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 percent. The federal share for eligible operating assistance is 50 percent. The local match requirement is 20 percent and 50 percent respectively, which is derived from Vermont state public transportation funds. Marketing program funds awarded to each sub-recipient are for development of marketing and outreach materials within their respective region. Outreach material includes the creation and maintenance of a website, producing a schedule of routes and services, and the creation of brochures or other materials to promote municipal funding support. This funding is eligible for 80 percent federal recovery, with the remaining 20 percent derived from local funds (non federal or state funds).

Urban Assistance is for urbanized regions (at least 50,000 in population). Chittenden County is the only urbanized area in Vermont. The federal funding share is 80 percent. The local match is 20 percent, which is derived from Vermont state public transportation funds. CCTA applies directly to the Federal Transit Administration for this funding.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Transit

Vermont Rural Preventive Maintenance Program funds are for eligible preventive maintenance items for vehicle maintenance functions and non-vehicle maintenance functions (i.e. administration; repair of buildings, grounds and equipment, etc). The federal share is 80 percent. The local match (non federal or state funds) is 20 percent.

Rural Technical Assistance Program funds are restricted to Federal Transit Administration approved training and technical assistance expenses in non-urbanized areas through a scholarship of \$3,000 to each subrecipient 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 percent.

Elders and Persons with Disabilities Program funds are restricted to providing 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. In FY08, at least 97 percent of the funding had to be allocated to life sustaining services. Three percent of the allocation can be used for excursion trips, however 50 percent of the overall individual excursion trip must incorporate one of the life sustaining services listed above. Beginning in state FY09, excursion trips are no longer eligible due to high demands of statewide non-Medicaid critical-care trips.

VTrans allocates E&D funds regionally via a formula which assesses three demographic indicators of need. These factors are; elder population (30 percent), disabled population (30 percent), and population density (40 percent).

Regional allocations are then further distributed by a Regional Elderly and Disabled Advisory Committee (REDAC). There are currently 10 REDACs statewide. 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 percent. The local match requirement is 20 percent, which is derived from local human service organizations participating in the REDACs or through volunteer, in-kind donations.

Job Access Reverse Commute Program funding assists individuals to help them successfully

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Transit

transition from welfare to work by reaching needed employment support services such as childcare and job-training activities. With the passage of SAFETEA-LU, JARC funding is allocated by population-based formula versus Congressional earmark. Prior to SAFETEA-LU, Vermont received \$800,000 in earmark funds. In FY08, Vermont received \$196,980 in federal JARC funds. The federal share is 50 percent. The local match requirement is 50 percent, which is derived from state funds. TANF funds would be the only other option to match the federal funds received from the Federal Transit Administration. In addition, SAFETEA-LU mandates each state to prepare local Human Service Transportation Plans to continue funding allocations, which VTrans completed in state FY08. The only JARC-identified route in Vermont is Williston to Burlington.

New Freedom Program was established in SAFETEA-LU to further enhance the federal mandate of United We Ride by funding projects that enhance transportation to persons with disabilities and go beyond mandates associated with the American with Disabilities Act. Identified projects from FTA include mobility management, door-to-door transportation outside of the $\frac{3}{4}$ mile Complementary ADA Paratransit mandate of a fixed route, installation of lifts beyond 600 pounds, etc. The federal funding share for operating services is 50 percent with 50 percent local match. The federal share for capital projects is 80 percent with 20 percent local match. SAFETEA-LU mandated this program to be included in the local Human Service Transportation Plan to be able to drawdown the federal funding. In addition, a portion of this funding is eligible for urbanized areas only.

GoVermont (previously known as Vermont RideShare) Program's mission is to inform and encourage Vermonters to examine their travel options by providing services designed to assist Vermonters in making educated transportation choices, including the use of carpools and vanpools. 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. Other services provided through the GoVermont program include ride match and emergency ride home services, as well as program development and marketing assistance to Vermont employers.

Beginning in FY09, VTrans' Public Transit Section has administered this program in-house. VTrans has worked with Maine and New Hampshire to pursue a Tri-State GoVermont Program. Also, VTrans entered into a contract with a vanpool management firm to increase our efforts in this area. VTrans is working towards an enhanced database system to assist the general public with ride match possibilities and an enhanced statewide marketing plan for the coming fiscal year.

Capital Assistance funding is provided within two programs: elders and persons with disabilities, and the general public. Elders and persons with disabilities capital program is for 15 passenger (or fewer) lift-equipped vehicles, and must be Altoona-tested for eligibility. General public capital is for lift-equipped vehicles which are also Altoona-tested; maintenance and administrative equipment; shelters; schedule holders and bike/ski racks. The federal share for all capital assistance projects is 80 percent. The local match requirement is 10 percent, while the remaining 10 percent is derived from state funds.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Transit**

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	622,588	646,295	642,242	717,809
Operating Expenses	472,448	58,784	53,003	51,301
Grants	18,083,687	19,014,142	18,964,142	21,563,806
<hr/> TOTAL	<hr/> 19,178,723	<hr/> 19,719,221	<hr/> 19,659,387	<hr/> 22,332,916
FUND TYPE				
General Fund	69,000	0	0	0
Transportation Fund	6,602,992	6,677,897	6,618,063	6,828,234
Federal Revenue Fund	12,506,731	13,041,324	13,041,324	15,504,682
<hr/> TOTAL	<hr/> 19,178,723	<hr/> 19,719,221	<hr/> 19,659,387	<hr/> 22,332,916

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Central Garage

Appropriation Key Budget Issues

The VTrans Central Garage purchases, maintains, and administers a fleet of vehicles and equipment using an internal service fund. Vehicles and equipment are rented to the Agency's maintenance districts, DMV, and other VTrans' divisions. Rental income from those customers covers depreciation, fuel, service, and overhead.

The purchase of replacement equipment, particularly plow trucks, was severely curtailed in FY09. The deferral of that investment is expected to result in an aging fleet with increased repair costs

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Central Garage**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	3,134,617	3,305,508	3,305,508	3,454,724
Operating Expenses	10,878,757	11,625,266	8,760,155	14,373,351
<hr/> TOTAL	<hr/> 14,013,374	<hr/> 14,930,774	<hr/> 12,065,663	<hr/> 17,828,075
FUND TYPE				
Internal Service Fund	14,013,374	14,930,774	12,065,663	17,828,075
<hr/> TOTAL	<hr/> 14,013,374	<hr/> 14,930,774	<hr/> 12,065,663	<hr/> 17,828,075

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

Department Mission Statement

The Department of Motor Vehicles' mission is to administer motor vehicle transactions and related laws, promote highway safety, and collect transportation revenues, while doing so in a timely and cost-effective manner that provides a high level of customer service and satisfaction.

Description of Appropriations, Divisions, & Programs

The Department of Motor Vehicles (DMV) is responsible for issuing driver licenses, permits, motor vehicle registrations (including snowmobile and motorboat registrations), driver license suspensions and reinstatements, enforcement of motor-vehicle related laws, and collecting motor-fuel revenue for the State of Vermont. The department also manages several safety programs. The Vermont DMV serves a resident population of over 623,000 as well as a significant number of nonresidents.

The Department's key performance indicators are:

- Wait time for counter services: within 30 minutes.
- Telephone queue time: three minutes maximum.
 - Driver license exam schedule: within two weeks.
- Internal processing time: within 11 workdays.
- Recruitment period for vacancies: within eight weeks.
- Approval and setup of new inspection stations: within 30 calendar days from date of receipt.
- Investigations under a standardized priority system: High Priority usually within 24-to-48 hours of receipt.

The Department is comprised of three divisions: Enforcement & Safety, Operations, and Support Services.

The Enforcement & Safety Division is comprised of a contingency of sworn law enforcement officers and non-sworn civilian staff. The Division has four sections - the Commercial Vehicle Enforcement Section, the Investigations Section, the Administrative Support Section, and the New Motor Vehicle Arbitration Board.

Commercial Vehicle Enforcement Section:

Sworn law enforcement officers staff this section, whose primary mission is enforcement of laws and regulations pertaining to commercial-vehicle safety. Their duties include assuring that commercial drivers have proper credentials, vehicles meet state and federal equipment standards, and that vehicles

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

fall within acceptable standards concerning length and weight restrictions.

The Commercial Vehicle Enforcement Program consists of the federally sponsored Motor Carrier Safety Assistance Program (MCSAP), as well as the Size and Weight program.

Investigations Section:

This section is comprised of a Criminal Investigative Unit, an Administrative Investigative Unit, and the Education & Safety Unit.

The primary focus of the Criminal and Administrative Investigative Unit is to regulate, monitor and investigate illegal or questionable activities relating to licensing, registration and title fraud; dealer and inspection regulations; and provide general law enforcement support services. The Education & Safety Unit is responsible for regulating, licensing and monitoring commercial driver training schools; third party testing programs; training and licensing school bus driver training instructors; pupil transportation safety laws and issues; and the Vermont Motorcycle Awareness Program.

Administrative Support Section:

The Administrative Support Section provides support to all units within the Enforcement & Safety Division. The section is responsible for support functions relating to dealer licensing, inspection station licensing, mechanic certifications, junkyard licensing, abandoned vehicles, Vermont Rider Education Program information, and the Federal Motor Carrier Safety Administration, which consists of Driver/Vehicle Inspection Reports for motor carriers.

New Motor Vehicle Arbitration Board:

The Department administers the lemon law program for this Board, which hears lemon law claims for motor vehicles. A consumer may file a Demand for Arbitration after demonstrating a reasonable number of repair attempts, with at least one occurring within the manufacturer's express warranty. The Board determines whether the consumer is entitled to a pro-rated refund, comparable replacement vehicle, or the manufacturer demonstrates that the vehicle's repair history does not substantially impair the vehicle's use, market value or safety.

The Operations Division is DMV's largest division, encompassing 68 percent of total resources. It is responsible for all customer-service functions (Montpelier counter, branch offices, mobile van operations and telephone information services); mail processing; license suspension and reinstatement; crash reporting; the International Registration Plan; oversize permitting; commercial vehicle operations (including the collection and distribution of fuel taxes, maintenance of accurate and reliable records, tracking delinquent accounts, and suspension initiation on accounts that are in arrears); and all backroom operations (including 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, human resources, training, project

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

management and implementation, stockroom and mailroom operations, and general support functions.

DMV Performance:

Providing quality customer service is a central component to the Department's mission. DMV engages in an annual strategic-planning initiative within the three Divisions. DMV's primary objective is to look at issues that can:

- a) Improve internal operational efficiency.
- b) Improve or enhance the level of service we provide to our customers.

During FY08 (the last complete fiscal year) we continued to center our efforts towards meeting our customers' two primary interests: the length of time they have to wait for their service and providing more DMV services closer to where they live, while preparing for the new system's (VTDRIVES) implementation by providing training to employees in skills they will need in the future.

In FY08, the Department's performance in the three primary customer-contact areas (counter operations, mail processing and telephone information) with respect to customer wait times was mixed. We met or exceeded our standards in two of our customer contact areas, and experienced backlog in one area. Specific accomplishments in each were as follows:

Telephone Information: An average of 1,103 calls were answered each day in FY08. This is a 3.1 percent decrease from FY07, which we attribute to an overall decline in business due to the economy, coupled with an increase in website usage and improved telephone messaging scripts. The average wait times to speak with a Customer Service Specialist remained about the same at approximately 1.31 minutes. This wait time includes the time that a customer is in queue listening to service options.

Counter Operations: In FY06, 97.6 percent of customers at the Montpelier office, our busiest office, were provided service within 45 minutes, with 83.9 percent being waited on within 30 minutes or less. In FY 07, the Montpelier office experienced a slight increase in wait times. However, 96.9 percent of the customers at that office were still served within 45 minutes and 81 percent within 30 minutes.

In FY 08, wait times at the Montpelier office increased 4% with 93.60 percent of our customers served within 45 minutes and 80.09 percent of customers within 30 minutes or less. Some of the increase can be attributed to the fact that more complex transactions are handled at the customer counters, while vehicle registrations can be renewed via lockbox operation, kiosk, and the DMV Express website. Statewide figures for FY08 show that 98.40 percent of customers at all DMV offices were waited on within 45 minutes (2% improvement) and 94.06 percent within 30 minutes of arrival (16% improvement) over FY07.

The results for all of DMV's offices for FY08 are shown in the chart below:

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles**

Wait Time Intervals

Annual

	0-15	16-30	31-45	46-60	60+	
BENNINGTON	85.51%	11.67%	2.29%	0.48%	0.05%	100%
BURLINGTON	79.87%	13.52%	4.62%	1.64%	0.35%	100%
MONTPELIER	57.26%	22.83%	13.51%	5.22%	1.18%	100%
NEWPORT	83.69%	13.84%	2.26%	0.19%	0.02%	100%
RUTLAND	88.80%	9.44%	1.53%	0.22%	0.0%	100%
SPRINGFIELD	88.66%	9.22%	1.84%	0.18%	0.10%	100%
	80.64%	13.42%	4.34%	1.32%	0.28%	100.00%

Mail Processing: In FY08, the Department's Mail Processing unit that handles registration and license transactions carried backlogs 53 percent of workdays. However, the work was caught up during regular work hours with assistance from other DMV units, thus negating the need for overtime. This is a change from the past four years where the unit worked on mail received that very day. This, however, was due to vacancies in the Mail Processing unit, as well as time spent mentoring employees from other units who were trained in registration for the new system implementation.

Key accomplishments were:

- 1) VTDRIVES - The development phase of the project is nearly complete, and we are in the testing phase. Training and testing will continue through the winter and spring of 2009, with implementation to occur sometime in mid 2009. Implementation initially was scheduled for May-June 2009, however, the department had been working on an accelerated time schedule to try and implement during slower business months with a January 2009 tentative target. Due to problems discovered during the User Acceptance Testing (UAT) phase, UAT was discontinued while corrective actions were taken. This delay has resulted in a corresponding implementation delay.
- 2) A photo license printer station was installed in the Mail Processing Unit, which permits staff to process photos for license renewals received by mail.
- 3) In FY08, the Vermont Rider Education Program (VREP) provided motorcycle safety training to 1,491 students, which is an increase of 14.7 percent from the previous year. Thanks in part to a \$50,000 federal grant, VREP will be operating an additional training site in Rutland County next year, and is in hopes of identifying a training site in the southeast section of the state.
- 4) The Commercial Vehicle Enforcement Unit inspected 8,842 commercial vehicles last year. This is a 50 percent increase from the previous year. The increase is directly attributable to the federally funded Border Enforcement Team, which concentrates on commercial vehicle enforcement along the Canadian Border.
- 5) The Department commenced a program to test exhaust emissions from Heavy Duty Diesel Vehicles. A total of 77 tests were conducted: 57 were done as enforcement actions and 20 were requested by trucking companies for educational purposes. The failure rate for those trucks tested as a result of an enforcement action was 38.5 percent.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Department of Motor Vehicles	250	250	249	26,421,646	25,925,911	24,267,627	25,290,315
<hr/> TOTAL	<hr/> 250	<hr/> 250	<hr/> 249	<hr/> 26,421,646	<hr/> 25,925,911	<hr/> 24,267,627	<hr/> 25,290,315
FUND TYPE							
Transportation Fund				24,309,879	23,854,657	22,196,373	23,807,821
Federal Revenue Fund				2,111,767	2,071,254	2,071,254	1,482,494
<hr/> TOTAL				<hr/> 26,421,646	<hr/> 25,925,911	<hr/> 24,267,627	<hr/> 25,290,315

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

Appropriation Key Budget Issues

The Department of Motor Vehicles' (DMV) mission is to administer motor vehicle and related laws, promote highway safety, and collect transportation revenues while providing a high level of both customer service and satisfaction, as well as to perform these tasks in a timely and cost-effective manner.

1) DMV's FY09 budget included \$2.9 million for project development and implementation expenditures for DMV's System Modernization project (VTDRIVES) and the Enhanced Drivers License (EDL) program. DMV's base budget was reduced by that amount prior to FY10 budget development due to schedule changes affecting the planned implementation of both projects.

2) The VT DRIVES project delay has caused DMV staff to devise an interim method of issuing EDL/IDs. With the assistance of VTran's IT staff, concessions from the Department of Homeland Security and extensive modifications by our license vendor, DMV was able to issue its first few EDL/ID cards by the end of 2008.

3) During the first quarter of 2009 using this interim solution, DMV will begin issuing EDL/ID cards to the general well ahead of the June 1st changes to border crossing rules. With the full rollout of VT DRIVES in early FY10, the EDL process will become far more automated greatly reducing the work required by DMV staff, and as a result likely lessen the time required to process each customer.

The overall budget increase in state dollars for FY10 is 2.5 percent. Key budget drivers in FY10 are:

1. Increased photo costs associated with the issuance of an EDL.
2. Rapidly expanding use of online DMV transactions that are paid for by credit card, and whose costs are reflected in the Bank Service Charges line item.
3. Postage increase due to a plate mailing process instituted in mid-FY08, and EDL mailing costs.

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	18,343,523	17,549,186	16,163,942	17,063,642
Operating Expenses	7,702,371	8,037,725	7,764,685	8,176,673
Grants	375,752	339,000	339,000	50,000
TOTAL	26,421,646	25,925,911	24,267,627	25,290,315
FUND TYPE				
Transportation Fund	24,309,879	23,854,657	22,196,373	23,807,821
Federal Revenue Fund	2,111,767	2,071,254	2,071,254	1,482,494
TOTAL	26,421,646	25,925,911	24,267,627	25,290,315

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Town Highway Programs**

Department Mission Statement

The Vermont Agency of Transportation provides all municipalities with several types of assistance including monetary pass-through grants, technical services, special studies, emergency relief, and roadway maintenance. Program success can be demonstrated in terms of funding availability and use by towns that might not otherwise be able to improve or maintain their infrastructure, or provide the technical expertise required to design necessary repairs or improvements.

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation provides Vermont municipalities with assistance through several Town Highway programs: Bridges, Structures, Class 2 Roadway, Emergency Fund, Town Highway Aid Program, Class 1 Supplemental Grants, Vermont Local Roads, and general technical assistance.

The Town Highway Bridge Program assists towns with bridge engineering services and aid to maintain and construct bridges having a span of six feet or more on Class 1, Class 2, and Class 3 town highways. Projects are offered to towns based on bridge condition and funding availability. Funds may be used for alternatives which eliminate the need for a bridge or bridges, including, but not limited to, construction or reconstruction of highways, purchase of land parcels that would be landlocked by closure of a bridge or bridges, payment of damages for loss of highway access, and substitution of other means of access.

The Town Highway Structures Program provides grants to municipalities for maintenance - including actions to extend life expectancy - and construction of bridges, culverts and other structures including causeways and retaining walls intended to preserve the integrity of the traveled portion of Class 1, Class 2 and Class 3 town highways. Towns apply to VTrans for assistance.

The Town Highway Class 2 Roadway Program provides grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved Class 2 town highways. Towns apply to VTrans for assistance.

The Town Highway Emergency Fund provides emergency aid in repairing, building, or rebuilding Class 1, Class 2 or Class 3 town highways and bridges damaged by natural or man-made disasters of

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

such magnitude that state aid is both reasonable and necessary to preserve the public good.

The Town Highway Aid Program is provided annually to each municipality in the state. The size of each grant is based on the total amount of money appropriated for this program by the Legislature, and the Class 1, Class 2, and Class 3 highway mileage in each of the 264 municipalities. Funds may be used for town highway construction, improvement, maintenance, or as the nonfederal share for public transit assistance.

The Town Highway Class 1 Supplemental Grants provide aid to municipalities having Class 1 town highways with more than two lanes.

The Vermont Local Roads Program, through a contract with Saint Michael's College, provides information, training and technical assistance to towns in the area of roads and bridges.

The Municipal Mitigation Grant Program provides grants to municipalities for assistance in mitigating/reducing water pollution associated with existing roads and road-maintenance activities. This appropriation includes funding for programs such as the Better Backroads Program, the Clean and Clear Program, and the two stormwater mitigation federal earmarks.

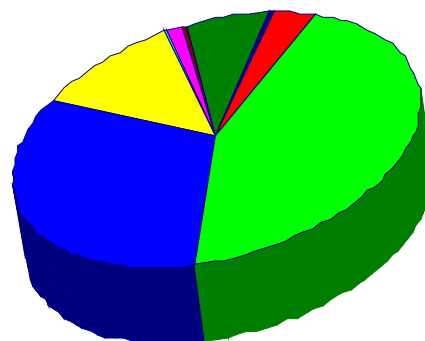
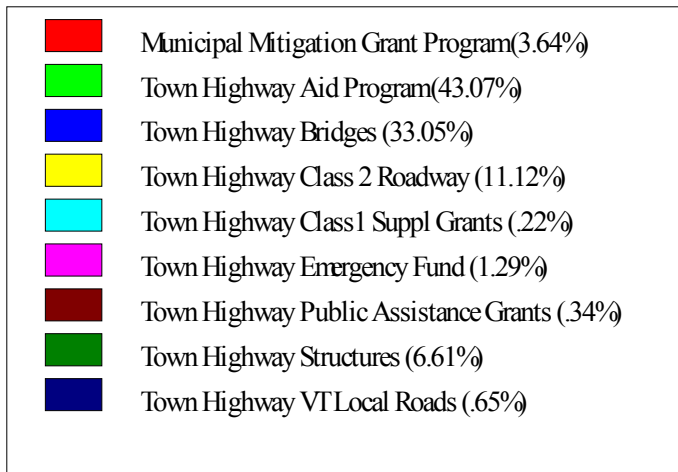
The Public Assistance Program provides supplemental aid to state and town efforts in recovery from federally declared disasters.

General assistance is provided by VTrans' maintenance Districts to towns as time/conditions permit for road and bridge concerns, associated grants, and disaster recovery efforts.

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
AOT Town Highway Programs**

DEPARTMENT SUMMARY BY APPROPRIATION

Department	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Town Highway Structures	0	0	0	3,718,506	3,833,500	3,494,500	3,833,500
Town Highway Emergency Fund	0	0	0	1,348,262	250,000	880,000	750,000
Town Highway VT Local Roads	0	0	0	351,095	375,000	375,000	375,000
Town Highway Class 2 Roadway	0	0	0	5,727,637	6,448,750	5,748,750	6,448,750
Town Highway Bridges	0	0	0	21,801,219	17,602,289	17,286,023	19,171,100
Town Highway Aid Program	0	0	0	24,982,743	24,982,744	23,132,744	24,982,744
Town Highway Class1 Suppl Grants	0	0	0	128,750	128,750	128,750	128,750
Town Highway Public Assistance Grants	0	0	0	7,831,142	200,000	200,000	200,000
Municipal Mitigation Grant Program	0	0	0	1,164,680	2,112,998	2,112,998	2,112,998
TOTAL	0	0	0	67,054,034	55,934,031	53,358,765	58,002,842
FUND TYPE							
Transportation Fund				39,188,949	38,591,876	36,016,610	38,167,641
Special Fund				1,020,445	0	0	0
Federal Revenue Fund				25,388,424	16,265,836	16,265,836	18,478,728
Transportation: Local Match				1,456,216	1,076,319	1,076,319	1,356,473
TOTAL				67,054,034	55,934,031	53,358,765	58,002,842



**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway Structures**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	3,718,506	3,833,500	3,494,500	3,833,500
<hr/> TOTAL	<hr/> 3,718,506	<hr/> 3,833,500	<hr/> 3,494,500	<hr/> 3,833,500
FUND TYPE				
Transportation Fund	3,718,506	3,833,500	3,494,500	3,833,500
<hr/> TOTAL	<hr/> 3,718,506	<hr/> 3,833,500	<hr/> 3,494,500	<hr/> 3,833,500

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Personal Services	59	0	0	0
Grants	1,348,203	250,000	880,000	750,000
<hr/> TOTAL	<hr/> 1,348,262	<hr/> 250,000	<hr/> 880,000	<hr/> 750,000
FUND TYPE				
Transportation Fund	1,348,262	250,000	880,000	750,000
<hr/> TOTAL	<hr/> 1,348,262	<hr/> 250,000	<hr/> 880,000	<hr/> 750,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	351,095	375,000	375,000	375,000
TOTAL	351,095	375,000	375,000	375,000
FUND TYPE				
Transportation Fund	141,133	235,000	235,000	235,000
Federal Revenue Fund	209,962	140,000	140,000	140,000
TOTAL	351,095	375,000	375,000	375,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	5,727,637	6,448,750	5,748,750	6,448,750
<hr/> TOTAL	<hr/> 5,727,637	<hr/> 6,448,750	<hr/> 5,748,750	<hr/> 6,448,750
FUND TYPE				
Transportation Fund	5,727,637	6,448,750	5,748,750	6,448,750
<hr/> TOTAL	<hr/> 5,727,637	<hr/> 6,448,750	<hr/> 5,748,750	<hr/> 6,448,750

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway Bridges**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	4,072,746	3,650,000	3,650,000	3,570,000
Operating Expenses	17,602,193	13,570,089	13,253,823	15,601,100
Grants	126,280	382,200	382,200	0
<hr/> TOTAL	<hr/> 21,801,219	<hr/> 17,602,289	<hr/> 17,286,023	<hr/> 19,171,100
FUND TYPE				
Transportation Fund	2,893,920	2,465,134	2,148,868	1,540,899
Federal Revenue Fund	17,451,083	14,060,836	14,060,836	16,273,728
Transportation: Local Match	1,456,216	1,076,319	1,076,319	1,356,473
<hr/> TOTAL	<hr/> 21,801,219	<hr/> 17,602,289	<hr/> 17,286,023	<hr/> 19,171,100

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway Aid Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	24,982,743	24,982,744	23,132,744	24,982,744
<hr/> TOTAL	<hr/> 24,982,743	<hr/> 24,982,744	<hr/> 23,132,744	<hr/> 24,982,744
FUND TYPE				
Transportation Fund	24,982,743	24,982,744	23,132,744	24,982,744
<hr/> TOTAL	<hr/> 24,982,743	<hr/> 24,982,744	<hr/> 23,132,744	<hr/> 24,982,744

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	128,750	128,750	128,750	128,750
<hr/> TOTAL	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750
FUND TYPE				
Transportation Fund	128,750	128,750	128,750	128,750
<hr/> TOTAL	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750	<hr/> 128,750

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Town Highway Public Assistance Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	7,831,142	200,000	200,000	200,000
<hr/> TOTAL	<hr/> 7,831,142	<hr/> 200,000	<hr/> 200,000	<hr/> 200,000
FUND TYPE				
Special Fund	1,020,445	0	0	0
Federal Revenue Fund	6,810,697	200,000	200,000	200,000
<hr/> TOTAL	<hr/> 7,831,142	<hr/> 200,000	<hr/> 200,000	<hr/> 200,000

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Municipal Mitigation Grant Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Grants	1,164,680	2,112,998	2,112,998	2,112,998
<hr/> TOTAL	<hr/> 1,164,680	<hr/> 2,112,998	<hr/> 2,112,998	<hr/> 2,112,998
FUND TYPE				
Transportation Fund	247,998	247,998	247,998	247,998
Federal Revenue Fund	916,682	1,865,000	1,865,000	1,865,000
<hr/> TOTAL	<hr/> 1,164,680	<hr/> 2,112,998	<hr/> 2,112,998	<hr/> 2,112,998

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Transportation Board

Department Mission Statement

The Transportation Board performs regulatory and quasi-judicial functions relating to transportation. These responsibilities include response to appeals, petitions and specific activities pursuant to Highways (19 V.S.A.); Aeronautics and Surface Transportation (5 V.S.A.); Scenery Preservation Council construction criteria (10 V.S.A. § 425); Scenic Roads (25 V.S.A., §§ 2501-2502); and Eminent Domain (29 V.S.A., §§ 792-4; 30 V.S.A. §§ 113, 114, 117.)

Description of Appropriations, Divisions, & Programs

The Transportation Board performs regulatory and quasi-judicial functions related to transportation. Responsibilities include hearing:

1. Appeals from agency decisions regarding measurement, description or reclassification of town highways. [VSA 19 § 305].
2. Small (less than \$2,000) claims appeals of agency decisions [VSA 19 § 20].
3. Appeals, when requested in writing, of highway decisions by the secretary of transportation when assuming powers and duties of a selectboard in unorganized towns and gores [19 VSA § 16].
4. Appeals, when requested in writing, regarding legal disputes over agency contracts and certain highway access permits.
5. Provide appellate review, when requested in writing, regarding the fairness of rents and fees charged for the occupancy or use of state-owned properties administered by the agency.
6. Disputes involving the decision of a selectboard under subdivision 302(a)(3)(B) or subsection 310(a) of 19 V.S.A. not to plow and make negotiable a Class 2 or Class 3 town highway during the winter.
7. When requested by the secretary, conduct public hearings on matters of public interest, after which it shall transmit its findings and recommendations to the secretary and the chairs of the Senate and House committees on transportation in a report which shall be a public document.
8. Conduct compensation hearings and make damage awards where the Agency of Transportation and affected landowners are unable to agree on the amount of compensation.
9. Designate state scenic roads and corridors (19 V.S.A. Section 2501(a)).
10. Approve new highway or public ways opening into or connecting with established limited-access highways.
11. Issues regarding rail-highway grade crossings, farm crossings and other railroad-related responsibilities outlined in Title 5.
12. Requests for airports and restricted landing areas pursuant to Title 5, Section 207 (a-h).

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Transportation Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Transportation Board	1	1	1	82,969	89,991	89,802	86,891
<hr/> TOTAL	<hr/> 1	<hr/> 1	<hr/> 1	<hr/> 82,969	<hr/> 89,991	<hr/> 89,802	<hr/> 86,891
FUND TYPE							
Transportation Fund				82,969	89,991	89,802	86,891
<hr/> TOTAL				<hr/> 82,969	<hr/> 89,991	<hr/> 89,802	<hr/> 86,891

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Transportation Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Personal Services	73,570	78,185	78,185	73,502
Operating Expenses	9,399	11,806	11,617	13,389
TOTAL	82,969	89,991	89,802	86,891
FUND TYPE				
Transportation Fund	82,969	89,991	89,802	86,891
TOTAL	82,969	89,991	89,802	86,891

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Debt Service**

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Debt Service**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2008	FY 2009	FY 2010	FY 2008	FY 2009		FY 2010
	Pos. #	Pos. #	Pos. #	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Department							
Interest - Bonded Debt	0	0	0	21,724,444	0	0	0
Debt Service - Principal	0	0	0	46,973,584	71,459,051	71,459,051	71,711,479
<hr/>							
TOTAL	0	0	0	68,698,028	71,459,051	71,459,051	71,711,479
FUND TYPE							
General Fund				64,205,316	67,048,726	67,048,726	65,554,780
Transportation Fund				1,996,862	1,914,650	1,914,650	3,656,984
Special Fund				2,495,850	2,495,675	2,495,675	2,499,715
<hr/>							
TOTAL				68,698,028	71,459,051	71,459,051	71,711,479

STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Interest - Bonded Debt

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Major Object				
Operating Expenses	21,724,444	0	0	0
<hr/> TOTAL	<hr/> 21,724,444	<hr/> 0	<hr/> 0	<hr/> 0
FUND TYPE				
General Fund	20,721,956	0	0	0
Transportation Fund	491,638	0	0	0
Special Fund	510,850	0	0	0
<hr/> TOTAL	<hr/> 21,724,444	<hr/> 0	<hr/> 0	<hr/> 0

**STATE OF VERMONT
FISCAL YEAR 2010 BUDGET RECOMMENDATIONS
Debt Service - Principal**

APPROPRIATION SUMMARY BY MAJOR OBJECT

Major Object	FY 2008	FY 2009		FY 2010
	FY08 Actual	FY09 Budget As Passed	FY09 Estimated	FY10 Governor Proposed
Operating Expenses	46,973,584	71,459,051	71,459,051	71,711,479
<hr/> TOTAL	<hr/> 46,973,584	<hr/> 71,459,051	<hr/> 71,459,051	<hr/> 71,711,479
FUND TYPE				
General Fund	43,483,360	67,048,726	67,048,726	65,554,780
Transportation Fund	1,505,224	1,914,650	1,914,650	3,656,984
Special Fund	1,985,000	2,495,675	2,495,675	2,499,715
<hr/> TOTAL	<hr/> 46,973,584	<hr/> 71,459,051	<hr/> 71,459,051	<hr/> 71,711,479