

The Vermont Way Forward

A Responsibility for Affordability



Fiscal Year 2008

Executive Budget Recommendations

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Governor of Vermont

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STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agency of Administration

Agency Mission Statement

The Agency of Administration exists to ensure 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.

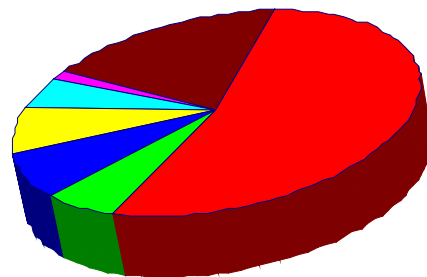
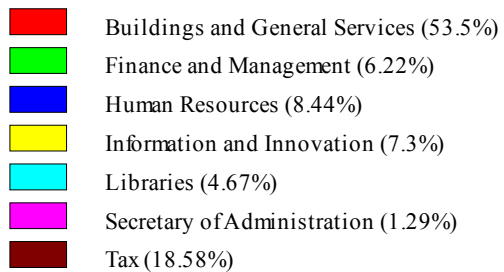
Libraries - fosters and co-ordinates resource sharing and access to information for the citizens of Vermont

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 2008 BUDGET RECOMMENDATIONS
Agency of Administration

AGENCY SUMMARY BY DEPARTMENT

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Secretary of Administration	4	4	4	920,826	915,077	999,910	1,038,775
Information and Innovation	56	61	61	4,807,341	5,309,816	5,424,816	5,874,816
Finance and Management	40	42	43	3,690,859	4,637,703	4,725,053	4,999,428
Human Resources	65	60	63	5,872,710	6,210,563	6,441,991	6,787,502
Libraries	36	36	36	3,432,339	3,699,707	3,722,992	3,754,541
Tax	190	188	188	14,527,193	14,723,412	15,160,866	14,945,911
Buildings and General Services	452	451	444	39,902,120	41,475,489	45,986,403	43,033,703
TOTAL	843	842	839	73,153,388	76,971,767	82,462,031	80,434,676
FUND TYPE							
General Fund				23,618,614	30,460,598	31,795,470	30,419,096
Transportation Fund				6,353,953	0	899	0
Special Fund				1,357,859	1,527,248	1,528,334	1,662,241
Federal Revenue Fund				735,420	835,496	912,517	860,814
Enterprise Fund				129,430	127,600	133,941	146,246
Internal Service Fund				38,127,372	41,136,505	45,124,773	43,925,349
Interdepartmental Transfer				2,830,740	2,884,320	2,966,097	3,420,930
TOTAL				73,153,388	76,971,767	82,462,031	80,434,676



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Secretary of Administration

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Secretary's Office	4	4	4	920,826	915,077	999,910	1,038,775
TOTAL	4	4	4	920,826	915,077	999,910	1,038,775
FUND TYPE							
General Fund				870,676	915,077	999,011	889,743
Transportation Fund				50,150	0	899	0
Interdepartmental Transfer				0	0	0	149,032
TOTAL				920,826	915,077	999,910	1,038,775

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Secretary's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	478,727	471,572	555,397	592,281
Operating Expenses	42,099	43,505	44,513	46,494
Grants	400,000	400,000	400,000	400,000
<hr/> TOTAL	<hr/> 920,826	<hr/> 915,077	<hr/> 999,910	<hr/> 1,038,775
FUND TYPE				
General Fund	870,676	915,077	999,011	889,743
Transportation Fund	50,150	0	899	0
Interdepartmental Transfer	0	0	0	149,032
<hr/> TOTAL	<hr/> 920,826	<hr/> 915,077	<hr/> 999,910	<hr/> 1,038,775

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Information and Innovation

Department Mission Statement

The mission of the Department of Information and Innovation is to work with departments/agencies to provide integrated communication and information technology services to the people of Vermont through a cost effective environment in which information is shared for the benefit of government and the public.

Description of Appropriations, Divisions, & Programs

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

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

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

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

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Information and Innovation

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

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.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Information and Innovation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Comm & Info Technology	56	61	61	4,807,341	5,309,816	5,424,816	5,874,816
TOTAL	56	61	61	4,807,341	5,309,816	5,424,816	5,874,816
FUND TYPE							
General Fund				0	0	0	115,000
Internal Service Fund				4,807,341	5,309,816	5,424,816	5,759,816
TOTAL				4,807,341	5,309,816	5,424,816	5,874,816

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Comm & Info Technology**

Appropriation Key Budget Issues

The Department of Information and Innovation Fiscal 2008 Budget Request is level funded from it's fiscal 2007 appropriation with two exceptions. Included in the FY 2008 request is \$115,000 in general funds to support the Telecommunications Broadband program that was transferred from the Agency of Commerce and Community Development. An additional \$450,000 is included in the FY 2008 budget request for grants to support the Vermont Telecommunications Authority.

As an internal fund program the Department's expenditures include both the FY 2008 Budget request of \$5.5 million and "demand" driven expenses of \$8 million for the cost of telephone service, data lines equipment and mainframe expenses.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Comm & Info Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,720,612	4,516,891	4,601,291	4,560,326
Operating Expenses	1,086,729	792,925	823,525	864,490
Grants	0	0	0	450,000
<hr/> TOTAL	<hr/> 4,807,341	<hr/> 5,309,816	<hr/> 5,424,816	<hr/> 5,874,816
FUND TYPE				
General Fund	0	0	0	115,000
Internal Service Fund	4,807,341	5,309,816	5,424,816	5,759,816
<hr/> TOTAL	<hr/> 4,807,341	<hr/> 5,309,816	<hr/> 5,424,816	<hr/> 5,874,816

STATE OF VERMONT
FISCAL YEAR 2008 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, 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.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Finance and Management

Financial Operations

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

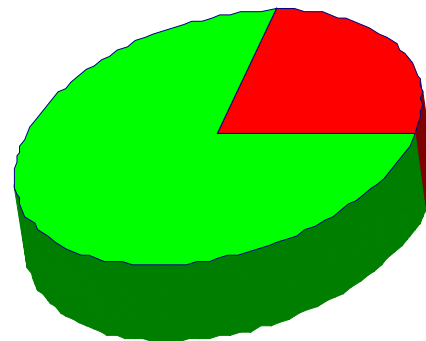
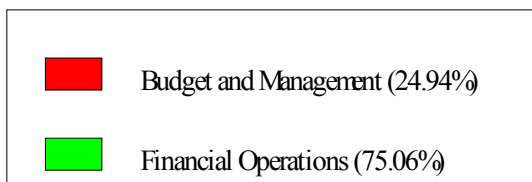
The Financial Operations Division consists of two distinct areas, the Financial Services Section and the Technical Services Section. The Financial Services Section performs two primary roles, accounting and auditing. Accounting responsibilities include establishing and monitoring appropriations, as approved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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Finance and Management

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Budget and Management	11	12	12	996,436	1,214,207	1,253,661	1,246,840
Financial Operations	29	30	31	2,694,423	3,423,496	3,471,392	3,752,588
TOTAL	40	42	43	3,690,859	4,637,703	4,725,053	4,999,428
FUND TYPE							
General Fund				781,128	1,104,189	1,143,643	1,008,454
Transportation Fund				112,616	0	0	0
Special Fund				0	74,272	74,272	70,903
Internal Service Fund				2,694,423	3,349,224	3,397,120	3,681,685
Interdepartmental Transfer				102,692	110,018	110,018	238,386
TOTAL				3,690,859	4,637,703	4,725,053	4,999,428



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Budget and Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	877,566	915,648	938,102	1,024,331
Operating Expenses	118,870	298,559	315,559	222,509
<hr/> TOTAL	<hr/> 996,436	<hr/> 1,214,207	<hr/> 1,253,661	<hr/> 1,246,840
FUND TYPE				
General Fund	781,128	1,104,189	1,143,643	1,008,454
Transportation Fund	112,616	0	0	0
Interdepartmental Transfer	102,692	110,018	110,018	238,386
<hr/> TOTAL	<hr/> 996,436	<hr/> 1,214,207	<hr/> 1,253,661	<hr/> 1,246,840

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Financial Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,011,997	2,385,354	2,433,250	2,591,225
Operating Expenses	682,426	1,038,142	1,038,142	1,161,363
<hr/> TOTAL	<hr/> 2,694,423	<hr/> 3,423,496	<hr/> 3,471,392	<hr/> 3,752,588
FUND TYPE				
Special Fund	0	74,272	74,272	70,903
Internal Service Fund	2,694,423	3,349,224	3,397,120	3,681,685
<hr/> TOTAL	<hr/> 2,694,423	<hr/> 3,423,496	<hr/> 3,471,392	<hr/> 3,752,588

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Resources

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

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

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

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

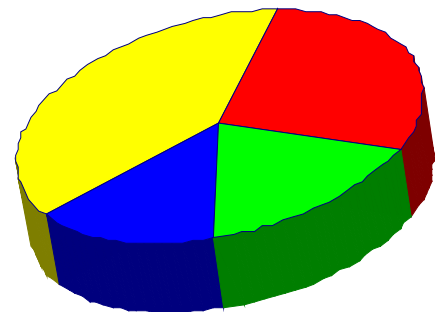
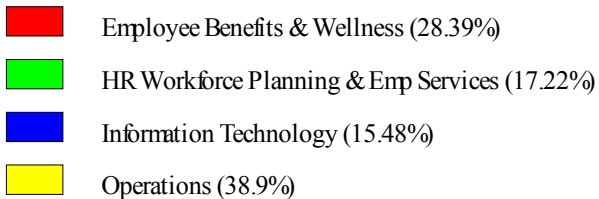
The Classification and Compensation Division conducts classification reviews on existing positions for appropriate classification and compensation, designates categories of employment under federal and state law and oversees and develops pay plans for classified and exempt employees. The division is also responsible for Human Resources Information Systems, from a functional perspective, ensuring HCM data quality control and best practice. The Help Desk provides assistance and support to HCM users, including job applicants.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Resources

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Operations	30	29	33	2,312,863	2,306,608	2,508,210	2,640,405
HR Workforce Planning & Emp	14	11	10	1,125,327	1,198,607	1,229,588	1,169,132
Services	15	14	14	1,617,160	1,747,448	1,746,293	1,927,105
Employee Benefits & Wellness	6	6	6	817,360	957,900	957,900	1,050,860
Information Technology							
	<u>65</u>	<u>60</u>	<u>63</u>	<u>5,872,710</u>	<u>6,210,563</u>	<u>6,441,991</u>	<u>6,787,502</u>
TOTAL							
FUND TYPE				2,253,454	2,908,695	3,141,278	2,490,469
General Fund				589,128	0	0	0
Transportation Fund				303,591	290,500	290,500	297,761
Special Fund				2,434,520	2,705,348	2,704,193	3,571,181
Internal Service Fund				292,017	306,020	306,020	428,091
Interdepartmental Transfer							
				<u>5,872,710</u>	<u>6,210,563</u>	<u>6,441,991</u>	<u>6,787,502</u>
TOTAL							



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,051,709	1,911,699	2,054,606	2,322,655
Operating Expenses	261,154	394,909	453,604	317,750
<hr/> TOTAL	<hr/> 2,312,863	<hr/> 2,306,608	<hr/> 2,508,210	<hr/> 2,640,405
FUND TYPE				
General Fund	1,598,608	2,000,588	2,202,190	1,619,098
Transportation Fund	422,238	0	0	0
Internal Service Fund	0	0	0	593,216
Interdepartmental Transfer	292,017	306,020	306,020	428,091
<hr/> TOTAL	<hr/> 2,312,863	<hr/> 2,306,608	<hr/> 2,508,210	<hr/> 2,640,405

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
HR Workforce Planning & Emp Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	768,724	811,726	824,920	777,332
Operating Expenses	356,603	386,881	404,668	391,800
<hr/> TOTAL	<hr/> 1,125,327	<hr/> 1,198,607	<hr/> 1,229,588	<hr/> 1,169,132
FUND TYPE				
General Fund	654,846	908,107	939,088	871,371
Transportation Fund	166,890	0	0	0
Special Fund	303,591	290,500	290,500	297,761
<hr/> TOTAL	<hr/> 1,125,327	<hr/> 1,198,607	<hr/> 1,229,588	<hr/> 1,169,132

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Employee Benefits & Wellness

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,336,547	1,380,362	1,371,242	1,554,782
Operating Expenses	280,613	367,086	375,051	372,323
<hr/> TOTAL	<hr/> 1,617,160	<hr/> 1,747,448	<hr/> 1,746,293	<hr/> 1,927,105
FUND TYPE				
Internal Service Fund	1,617,160	1,747,448	1,746,293	1,927,105
<hr/> TOTAL	<hr/> 1,617,160	<hr/> 1,747,448	<hr/> 1,746,293	<hr/> 1,927,105

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	511,392	540,918	540,918	555,946
Operating Expenses	305,968	416,982	416,982	494,914
<hr/> TOTAL	<hr/> 817,360	<hr/> 957,900	<hr/> 957,900	<hr/> 1,050,860
FUND TYPE				
Internal Service Fund	817,360	957,900	957,900	1,050,860
<hr/> TOTAL	<hr/> 817,360	<hr/> 957,900	<hr/> 957,900	<hr/> 1,050,860

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Libraries

Department Mission Statement

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

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

Description of Appropriations, Divisions, & Programs

State Librarian/State Librarian's Office - the State Librarian serves as administrative head of the department and secretary to the Board of Libraries. The State Librarian's Office provides administrative support to the Board and for the Board's geographic naming activities; administers state and federal plans, and grants including the Vermont Public Library Foundation (VPLF); receives and distributes state documents; arranges for and designates depositories of state documents.

Statewide Library Development - including Regional Libraries/Library Consultants and Children's Services Consultant - provides a service of advice and consultation to all libraries, in the state, including library staff, trustees, administrators and other local officials, in order to assist them in professional library practices and in realizing their potential; maintains a general library collection of a sufficient size and scope to reinforce and supplement the resources of local libraries. The department provides service to other libraries in the state, schools and individuals. Statewide Library Development compiles and publishes annual statistics covering all libraries in the state; participates in seminars, workshops and other programs to increase the professional competence of librarians in the state; targets library and information services to underserved rural communities, including children (from birth through age 17).

Reference & Law Information Services - including the Law & Documents Library, Reference and Interlibrary Loan Services, University of Vermont Access Office, Technical Services and Continuing Education - provides and maintains a law library to serve the supreme court, the attorney general, other

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Libraries

members of the judiciary, the legal profession, members of the legislature, officials of state government and the general public; maintains a collection of state documents and acts as a federal depository library; provides reference and information services to state government, citizens and local libraries; provides centralized cataloging and other related technical services to libraries; encourages the formation of and maintains central records of library holdings; assists libraries in accessing information in all formats; encourages libraries in different areas, and of different types to share resources through interlibrary loan and other means; acts as a liaison to the libraries of the University of Vermont and maintains an office at the University to provide statewide access to the resources of its library collections; organizes and conducts an annual program of seminars, workshops and other training opportunities to increase the professional competence of librarians in the state. Assists libraries in cooperative acquisition of online resources and statewide database licensing.

Special Services to the Visually and Physically Handicapped and State-Supported Institutions - provides a service of advice and consultation to libraries in state institutions; provides and maintains reading materials for the blind and physically handicapped and selected state institutions; targets library and information services to persons having difficulty using a library.

Vermont Automated Libraries System (VALS) - serves as one of the primary access point for state information, and provides advice on state information technology policy; provides and maintains computers, computer systems, networks, and related databases necessary to the operation of the Department and of the Department's services to state government, local libraries and citizens; conducts seminars, workshops and other programs to increase the professional competence of librarians in the state in the area of technology; establishes electronic linkages among or between libraries as well as electronically linking libraries with educational, social, or information services; assists libraries in accessing information through electronic networks; assists with the costs for libraries to acquire or share computer systems and telecommunications technologies.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Libraries

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Libraries	36	36	36	3,432,339	3,699,707	3,722,992	3,754,541
<hr/> TOTAL	<hr/> 36	<hr/> 36	<hr/> 36	<hr/> 3,432,339	<hr/> 3,699,707	<hr/> 3,722,992	<hr/> 3,754,541
FUND TYPE							
General Fund				2,405,170	2,546,703	2,558,361	2,506,583
Special Fund				183,296	219,026	220,112	298,584
Federal Revenue Fund				699,755	835,496	846,037	860,814
Interdepartmental Transfer				144,118	98,482	98,482	88,560
<hr/> TOTAL				<hr/> 3,432,339	<hr/> 3,699,707	<hr/> 3,722,992	<hr/> 3,754,541

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Libraries

Appropriation Key Budget Issues

Level funding - the Department of Libraries' budget is level funded for FY2008. This presents challenges in the following areas:

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

The U.S. mail is still the most effective means of delivery for interlibrary loans (ILL), however (with most packages arriving in 24-48 hours). ILL to local libraries is a core activity of the DOL and the primary use of its collections. Last year, DOL mailed more than 12,500 packages to local libraries containing requests for our materials (mainly books) with most packages containing multiple items.

2) Fleet - DOL consultants use fleet vehicles to travel to meet with local librarians and boards of trustees. Previously DOL owned and operated such vehicles. While much consulting takes place over the phone and via electronic mail, much of the consulting work does require on-site visits at the local libraries. DOL has had to absorb increases in fleet costs from within the existing budget.

3) Internal Services Charges and other Fees to State Government - DOL continues to absorb increases in internal service charges and fees to other departments and agencies of state government, including those to the Dept. of Information & Innovation and Dept. of Buildings & General Services for mail, property insurance and storage.

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

Use of Federal/Special Funds - Seventeen positions are partially or completely federally funded; and two positions are partially funded with special funds. Use of federal funds for personal services is up about 3% in the FY2008 budget while use of special funds is up 0.5%. Use of federal funds in operating is level funded.

Federal: On average, DOL uses about 92% of its federal funding within the DOL budget to support statewide services. Because the reauthorization of the Library Services and Technology Act (LSTA) in Federal FY04 provided for an increase in the base grant to states from \$340,000 to \$680,000 (subject to funds being appropriated), in FY2006, DOL increased the amount of funds available for subgrants to local libraries and has budgeted the same amount (\$60,000) for subgrants in FY2008. These subgrants to local libraries are of added importance as Vermont continues to be one of ten or fewer states that provide no direct state aid to local public libraries. If sufficient federal funding should not be available, the grant program will be reduced accordingly.

STATE OF VERMONT
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Libraries

Special: The Department is the beneficiary of a private bequest from the Trust of Elva S. Smith to "aid in the development and maintenance of library service to the children of Vermont." The income - between \$20,000 to \$30,000 annually - has been used to purchase children's books for regional libraries, for the statewide summer reading program and for grants for children's services to local libraries. Since FY2004 these funds have also been used to cover personal services costs related to children's services.

DOL has also been the recipient of grants from the Bill & Melinda Gates Foundation for public access computing in local libraries and technical support for local librarians in offering public access computing to their communities. The FY2008 budget includes \$110,000 for these purposes (up from \$55,000 in FY2007). The program ends and funds will be expended by December 2007.

DOL recently renegotiated the contract for the Vermont Online Library (VOL) statewide online information databases for use by Vermonters from library, home or office to include additional databases as requested by the more than 300 participating public, school and college libraries. DOL will continue to cover two-thirds of the cost of the contract from general and federal funds (from within existing funds) and local libraries have agreed to increase their contribution which is reflected in an increase in special funds of \$23,500.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Libraries

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,860,073	1,976,553	2,008,162	2,039,226
Operating Expenses	1,515,051	1,653,154	1,644,830	1,645,315
Grants	57,215	70,000	70,000	70,000
<hr/> TOTAL	<hr/> 3,432,339	<hr/> 3,699,707	<hr/> 3,722,992	<hr/> 3,754,541
FUND TYPE				
General Fund	2,405,170	2,546,703	2,558,361	2,506,583
Special Fund	183,296	219,026	220,112	298,584
Federal Revenue Fund	699,755	835,496	846,037	860,814
Interdepartmental Transfer	144,118	98,482	98,482	88,560
<hr/> TOTAL	<hr/> 3,432,339	<hr/> 3,699,707	<hr/> 3,722,992	<hr/> 3,754,541

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tax

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

Administration

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

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

Compliance

Compliance is the enforcement division of the Department of Taxes. In addition to standard audit selection and collection activity, our current goal is to continue to implement technology-based compliance initiatives to enhance revenue collections and encourage voluntary compliance with tax statutes. We will be implementing many of these in 2007.

FY2006 ended with an accounts receivable balance of \$118.6 million dollars, up from \$100.3 million in FY05. Some of the increase comes from further implementation of the use of federal data to pursue non-filers and a greater presence in pursuing taxpayers with professional licenses who must be in good standing with the Department pursuant to 32 VSA §3113. We have also taken some firm positions with

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Tax

corporate entities, so some of the future collections will depend upon the outcome of related appeals. During the last fiscal year, approximately \$50 million dollars in delinquent taxes were collected, up from \$43 million in FY05. 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 19 State and Federal agencies; such as Child Support, Defender General, VSAC and the Internal Revenue Service. We sent more than \$2.7 million to participating agencies in fiscal 2006.

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

Information Systems

During 2006 Information Systems participated in the second of three moves involving the relocation of all Tax employees to a newly renovated building, while maintaining the technical infrastructure for employees who continue to work in the Department's previous location. IS will also be an integral part of the third and final move of all remaining Tax staff to this new office space in the Spring of 2007.

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

IS also spearheaded the effort to provide personal income taxpayers, who filed their 2005 income tax return on-line in 2006, the opportunity to pay any taxes due free-of-charge by scheduling an ACH debit payment. This scheduled ACH debit payment program was offered for the first time as an added convenience to the growing population of on-line personal income tax filers.

The Division also participated with a professional consultant to prepare a functional analysis of our corporate, business income and property transfer taxes and the Department is currently developing an RFP to implement the recommendations contained in this functional analysis. The selection of a contractor for the new system will be based upon the results of the RFP process and approval of project funding for FY08. The new computer system for the above-named taxes will be the culmination of a long-term effort to move all major State taxes off the DII mainframe system.

In 2006 the Division also successfully completed a project to obtain IRS certification for its computer system to better utilize federal tax data. Finally, in conjunction with professional consultants, the

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Tax

division developed and implemented computer systems and programming to allow the State to participate in the nationwide Streamlined Sales Tax program, effective January 1, 2007.

Property Valuation and Review

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

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

Revenue Accounting & Returns Processing

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

Taxpayer Services

The Taxpayer Services Division administers 28 taxes, 6 licensing programs, 1 property tax benefit program and 1 renter rebate program. We are now in the sixth year of fully implementing the Vermont Integrated Revenue Collection System (VIRCS) for individual income and business trust taxes and we continue to revise our procedures and processing methods to realize efficiencies from this system. With VIRCS as its basic tool, the Division provides on-going taxpayer assistance, distributes educational materials, encourages voluntary compliance with Vermont tax laws, and examines tax returns and documents for accuracy and completeness. The Division also distributes applications for the Telephone

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tax

Lifeline and V-Script programs and verifies income for the Lifeline program.

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

The Division staff responds to taxpayer questions, assists in completing tax forms and helps resolve taxpayer problems. Taxpayers receive assistance by telephone, letter, fax, e-mail and walk-in visits. We annually handle approximately 154,000 calls through our telephone "call center". We also have an automated telephone system where taxpayers can telephonically check their refund status and/or determine the amount of their school property tax assistance payment on a 24/7 basis. Taxpayers can also use this 24/7 service to access their estimated income tax payment amount and the status of their homestead declaration and property tax adjustment claim .

In 2006 we have expanded the telephone call center to serve our business taxpayers. In addition to the expanded call center, we also provide on-site tax registration and assistance for businesses via tax seminars, outreach programs and special events such as county fairs and craft shows. Effective January 1, 2007 Vermont became a full member in the national Streamlined Sales Tax Project (SSTP). As a full member Vermont will be entitled to require collection and remittance of the sales tax by participating out of state vendors who would otherwise have no obligation to collect and pay these taxes. This resulted in a number of changes to sales tax administration including making it destination based. We are in the process of educating taxpayers about these changes.

In another major change to business tax statutes, C-corporations conducting a unitary business with other affiliated corporations are now required to file their returns on a unitary basis and we are responding to many inquiries about this requirement.

The Division is continuing to expand its on-line presence for individual and business taxpayers. For example, we offer an electronic funds transfer program (EFT), free-of-charge, to all employers to pay their withholding taxes. We also offer individual income taxpayers the "Fed/State" efile program through hundreds of registered tax preparers. Approximately 141,000 individual income taxpayers filed via Fed/State in 2006. On-line income tax filers can now make payments electronically, free-of-charge, via ACH debit. We also offer an on-line tax payment program to all taxpayers using most major credit cards. In the Fall, 2004, we launched VTBizFile for our business "trust" taxpayers. VTBizFile allows businesses to electronically file and pay their tax returns using a free ACH debit process or a major credit card.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tax

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration / Collection	190	188	188	14,527,193	14,723,412	15,160,866	14,945,911
<hr/> TOTAL	<hr/> 190	<hr/> 188	<hr/> 188	<hr/> 14,527,193	<hr/> 14,723,412	<hr/> 15,160,866	<hr/> 14,945,911
FUND TYPE							
General Fund				13,439,592	13,896,222	14,333,676	14,060,178
Transportation Fund				213,601	0	0	0
Special Fund				653,000	632,190	632,190	683,733
Interdepartmental Transfer				221,000	195,000	195,000	202,000
<hr/> TOTAL				<hr/> 14,527,193	<hr/> 14,723,412	<hr/> 15,160,866	<hr/> 14,945,911

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration / Collection

Appropriation Key Budget Issues

Administration/Collection Appropriation Summary:

The Administration/Collection appropriation for FY08 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 177 full-time classified and 11 full-time exempt employees who administer 34 general fund and special fund taxes, licenses and fees; as well as local option taxes for five municipalities. Full-time employees are augmented by tax season temporaries. The work program for FY2008 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 19 State and Federal agencies.

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Administration / Collection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	11,633,039	11,814,733	12,085,966	12,058,379
Operating Expenses	2,894,154	2,908,679	3,074,900	2,887,532
<hr/> TOTAL	<hr/> 14,527,193	<hr/> 14,723,412	<hr/> 15,160,866	<hr/> 14,945,911
FUND TYPE				
General Fund	13,439,592	13,896,222	14,333,676	14,060,178
Transportation Fund	213,601	0	0	0
Special Fund	653,000	632,190	632,190	683,733
Interdepartmental Transfer	221,000	195,000	195,000	202,000
<hr/> TOTAL	<hr/> 14,527,193	<hr/> 14,723,412	<hr/> 15,160,866	<hr/> 14,945,911

STATE OF VERMONT
FISCAL YEAR 2008 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, record storage, centralized purchasing and contracting, insurance protection, fleet management, and disposal of surplus property. In addition, the department serves Vermonters and the traveling public by providing clean and safe places to stop for respite along the State and Federal highway systems.

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

Description of Appropriations, Divisions, & Programs

ADMINISTRATIVE SERVICES

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

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

FACILITIES OPERATIONS

(Fee for Space)

The mission of the Fee for Space Program is to provide a safe, clean, economical, and productive working environment in which State employees/occupants of State Facilities can accomplish their

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Buildings and General Services

missions. This program deals with the areas of housekeeping, security, grounds, heat and electricity, snow removal, pest control, maintenance, and space allocation among others.

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

PROPERTY MANAGEMENT

(Leases and Purchases)

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

ENGINEERING AND CONSTRUCTION

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

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

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

POSTAL CENTER

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Buildings and General Services

FLEET MANAGEMENT SERVICES

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

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

PRINT SHOP

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

PURCHASING AND CONTRACT ADMINISTRATION

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

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Buildings and General Services

Contract Administration is also responsible for oversight of the contracting process to ensure compliance with Bulletin 3.5 and relevant state statutes and executive orders.

PUBLIC RECORDS

The Public Records program provides state and local government entities with economical and efficient records management services (preservation, storage, access, and disposition). The extensive use of technology allows the program to further automate processing and substantially expand accessibility and speed of retrieval of information.

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

STATE AND FEDERAL SURPLUS PROPERTY

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

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

RISK MANAGEMENT - INSURANCE SERVICES

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

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Buildings and General Services

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.

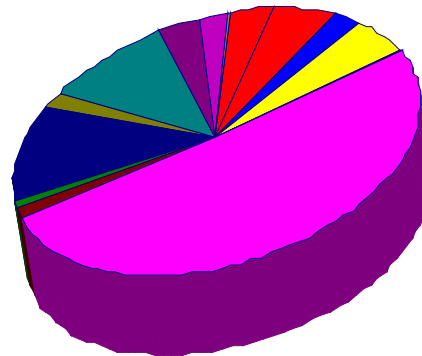
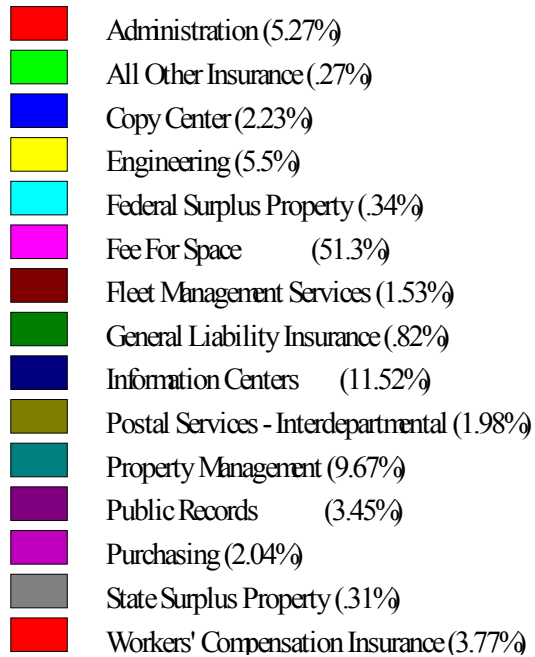
Core responsibilities involve marketing, promotions and customer relations in an attempt at influencing the buying practices and purchasing behaviors of the Vermont tourists. In addition, providing clean, safe, and well lighted accommodations for truck drivers as well as the motoring public are essential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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Buildings and General Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration	24	24	25	2,064,693	2,129,800	2,278,057	2,269,861
Engineering	24	24	23	2,250,365	2,305,700	2,460,811	2,366,441
Information Centers	57	57	57	4,898,760	4,799,292	4,932,281	4,957,088
Purchasing	12	12	12	882,904	845,276	916,339	876,057
Public Records	19	19	19	1,416,247	1,475,704	1,646,330	1,485,343
Postal Services - Interdepartmental	15	15	14	702,236	830,200	819,757	850,955
Copy Center	14	14	14	796,364	936,600	840,696	960,115
Fleet Management Services	9	9	9	509,541	640,800	524,674	656,820
Federal Surplus Property	1	1	1	129,430	127,600	133,941	146,246
State Surplus Property	1	1	1	120,225	121,500	124,500	134,537
Property Management	24	23	22	3,925,080	4,145,300	4,202,301	4,162,117
All Other Insurance	1	1	1	84,309	113,100	116,675	115,928
General Liability Insurance	3	3	3	239,975	344,900	352,217	353,523
Workers' Compensation Insurance	16	16	16	1,410,912	1,581,500	1,639,174	1,621,038
Fee For Space	232	232	227	20,471,079	21,078,217	24,998,650	22,077,634
TOTAL	452	451	444	39,902,120	41,475,489	45,986,403	43,033,703
FUND TYPE							
General Fund				3,868,594	9,089,712	9,619,501	9,348,669
Transportation Fund				5,388,458	0	0	0
Special Fund				217,972	311,260	311,260	311,260
Federal Revenue Fund				35,665	0	66,480	0
Enterprise Fund				129,430	127,600	133,941	146,246
Internal Service Fund				28,191,088	29,772,117	33,598,644	30,912,667
Interdepartmental Transfer				2,070,913	2,174,800	2,256,577	2,314,861
TOTAL				39,902,120	41,475,489	45,986,403	43,033,703

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Buildings and General Services**



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,669,626	1,812,900	1,879,328	1,936,700
Operating Expenses	395,067	316,900	398,729	333,161
<hr/> TOTAL	<hr/> 2,064,693	<hr/> 2,129,800	<hr/> 2,278,057	<hr/> 2,269,861
FUND TYPE				
Federal Revenue Fund	35,665	0	66,480	0
Interdepartmental Transfer	2,029,028	2,129,800	2,211,577	2,269,861
<hr/> TOTAL	<hr/> 2,064,693	<hr/> 2,129,800	<hr/> 2,278,057	<hr/> 2,269,861

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Engineering

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,763,588	1,887,000	1,866,995	1,926,241
Operating Expenses	486,777	418,700	593,816	440,200
<hr/> TOTAL	<hr/> 2,250,365	<hr/> 2,305,700	<hr/> 2,460,811	<hr/> 2,366,441
FUND TYPE				
General Fund	2,104,522	2,260,700	2,415,811	2,321,441
Transportation Fund	103,958	0	0	0
Interdepartmental Transfer	41,885	45,000	45,000	45,000
<hr/> TOTAL	<hr/> 2,250,365	<hr/> 2,305,700	<hr/> 2,460,811	<hr/> 2,366,441

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Information Centers

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,140,657	3,471,792	3,464,653	3,507,600
Operating Expenses	1,417,545	1,282,500	1,322,628	1,402,188
Grants	340,558	45,000	145,000	47,300
<hr/> TOTAL	<hr/> 4,898,760	<hr/> 4,799,292	<hr/> 4,932,281	<hr/> 4,957,088
FUND TYPE				
General Fund	45,739	4,799,292	4,932,281	4,957,088
Transportation Fund	4,853,021	0	0	0
<hr/> TOTAL	<hr/> 4,898,760	<hr/> 4,799,292	<hr/> 4,932,281	<hr/> 4,957,088

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Purchasing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	668,635	718,800	716,612	673,400
Operating Expenses	214,269	126,476	199,727	202,657
<hr/> TOTAL	<hr/> 882,904	<hr/> 845,276	<hr/> 916,339	<hr/> 876,057
FUND TYPE				
General Fund	662,562	845,276	916,339	876,057
Transportation Fund	220,342	0	0	0
<hr/> TOTAL	<hr/> 882,904	<hr/> 845,276	<hr/> 916,339	<hr/> 876,057

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Records

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	722,238	801,904	767,102	847,200
Operating Expenses	694,009	673,800	879,228	638,143
<hr/> TOTAL	<hr/> 1,416,247	<hr/> 1,475,704	<hr/> 1,646,330	<hr/> 1,485,343
FUND TYPE				
General Fund	1,016,623	1,164,444	1,335,070	1,174,083
Transportation Fund	181,652	0	0	0
Special Fund	217,972	311,260	311,260	311,260
<hr/> TOTAL	<hr/> 1,416,247	<hr/> 1,475,704	<hr/> 1,646,330	<hr/> 1,485,343

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Postal Services - Interdepartmental

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	565,547	632,900	616,256	645,800
Operating Expenses	136,689	197,300	203,501	205,155
<hr/> TOTAL	<hr/> 702,236	<hr/> 830,200	<hr/> 819,757	<hr/> 850,955
FUND TYPE				
General Fund	39,148	20,000	20,000	20,000
Transportation Fund	29,485	0	0	0
Internal Service Fund	633,603	810,200	799,757	830,955
<hr/> TOTAL	<hr/> 702,236	<hr/> 830,200	<hr/> 819,757	<hr/> 850,955

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Copy Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	621,147	756,100	657,766	722,315
Operating Expenses	175,217	180,500	182,930	237,800
<hr/> TOTAL	<hr/> 796,364	<hr/> 936,600	<hr/> 840,696	<hr/> 960,115
FUND TYPE				
Internal Service Fund	796,364	936,600	840,696	960,115
<hr/> TOTAL	<hr/> 796,364	<hr/> 936,600	<hr/> 840,696	<hr/> 960,115

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Fleet Management Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	361,910	481,500	370,213	468,000
Operating Expenses	147,631	159,300	154,461	188,820
<hr/> TOTAL	<hr/> 509,541	<hr/> 640,800	<hr/> 524,674	<hr/> 656,820
FUND TYPE				
Internal Service Fund	509,541	640,800	524,674	656,820
<hr/> TOTAL	<hr/> 509,541	<hr/> 640,800	<hr/> 524,674	<hr/> 656,820

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Federal Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	61,049	62,100	63,010	62,327
Operating Expenses	68,381	65,500	70,931	83,919
<hr/> TOTAL	<hr/> 129,430	<hr/> 127,600	<hr/> 133,941	<hr/> 146,246
FUND TYPE				
Enterprise Fund	129,430	127,600	133,941	146,246
<hr/> TOTAL	<hr/> 129,430	<hr/> 127,600	<hr/> 133,941	<hr/> 146,246

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State Surplus Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	55,426	58,900	58,779	60,341
Operating Expenses	64,799	62,600	65,721	74,196
<hr/> TOTAL	<hr/> 120,225	<hr/> 121,500	<hr/> 124,500	<hr/> 134,537
FUND TYPE				
Internal Service Fund	120,225	121,500	124,500	134,537
<hr/> TOTAL	<hr/> 120,225	<hr/> 121,500	<hr/> 124,500	<hr/> 134,537

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Property Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,273,338	1,301,000	1,353,742	1,244,300
Operating Expenses	2,651,742	2,844,300	2,848,559	2,917,817
<hr/> TOTAL	<hr/> 3,925,080	<hr/> 4,145,300	<hr/> 4,202,301	<hr/> 4,162,117
FUND TYPE				
Internal Service Fund	3,925,080	4,145,300	4,202,301	4,162,117
<hr/> TOTAL	<hr/> 3,925,080	<hr/> 4,145,300	<hr/> 4,202,301	<hr/> 4,162,117

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
All Other Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	59,383	75,700	70,962	81,300
Operating Expenses	24,926	37,400	45,713	34,628
<hr/> TOTAL	<hr/> 84,309	<hr/> 113,100	<hr/> 116,675	<hr/> 115,928
FUND TYPE				
Internal Service Fund	84,309	113,100	116,675	115,928
<hr/> TOTAL	<hr/> 84,309	<hr/> 113,100	<hr/> 116,675	<hr/> 115,928

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
General Liability Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	154,137	267,600	241,234	269,723
Operating Expenses	85,838	77,300	110,983	83,800
<hr/> TOTAL	<hr/> 239,975	<hr/> 344,900	<hr/> 352,217	<hr/> 353,523
FUND TYPE				
Internal Service Fund	239,975	344,900	352,217	353,523
<hr/> TOTAL	<hr/> 239,975	<hr/> 344,900	<hr/> 352,217	<hr/> 353,523

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Workers' Compensation Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,006,955	1,152,800	1,212,299	1,199,838
Operating Expenses	403,957	428,700	426,875	421,200
<hr/> TOTAL	<hr/> 1,410,912	<hr/> 1,581,500	<hr/> 1,639,174	<hr/> 1,621,038
FUND TYPE				
Internal Service Fund	1,410,912	1,581,500	1,639,174	1,621,038
<hr/> TOTAL	<hr/> 1,410,912	<hr/> 1,581,500	<hr/> 1,639,174	<hr/> 1,621,038

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Fee For Space

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	9,997,385	10,529,817	10,678,661	11,047,932
Operating Expenses	10,473,694	10,548,400	14,319,989	11,029,702
<hr/> TOTAL	<hr/> 20,471,079	<hr/> 21,078,217	<hr/> 24,998,650	<hr/> 22,077,634
FUND TYPE				
Internal Service Fund	20,471,079	21,078,217	24,998,650	22,077,634
<hr/> TOTAL	<hr/> 20,471,079	<hr/> 21,078,217	<hr/> 24,998,650	<hr/> 22,077,634

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Geographic Information System

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Geographic Information System	0	0	0	393,978	411,685	411,685	430,210
TOTAL	0	0	0	393,978	411,685	411,685	430,210
FUND TYPE							
General Fund				21	0	0	0
Special Fund				393,957	411,685	411,685	430,210
TOTAL				393,978	411,685	411,685	430,210

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Geographic Information System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	393,978	411,685	411,685	430,210
<hr/> TOTAL	<hr/> 393,978	<hr/> 411,685	<hr/> 411,685	<hr/> 430,210
FUND TYPE				
General Fund	21	0	0	0
Special Fund	393,957	411,685	411,685	430,210
<hr/> TOTAL	<hr/> 393,978	<hr/> 411,685	<hr/> 411,685	<hr/> 430,210

STATE OF VERMONT
FISCAL YEAR 2008 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. Communications development of Governor's administrative and legislative agenda/priorities. Representing the state at the state, national and international levels. Management of appointments to Boards and Commissions, track policy changes in the legislature and inter-agency coordination. Provide communication and referrals with the public, and other activities as appropriate.

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

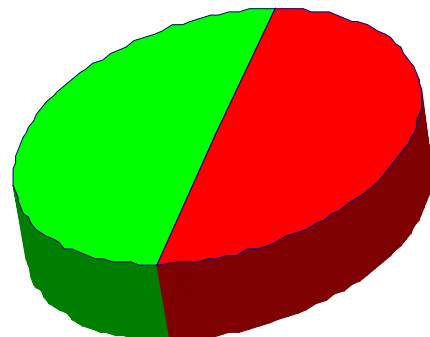
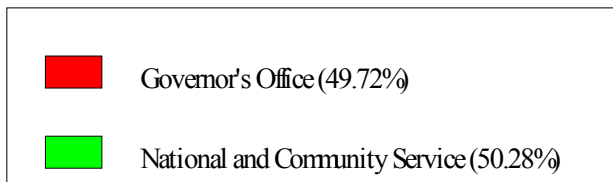
Vermont Commission on National and Community Service (VTCNCS) creates, promotes and supports volunteer, community and national service efforts that engage Vermonters of all ages and backgrounds in strengthening their communities. The Commission is the state grantee for federal national service funds for the State AmeriCorps Programs. The Commission's motto is "Improving Vermonters' Lives Through Voluntary Service."

With the combined efforts of traditional volunteerism and AmeriCorps, the VTCNCS helps provide support to Vermonters in the areas of education, public safety, housing, substance abuse, the environment, and other human needs.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Executive Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Governor's Office	15	15	15	1,557,772	1,594,591	1,633,404	1,653,447
National and Community Service	4	4	4	1,356,478	2,047,061	1,401,344	1,671,849
TOTAL	19	19	19	2,914,250	3,641,652	3,034,748	3,325,296
FUND TYPE							
General Fund				1,294,566	1,490,119	1,530,748	1,526,498
Transportation Fund				159,426	0	0	0
Special Fund				1,055	0	0	0
Federal Revenue Fund				1,298,203	1,990,533	1,343,000	1,615,321
Interdepartmental Transfer				161,000	161,000	161,000	183,477
TOTAL				2,914,250	3,641,652	3,034,748	3,325,296



STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Governor's Office

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,200,531	1,235,847	1,273,540	1,290,419
Operating Expenses	357,241	358,744	359,864	363,028
<hr/> TOTAL	<hr/> 1,557,772	<hr/> 1,594,591	<hr/> 1,633,404	<hr/> 1,653,447
FUND TYPE				
General Fund	1,236,291	1,433,591	1,472,404	1,469,970
Transportation Fund	159,426	0	0	0
Special Fund	1,055	0	0	0
Interdepartmental Transfer	161,000	161,000	161,000	183,477
<hr/> TOTAL	<hr/> 1,557,772	<hr/> 1,594,591	<hr/> 1,633,404	<hr/> 1,653,447

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
National and Community Service

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	174,815	199,571	201,366	187,996
Operating Expenses	113,354	131,957	131,978	126,191
Grants	1,068,309	1,715,533	1,068,000	1,357,662
<hr/> TOTAL	<hr/> 1,356,478	<hr/> 2,047,061	<hr/> 1,401,344	<hr/> 1,671,849
FUND TYPE				
General Fund	58,275	56,528	58,344	56,528
Federal Revenue Fund	1,298,203	1,990,533	1,343,000	1,615,321
<hr/> TOTAL	<hr/> 1,356,478	<hr/> 2,047,061	<hr/> 1,401,344	<hr/> 1,671,849

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Legislative Council**

Department Mission Statement

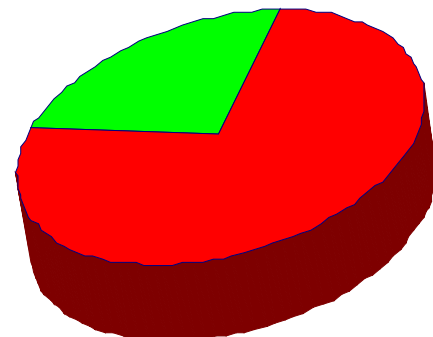
The mission of the Legislative Council is to support the Legislature by providing legal and legislative research, bill drafting and administrative services to all members, committees, and both chambers of the Legislative branch.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Legislative Council**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Legislative Council	24	24	24	1,973,440	2,018,089	2,018,089	1,944,439
Legislative Information Technology	4	4	4	558,969	588,258	588,258	621,258
TOTAL	28	28	28	2,532,409	2,606,347	2,606,347	2,565,697
FUND TYPE							
General Fund				2,282,620	2,606,347	2,606,347	2,565,697
Transportation Fund				249,789	0	0	0
TOTAL				2,532,409	2,606,347	2,606,347	2,565,697

■	Legislative Council (75.79%)
■	Legislative Information Technology (24.21%)



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Legislative Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,716,192	1,872,976	1,872,976	1,790,939
Operating Expenses	257,248	145,113	145,113	153,500
<hr/> TOTAL	<hr/> 1,973,440	<hr/> 2,018,089	<hr/> 2,018,089	<hr/> 1,944,439
FUND TYPE				
General Fund	1,723,651	2,018,089	2,018,089	1,944,439
Transportation Fund	249,789	0	0	0
<hr/> TOTAL	<hr/> 1,973,440	<hr/> 2,018,089	<hr/> 2,018,089	<hr/> 1,944,439

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Legislative Information Technology

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	388,583	332,187	332,187	404,005
Operating Expenses	170,386	256,071	256,071	217,253
<hr/> TOTAL	<hr/> 558,969	<hr/> 588,258	<hr/> 588,258	<hr/> 621,258
FUND TYPE				
General Fund	558,969	588,258	588,258	621,258
<hr/> TOTAL	<hr/> 558,969	<hr/> 588,258	<hr/> 588,258	<hr/> 621,258

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Legislature

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Legislature	19	19	19	6,479,012	5,637,038	5,637,038	5,654,008
TOTAL	19	19	19	6,479,012	5,637,038	5,637,038	5,654,008
FUND TYPE							
General Fund				5,771,049	5,637,038	5,637,038	5,654,008
Transportation Fund				707,963	0	0	0
TOTAL				6,479,012	5,637,038	5,637,038	5,654,008

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Legislature

Appropriation Key Budget Issues

The Governor's Recommend budget funds the Legislature for a 17 week session, which is one week longer than was budgeted in last year's Governor's Recommend. Additionally, this budget includes a pay raise for the Legislature, as per 32 V.S.A. 1051 and 32 V.S.A. 1052.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Legislature

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,350,684	3,600,129	3,600,129	2,754,123
Operating Expenses	3,108,161	2,036,909	2,036,909	2,899,885
Grants	20,167	0	0	0
<hr/> TOTAL	<hr/> 6,479,012	<hr/> 5,637,038	<hr/> 5,637,038	<hr/> 5,654,008
FUND TYPE				
General Fund	5,771,049	5,637,038	5,637,038	5,654,008
Transportation Fund	707,963	0	0	0
<hr/> TOTAL	<hr/> 6,479,012	<hr/> 5,637,038	<hr/> 5,637,038	<hr/> 5,654,008

**STATE OF VERMONT
FISCAL YEAR 2008 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; analysis of education funding alternatives; and provides staff support to the Joint Fiscal Committee.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
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 2008 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Joint Fiscal Committee	10	12	12	1,136,086	1,231,627	1,286,242	1,234,768
TOTAL	10	12	12	1,136,086	1,231,627	1,286,242	1,234,768
FUND TYPE							
General Fund				1,000,061	1,231,627	1,286,242	1,234,768
Transportation Fund				136,025	0	0	0
TOTAL				1,136,086	1,231,627	1,286,242	1,234,768

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Joint Fiscal Committee

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,054,242	1,143,796	1,188,767	1,140,259
Operating Expenses	81,844	87,831	97,475	94,509
<hr/> TOTAL	<hr/> 1,136,086	<hr/> 1,231,627	<hr/> 1,286,242	<hr/> 1,234,768
FUND TYPE				
General Fund	1,000,061	1,231,627	1,286,242	1,234,768
Transportation Fund	136,025	0	0	0
<hr/> TOTAL	<hr/> 1,136,086	<hr/> 1,231,627	<hr/> 1,286,242	<hr/> 1,234,768

STATE OF VERMONT
FISCAL YEAR 2008 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 pages, provide telephone services, and cafeteria services. Provide police officers.

Description of Appropriations, Divisions, & Programs

Duties involve overseeing the activities in the State House and maintaining the same; this includes furnishings. The staff consists of the Sergeant at Arms, one assistant and one other office staff 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 2008 BUDGET RECOMMENDATIONS
Sergeant at Arms

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Sergeant at Arms	5	5	6	512,639	529,572	549,969	533,371
TOTAL	5	5	6	512,639	529,572	549,969	533,371
FUND TYPE							
General Fund				470,613	529,572	549,969	533,371
Transportation Fund				42,026	0	0	0
TOTAL				512,639	529,572	549,969	533,371

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Sergeant at Arms

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	442,640	468,625	480,471	463,951
Operating Expenses	69,999	60,947	69,498	69,420
<hr/> TOTAL	<hr/> 512,639	<hr/> 529,572	<hr/> 549,969	<hr/> 533,371
FUND TYPE				
General Fund	470,613	529,572	549,969	533,371
Transportation Fund	42,026	0	0	0
<hr/> TOTAL	<hr/> 512,639	<hr/> 529,572	<hr/> 549,969	<hr/> 533,371

**STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Lieutenant Governor

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Lieutenant Governor	2	2	2	143,962	147,018	147,018	154,712
TOTAL	2	2	2	143,962	147,018	147,018	154,712
FUND TYPE							
General Fund				125,039	147,018	147,018	154,712
Transportation Fund				18,923	0	0	0
TOTAL				143,962	147,018	147,018	154,712

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Lieutenant Governor

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	127,468	127,360	127,360	137,937
Operating Expenses	16,494	19,658	19,658	16,775
<hr/> TOTAL	<hr/> 143,962	<hr/> 147,018	<hr/> 147,018	<hr/> 154,712
FUND TYPE				
General Fund	125,039	147,018	147,018	154,712
Transportation Fund	18,923	0	0	0
<hr/> TOTAL	<hr/> 143,962	<hr/> 147,018	<hr/> 147,018	<hr/> 154,712

STATE OF VERMONT
FISCAL YEAR 2008 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

Description Of Programs / Office

The State Auditor is a constitutional officer, elected biennially by the citizens of Vermont.

The Auditor's principal duties are generally defined by 32 V.S.A. §§ 163, 167 and 168. These duties include the following:

- (1) the annual audit of the State's financial statements;
- (2) discretionary government audits and examinations of every department, institution and agency of the State and certain county officers;
- (3) special audits as requested by the Governor;
- (4) audits and reviews initiated by the Auditor;
- (5) audits or reviews as statutorily required by the Legislature;
- (6) at the request of a municipality, establishment of uniform systems of accounting and reporting for cities and towns;
- (7) approval and coordination of contractual auditing and accounting requests by state departments, agencies and state-created authorities;
- (8) performance of and/or contracting to perform the Federal Single Audit; and,
- (9) biennial audit of the economic tax incentives program.

Annual Audits

The Office of the State Auditor conducts independent audits for the State of Vermont. Our two major governmental financial audits are issued annually: (1) the audit of the Basic Financial Statements (BFS) of the State of Vermont; and (2) the federally-mandated Single Audit of all programs receiving federal funds. These audits are conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and with Generally Accepted Auditing Standards (GAAS) issued by the American Institute of Certified Public Accountants.

The successful performance of these audits relies on the quality of the personnel working under the direction of the Auditor. To maintain and enhance the skill sets of the staff, all staff working on audits are required to complete continuing professional education. Under current professional standards, the staff are required to complete at least 40 hours of training annually.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

Basic Financial Statement Audit

The major activity of the State Auditor's Office is the audit of the State of Vermont's Basic Financial Statements. These financial statements are the responsibility of the State of Vermont's management. The State Auditor's responsibility is to express an opinion on and provide reasonable assurance that the financial information presented in these statements is free of material misstatement. In this audit, the Auditor's Office also tests the State's compliance with certain provision of laws and regulations as well as the internal controls put in place by state management.

Federal Single Audit

The other major audit activity of the State Auditor's Office is the Single Audit of all programs receiving federal funds, which is performed both by the State Auditor's Office and by contracted independent public accounting firms. The Single Audit reviews the more than \$1.2 billion Vermont receives annually from the federal government to ensure that it is spent in compliance with all applicable laws and regulations. We also monitor internal controls over federal monies, including program effectiveness and efficiency.

Management Letters

The State Auditor provides a yearly Management Letter to the State's financial managers. This Management Letter is a result of the annual BFS Audit and the Federal Single Audit for that fiscal year. Its purpose is to communicate to state managers specific ways to improve financial operations and reporting, and help foster efficient management of the State of Vermont's resources. The Management Letter also provides follow-up on the prior year's audit findings to document that identified deficiencies in internal controls and compliance with relevant laws have been corrected. Most recently, we have implemented a tracking system to follow-up on prior audits and assess the current status of prior audit findings.

Reviews

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

Information Technology Audits and Reviews

In June 2005, the Auditor hired a Director of Information Technology Audit. This position was created through the re-classification of an existing staff auditor position previously authorized for the office. The creation and staffing of this position has allowed us to have a real impact on information technology planning and systems development. In the past year, information technology auditing was integrated more fully into the BFS and Single Audits to enhance the quality and effectiveness of our audit efforts. In addition, the Director of Information

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

Technology Audit will be responsible for conducting independent assessments, known as “Pre-implementation Reviews,” of planned information technology projects.

Changes in Accounting Principles

Generally Accepted Accounting Principles (GAAP) and Statements on Auditing Standards (SAS’s) are constantly evolving. Monitoring the State's compliance with these principles, as well as rendering professional assistance to implement new principles, is one of the major goals of this office. For example, the State's comprehensive annual financial report for the year ended June 30, 2005 included new disclosures required by Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. Over the next several years, new standards will take effect changing the way the State accounts and reports its post-employment obligations. Each of these will require additional training for the Auditor's staff. Recently issued Statement on Auditing Standard No. 112 has tightened the definition of a material weakness in internal control. Some state governments have seen the number of such control deficiencies increase by a factor of ten-fold. It is anticipated that such an increase in the number of material weaknesses will increase the amount of time and work necessary for the SAO to complete the financial statement audit of the State’s Basic Financial Statements, as well as to complete the Federal Single Audit.

Peer Review

The State Auditor's Office must undergo an independent External Quality Control Review every three years in order to conduct audits under Government Auditing Standards. The most recent independent review was completed in February 2004 under the auspices of the National State Auditors' Association. The review team concluded that the State Auditor's Office conducted its audits in conformity with government auditing standards in all respects. The next regularly scheduled peer review will take place in February 2007. No costs for such a review are contemplated in the FY08 budget, as these will be incurred in FY07.

Audience

The State Auditor's reports are intended to inform all citizens and organizations interested in the State's financial status and operations. Audit reports are addressed to the Legislature, the Administration and appropriate governmental managers. All reports are also made available to the general public and other interested organizations, such as the State's credit rating agencies via the SAO website. Most recently, the rating agencies have focused on the timeliness of the State’s financial reporting. Significant efforts have been made to ensure the annual BFS audit is completed by the statutory deadline of December 31. The financial statement audits of FY 2005 and 2006 have both met this deadline.

Goals & Outcomes

The goals and outcomes of State Auditor's Office are determined by legislation and *Government Auditing Standards*. These goals include: a) completion of all mandated and other audits in compliance with *Government Auditing Standards*; b) issuance of all audit reports on a timely basis; and c) improvement of the State's financial management practices by identifying

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

weaknesses in the State's systems of accounting and reporting, internal controls, and compliance with applicable laws and regulations.

The office encourages and assists accurate and timely financial reporting at all levels of government within Vermont. We recommend that the State implement systems to manage the public's resources safely and in compliance with applicable laws and regulations. The office also provides independent reviews of programs to ensure efficiency and economy and to protect the integrity of program goals.

Independence

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Auditor of Accounts	13	15	15	1,893,466	2,178,216	2,212,778	2,390,797
<hr/> TOTAL	<hr/> 13	<hr/> 15	<hr/> 15	<hr/> 1,893,466	<hr/> 2,178,216	<hr/> 2,212,778	<hr/> 2,390,797
FUND TYPE							
General Fund				444,638	521,987	556,549	524,568
Transportation Fund				59,353	0	0	0
Special Fund				54,455	54,431	54,431	54,431
Internal Service Fund				1,335,020	1,601,798	1,601,798	1,811,798
<hr/> TOTAL				<hr/> 1,893,466	<hr/> 2,178,216	<hr/> 2,212,778	<hr/> 2,390,797

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

Appropriation Key Budget Issues

Key Budget Matters

The upcoming fiscal year 2008 budget process provides an opportunity for the Office of the State Auditor to assess its past achievements and the challenges presented by the current audit landscape. The challenges presented by improving the timeliness and relevancy of the State's financial statement audit, the potential to expand the scope of audit services through the recruitment of staff with new skill sets, and the unknown challenges that come from concerned citizens and whistle-blower complaints, are significant.

The FY 2008 budget process is also an opportunity to re-visit how the costs of audit services are paid for by State agencies and departments. It allows us to enhance the delivery of our services while also fairly and accurately assigning the costs of those services to the end-users.

Funding Targets

Our funding targets must be viewed together with the Single Audit Revolving Fund (SARF). Established by the Legislature to capture the costs of the Single Audit, the SARF has evolved to become the State's "Audit Fund". In fact, the cost allocation prepared each year assigns a portion of the cost to all agencies and departments based upon their relative share of both general fund and federal revenue. This expanded view of the SARF allows the Office to more accurately assign costs to their final cost objectives. With this in mind, we have prepared our FY 2008 preliminary budget assuming the costs directly assignable to the SARF (Audit Fund) will be so assigned.

Expenditures

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

Personal Services

Salary and Wages - The Office currently has 15 authorized positions at a budgeted cost of \$1,086,733. These include the Auditor and three appointed (exempt) positions and 11 classified positions. Although one appointed position and one classified position have been vacant, candidate searches are on-going. As such, these positions are budgeted at full value. Using information provided by the Department of Human Resources, we calculated the step increases in FY 2008. The projected step increases totaled \$6,510 in salary and wages. The remainder of the increase from the FY07 target is the result of market factor adjustments that were made to classified personnel at grade levels 25 and higher during FY07.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

Benefits - We assumed that employee benefits for social security, retirement and life insurance increase in relative proportion to increases in salary and wages. The increase in benefits was consistent with the increase in salaries and wages. No increases in dental, EAP or LTD were assumed. Since these amounts are not material components of our overall base, the impact is minor.

Non-employee Personal Services - These encompass a number of different categories, the most significant of which is the Single Audit costs paid to KPMG. These costs cover the audit of the federal financial assistance programs. In order to control the rate of growth in these costs, we have taken a step back and re-evaluated the way in which both the audit of the financial statements and the Single Audit are conducted. Since many of the procedures required by both audits are the same, we will greatly enhance the coordination of our audit efforts with those performed by KPMG. Perhaps the largest shift is in the contribution of Auditor's Office staff to the Single Audit. In prior years, this contribution consisted of approximately 500 hours of effort. During FY2007, SAO provided significantly more effort internally, resulting in a savings of \$192,000 in professional fees. This additional workload was absorbed through the reduction of unnecessary audit tasks and greater reliance on the work performed by KPMG.

Non-employee personal services also include amounts budgeted for other third-party contractors hired directly by this office, including audit and actuarial service providers. We anticipate these professionals will be necessary to supplement and enhance the delivery of audit services. This category also includes the projected costs of the audits of the county sheriffs' departments. Since by statute this office pays one-third of the cost of the biennial audits, we have budgeted accordingly.

Operating Expenses

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

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

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

Travel - in-state - As noted above, the Office now contributes significantly more hours to the Single Audit effort than it has in the past. This requires that the staff travel to state office locations outside of Montpelier. For example, a significant amount of work will be performed at the Agency of Human Services in Waterbury. For most of the staff assigned to AHS, this is a 26 mile round-trip travel cost.

Data Processing Hardware / Software - The efficient and effective delivery of audit services relies on the use of technology. While substantially all audit staff have access to a laptop computer, additional purchases will be required. We will make certain purchases using FY 2007 monies. For FY 2008 we anticipate the replacement / upgrade of computers purchased more than 4 years ago. The budget also includes the renewal of software licenses.

Conclusions

Based on our initial analysis of the funding targets provided, it appears that the Office of the State Auditor will be capable of supporting its funded operations within those funding targets. In addition, the refinement of the methodology used to assign audit costs to the internal service fund will allow for a more accurate allocation of those costs to their final cost objectives.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Auditor of Accounts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,749,740	2,056,162	2,062,456	2,248,767
Operating Expenses	143,726	122,054	150,322	142,030
<hr/> TOTAL	<hr/> 1,893,466	<hr/> 2,178,216	<hr/> 2,212,778	<hr/> 2,390,797
FUND TYPE				
General Fund	444,638	521,987	556,549	524,568
Transportation Fund	59,353	0	0	0
Special Fund	54,455	54,431	54,431	54,431
Internal Service Fund	1,335,020	1,601,798	1,601,798	1,811,798
<hr/> TOTAL	<hr/> 1,893,466	<hr/> 2,178,216	<hr/> 2,212,778	<hr/> 2,390,797

STATE OF VERMONT
FISCAL YEAR 2008 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 Systems and contribution and benefit reforms including the creation of a non-contributory retirement plan for rank-and-file state employees in 1981. In 1990 the Legislature mandated a return to a contributory system effective January 1, 1991 with full implementation by January 1, 1995. The system's staff is responsible for the administration of six different benefit provisions which include state police, judges and regular employees, plus an optional defined contribution plan available to exempt state employees only. The system is governed by Title 3, V.S.A., Chapter 16.

The system currently consists of approximately 8,288 active members, 1,111 inactive members, 805 vested terminated members and approximately 4,173 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 \$1,219 million as of June 30, 2006, compared with \$1,120 million as of June 30, 2005. The system paid \$55 million in retirement benefits during fiscal year 2006.

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

STATE OF VERMONT
FISCAL YEAR 2008 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.

The system currently has 448 participating employers, of which 422 are contributing employers; 5,949 active members, 2,075 inactive members, 418 vested terminated members; and 1,241 retirees and beneficiaries.

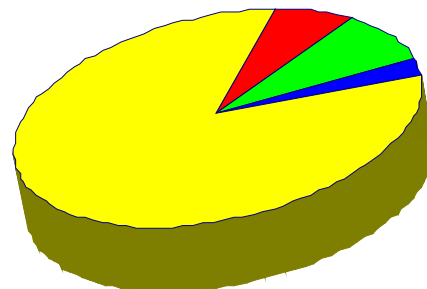
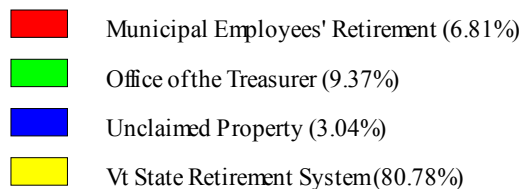
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was \$293 million as of June 30, 2006, compared with \$258.5 million as of June 30, 2005. The system paid \$7 million in retirement benefits during FY 2006.

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 2008 BUDGET RECOMMENDATIONS
State Treasurer

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Office of the Treasurer	33	33	33	2,491,618	2,485,676	2,486,974	2,770,837
Unclaimed Property	4	4	4	707,809	885,543	885,543	899,240
Vt State Retirement System	0	0	0	17,594,035	22,414,920	22,414,920	23,898,145
Municipal Employees' Retirement	0	0	0	1,258,764	2,024,204	2,024,204	2,014,689
TOTAL	37	37	37	22,052,226	27,810,343	27,811,641	29,582,911
FUND TYPE							
General Fund				815,841	1,028,843	1,030,141	1,130,214
Transportation Fund				105,130	0	0	0
Special Fund				1,475,133	1,315,253	1,315,253	1,542,265
Pension Trust Fund				18,852,799	24,439,124	24,439,124	25,912,834
Private Purpose Trust Fund				803,323	1,027,123	1,027,123	899,240
Interdepartmental Transfer				0	0	0	98,358
TOTAL				22,052,226	27,810,343	27,811,641	29,582,911



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Office of the Treasurer

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,993,979	2,131,671	2,132,969	2,316,050
Operating Expenses	472,639	344,005	344,005	354,787
Grants	25,000	10,000	10,000	100,000
<hr/> TOTAL	<hr/> 2,491,618	<hr/> 2,485,676	<hr/> 2,486,974	<hr/> 2,770,837
FUND TYPE				
General Fund	815,841	1,028,843	1,030,141	1,130,214
Transportation Fund	105,130	0	0	0
Special Fund	1,475,133	1,315,253	1,315,253	1,542,265
Private Purpose Trust Fund	95,514	141,580	141,580	0
Interdepartmental Transfer	0	0	0	98,358
<hr/> TOTAL	<hr/> 2,491,618	<hr/> 2,485,676	<hr/> 2,486,974	<hr/> 2,770,837

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Unclaimed Property

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	493,813	586,261	586,261	627,773
Operating Expenses	213,996	299,282	299,282	271,467
<hr/> TOTAL	<hr/> 707,809	<hr/> 885,543	<hr/> 885,543	<hr/> 899,240
FUND TYPE				
Private Purpose Trust Fund	707,809	885,543	885,543	899,240
<hr/> TOTAL	<hr/> 707,809	<hr/> 885,543	<hr/> 885,543	<hr/> 899,240

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt State Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	16,846,196	21,760,779	21,760,779	23,139,549
Operating Expenses	747,839	654,141	654,141	758,596
<hr/> TOTAL	<hr/> 17,594,035	<hr/> 22,414,920	<hr/> 22,414,920	<hr/> 23,898,145
 FUND TYPE				
Pension Trust Fund	17,594,035	22,414,920	22,414,920	23,898,145
<hr/> TOTAL	<hr/> 17,594,035	<hr/> 22,414,920	<hr/> 22,414,920	<hr/> 23,898,145

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Municipal Employees' Retirement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,044,497	1,687,216	1,687,216	1,616,396
Operating Expenses	214,267	336,988	336,988	398,293
<hr/> TOTAL	<hr/> 1,258,764	<hr/> 2,024,204	<hr/> 2,024,204	<hr/> 2,014,689
FUND TYPE				
Pension Trust Fund	1,258,764	2,024,204	2,024,204	2,014,689
<hr/> TOTAL	<hr/> 1,258,764	<hr/> 2,024,204	<hr/> 2,024,204	<hr/> 2,014,689

**STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
State Labor Relations Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
State Labor Relations Board	2	2	2	187,424	205,609	207,577	210,218
TOTAL	2	2	2	187,424	205,609	207,577	210,218
FUND TYPE							
General Fund				180,723	199,739	201,707	204,348
Transportation Fund				4,597	0	0	0
Special Fund				2,104	5,870	5,870	5,870
TOTAL				187,424	205,609	207,577	210,218

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State Labor Relations Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	146,591	166,808	168,776	171,500
Operating Expenses	40,833	38,801	38,801	38,718
<hr/> TOTAL	<hr/> 187,424	<hr/> 205,609	<hr/> 207,577	<hr/> 210,218
FUND TYPE				
General Fund	180,723	199,739	201,707	204,348
Transportation Fund	4,597	0	0	0
Special Fund	2,104	5,870	5,870	5,870
<hr/> TOTAL	<hr/> 187,424	<hr/> 205,609	<hr/> 207,577	<hr/> 210,218

**STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
VOSHA Review Board**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
VOSHA Review Board	1	1	1	37,097	40,538	40,538	40,382
TOTAL	1	1	1	37,097	40,538	40,538	40,382
FUND TYPE							
General Fund				18,561	20,269	20,269	20,192
Federal Revenue Fund				18,536	20,269	20,269	20,190
TOTAL				37,097	40,538	40,538	40,382

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
VOSHA Review Board**

Appropriation Key Budget Issues

Because the workload for the VOSHA Review Board is generated through employer contest of the Vermont Department of Labor issuance of workplace violation citations, it is impossible to accurately forecast the number of cases which might need to be heard during the year.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
VOSHA Review Board**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	29,267	32,015	32,015	32,052
Operating Expenses	7,830	8,523	8,523	8,330
<hr/> TOTAL	<hr/> 37,097	<hr/> 40,538	<hr/> 40,538	<hr/> 40,382
FUND TYPE				
General Fund	18,561	20,269	20,269	20,192
Federal Revenue Fund	18,536	20,269	20,269	20,190
<hr/> TOTAL	<hr/> 37,097	<hr/> 40,538	<hr/> 40,538	<hr/> 40,382

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Use Tax Reimbursement Fund	0	0	0	7,236,985	8,113,944	8,113,944	8,861,267
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 7,236,985	<hr/> 8,113,944	<hr/> 8,113,944	<hr/> 8,861,267
FUND TYPE							
General Fund				4,908,072	8,113,944	8,113,944	8,861,267
Transportation Fund				2,328,913	0	0	0
<hr/> TOTAL				<hr/> 7,236,985	<hr/> 8,113,944	<hr/> 8,113,944	<hr/> 8,861,267

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Use Tax Reimbursement Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,185	0	0	0
Grants	7,233,800	8,113,944	8,113,944	8,861,267
<hr/> TOTAL	<hr/> 7,236,985	<hr/> 8,113,944	<hr/> 8,113,944	<hr/> 8,861,267
FUND TYPE				
General Fund	4,908,072	8,113,944	8,113,944	8,861,267
Transportation Fund	2,328,913	0	0	0
<hr/> TOTAL	<hr/> 7,236,985	<hr/> 8,113,944	<hr/> 8,113,944	<hr/> 8,861,267

**STATE OF VERMONT
FISCAL YEAR 2008 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, Triple Play, and the Daily Numbers Games of Pick 3 and Pick 4. Powerball was added in FY04.

Licensed Vermont Lottery agents offer lottery games to players. Currently, there are approximately 715 licensed Vermont Lottery agents. All agents sell instant games and also sell On-line games.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Lottery Commission

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Lottery Commission	20	20	21	2,139,609	2,415,178	2,415,178	2,528,272
TOTAL	20	20	21	2,139,609	2,415,178	2,415,178	2,528,272
FUND TYPE							
Enterprise Fund				2,139,609	2,415,178	2,415,178	2,528,272
TOTAL				2,139,609	2,415,178	2,415,178	2,528,272

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Lottery Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,183,762	1,337,891	1,335,411	1,458,511
Operating Expenses	955,847	1,077,287	1,079,767	1,069,761
<hr/> TOTAL	<hr/> 2,139,609	<hr/> 2,415,178	<hr/> 2,415,178	<hr/> 2,528,272
FUND TYPE				
Enterprise Fund	2,139,609	2,415,178	2,415,178	2,528,272
<hr/> TOTAL	<hr/> 2,139,609	<hr/> 2,415,178	<hr/> 2,415,178	<hr/> 2,528,272

**STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Payments in Lieu of Taxes	0	0	0	2,500,000	3,100,000	3,100,000	3,100,000
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 2,500,000	<hr/> 3,100,000	<hr/> 3,100,000	<hr/> 3,100,000
FUND TYPE							
General Fund				600,000	600,000	0	0
Special Fund				1,900,000	2,500,000	3,100,000	3,100,000
<hr/> TOTAL				<hr/> 2,500,000	<hr/> 3,100,000	<hr/> 3,100,000	<hr/> 3,100,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Payments in Lieu of Taxes

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	2,500,000	3,100,000	3,100,000	3,100,000
<hr/> TOTAL	<hr/> 2,500,000	<hr/> 3,100,000	<hr/> 3,100,000	<hr/> 3,100,000
FUND TYPE				
General Fund	600,000	600,000	0	0
Special Fund	1,900,000	2,500,000	3,100,000	3,100,000
<hr/> TOTAL	<hr/> 2,500,000	<hr/> 3,100,000	<hr/> 3,100,000	<hr/> 3,100,000

**STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Montpelier PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Montpelier PILOT	0	0	0	184,000	184,000	184,000	184,000
TOTAL	0	0	0	184,000	184,000	184,000	184,000
FUND TYPE							
General Fund				184,000	184,000	184,000	184,000
TOTAL				184,000	184,000	184,000	184,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Montpelier PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000
FUND TYPE				
General Fund	184,000	184,000	184,000	184,000
TOTAL	184,000	184,000	184,000	184,000

**STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Corrections PILOT

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Corrections PILOT	0	0	0	40,000	40,000	40,000	40,000
TOTAL	0	0	0	40,000	40,000	40,000	40,000
FUND TYPE							
General Fund				40,000	40,000	40,000	40,000
TOTAL				40,000	40,000	40,000	40,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections PILOT

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000
FUND TYPE				
General Fund	40,000	40,000	40,000	40,000
TOTAL	40,000	40,000	40,000	40,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Attorney General

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

General Counsel Division

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

Civil Division

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

Criminal Division

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

There is a specialized Drug Unit within the Division that provides prosecutorial support to the Vermont Drug Task force. The Drug Unit has been in place for over fifteen years and has been federally funded since its inception. Currently the Drug Unit has 3.5 attorneys. Continued cuts in federal funding may impact the ability to maintain staffing levels and may adversely effect the functioning of the Drug Unit.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Attorney General

The Medicaid Fraud and Residential Abuse Unit (MFRAU) is a specialized unit within the Criminal Division. MFRAU is a federally funded state program that investigates and prosecutes Medicaid provider fraud and violations of state laws pertaining to fraud in the administration of the Medicaid program. As part of its mission the Unit initiates or participates in civil actions, both locally and nationally, to recoup fraudulent losses to the Medicaid Program. In Federal Fiscal year 2006, the Unit recouped nearly \$500,000. In addition the Unit reviews all complaints and where appropriate initiates prosecution, of patient abuse, exploitation or neglect that occur in health care facilities that receive Medicaid funds.

Public Protection Division

The Public Protection Division has three units.

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. In cooperation with UVM the Attorney General also operates a Consumer Assistance Program to educate consumers and to resolve consumer complaints on an informal basis. This Program logs approximately 4,250 complaints per year.

In FY06, the Consumer Unit received a grant for \$200,000 to further the efforts of the unit to combat telemarketing fraud. The office hired an investigator in January of 2006 to enable an experienced investigator to focus full-time on telemarketing fraud, including cases involving third-party processors that provide banking services to fraudulent telemarketers and working to reform practices in the wire transfer industry to minimize the risk that such transfers will continue to be used to perpetrate fraud.

The Consumer Protection Unit also enforces the terms of the multi-state tobacco settlement and tobacco statutes, including provisions to prevent marketing and sales of tobacco to minors, and to prevent the unfair and deceptive advertising of tobacco products. The tobacco settlement provides approximately \$25 million a year to Vermont. The Unit also enforces the settlement terms that require tobacco companies to submit annual certifications and to make escrow payments on behalf of Vermont (monies that would be available to the State to satisfy any future judgments against tobacco companies), and is in litigation seeking to recover funds withheld by the tobacco companies in April 2006. Vermont is the lead state in major, multi-state litigation challenging the advertising and marketing of “reduced-harm” cigarettes, which is funded partially through a grant to the states from the National Association of Attorneys General.

The Civil Rights Unit enforces laws that protect victims of hate crimes and protect all Vermonters (other than those working for the state) from discrimination and harassment in the workplace. It sponsors employer education programs to help businesses to comply with Vermont's civil rights laws, and produces informational materials for employers and employees. Information about the Unit's work in hate crimes and employment discrimination is available on the Attorney General's website.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Attorney General

Environmental Protection Division

In order to further emphasize the importance of the environmental work being performed by his Office, Attorney General Sorrell created the Environmental Protection Division in January 2007. Previously, environmental work was performed by a unit of the Public Protection Division.

The Environmental Protection Division works in partnership with the Agency of Natural Resources in the prosecution of state and federal environmental laws, including air, water, solid and hazardous waste, and Act 250. The Division handles all appeals of environmental cases to the Vermont Supreme Court and provides legal counsel to the Agency of Natural Resources.

In FY06 and FY07, the Environmental Unit focused on the threat of a tire burn at International Paper, Co. in Fort Ticonderoga, New York, on a challenge to Vermont's automobile emissions standards, and on water quality. In addition, staff from the Environmental and Consumer Protection Units have been working on an initiative with the Department of Health on lead poisoning in Vermont.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Attorney General

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Attorney General	71	74	74	6,790,383	7,830,213	8,298,424	8,163,879
TOTAL	71	74	74	6,790,383	7,830,213	8,298,424	8,163,879
FUND TYPE							
General Fund				2,898,893	3,269,648	3,776,234	4,530,747
Transportation Fund				69,615	0	0	0
Education Fund				13,089	0	0	0
Special Fund				1,919,445	2,465,000	2,316,235	1,390,000
Federal Revenue Fund				432,531	682,000	694,502	763,000
Interdepartmental Transfer				1,456,810	1,413,565	1,511,453	1,480,132
TOTAL				6,790,383	7,830,213	8,298,424	8,163,879

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Attorney General

Appropriation Key Budget Issues

The Fiscal 2008 Budget request would sustain the core mission and activities of the Attorney General's Office.

The Fiscal 2008 budget reflects the elimination of the Consumer Special Fund as a funding source for the office and this funding is replaced with General Funds. All Consumer Special Fund receipts - estimated at \$1.0 million for Fiscal 2008 will be deposited to the General Fund.

The Fiscal 2007 Budget Adjustment contains an additional \$390,282 general funds to offset and eliminate a projected Consumer Special Fund deficit. One new position - Environmental Legal Division Chief was created during Fiscal 2007 and will continue into Fiscal 2008.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Attorney General

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	5,811,432	6,897,601	7,278,052	7,094,267
Operating Expenses	978,951	932,612	1,020,372	1,069,612
<hr/> TOTAL	<hr/> 6,790,383	<hr/> 7,830,213	<hr/> 8,298,424	<hr/> 8,163,879
FUND TYPE				
General Fund	2,898,893	3,269,648	3,776,234	4,530,747
Transportation Fund	69,615	0	0	0
Education Fund	13,089	0	0	0
Special Fund	1,919,445	2,465,000	2,316,235	1,390,000
Federal Revenue Fund	432,531	682,000	694,502	763,000
Interdepartmental Transfer	1,456,810	1,413,565	1,511,453	1,480,132
<hr/> TOTAL	<hr/> 6,790,383	<hr/> 7,830,213	<hr/> 8,298,424	<hr/> 8,163,879

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Court Diversion

Department Mission Statement

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

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

Description of Appropriations, Divisions, & Programs

The Vermont Association of Court Diversion Programs is made up of 14 court diversion programs housed in 13 community based non-profit agencies. Two programs (Caledonia and Essex Counties) are housed in one agency. A community board of directors governs each program, which, in turn, is designated by the Attorney General, and the Vermont Association of Court Diversion Programs (VACDP) as the diversion agency serving a particular court/county. All diversion programs offer the traditional diversion program in which the state's attorney refers first-time offenders, either youth or adult, to a community panel that determines a set of obligations for the offender to meet. If the offender is successful in meeting the obligations, the charge is dismissed. If the offender does not complete the diversion contract, he or she is returned to court for further prosecution. In FY2006, 2,094 such cases were referred to diversion throughout the state.

In addition to the diversion program, as of July 1, 2000, all of the diversion programs were also directed to implement the Teen Alcohol Safety Program (TASP) by Act 160, the statute that converted first-offense consumption of alcohol by a minor to a civil charge. This program ensures that each youth that receives a ticket for that offense also receives a screening or assessment of his or her substance abuse and completes any follow-up treatment or education recommended by the assessment. Youths also perform community service and may be asked to complete other tasks that relate to their offense. TASP caseload continues to rise each year. In FY2006, diversion programs handled 3,938 such cases.

For the first three years, local court diversion programs operated the TASP without state support. That lack of support had a negative impact on counties' successful completion rates for both the TASP and regular diversion cases, and therefore more cases returned to court for adjudication.

Legislation, effective October 1, 2003, that was designed to encourage minors to participate in the program has been successful. In addition to increased referral rates, court diversion programs have seen an approximate 30-35% increase in participation rates in the last year. This increase in participation puts more pressure on court diversion programs to bring these cases to successful completion.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Court Diversion

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Vermont Court Diversion	0	0	0	1,647,800	1,604,534	1,594,473	1,594,473
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 1,647,800	<hr/> 1,604,534	<hr/> 1,594,473	<hr/> 1,594,473
FUND TYPE							
General Fund				981,093	1,204,534	1,194,473	1,194,473
Transportation Fund				143,978	0	0	0
Special Fund				522,729	400,000	400,000	400,000
<hr/> TOTAL				<hr/> 1,647,800	<hr/> 1,604,534	<hr/> 1,594,473	<hr/> 1,594,473

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

Performance Program Information

Results

In the past year, court diversion programs have continued to work collaboratively with each other towards the goal of creating more uniform practices within their programs, while still preserving the important premise of local control and governance. This work has been focused in both the area of court diversion and TASP (Teen Alcohol Safety Program) cases. The Compliance Standards that the state association revisits each year were changed to support the standardization that committees have been working on for the past two years.

The Association's Program Committee has focused their work on the TASP in the past year, researching best practices around uniform counselor certifications, and validated methods to conduct their assessments and screenings. In addition, the committee has been studying the benefits of having all diversion programs statewide use graduated sanctions when minors are charged with repeat offenses of PMB.

As the state court diversion director from the AGO has focused more on compliance in the past year, the subcommittee structure of the VACDP has risen to a new level of importance, ensuring that the program is ever evolving and earns the reputation of being the most effective pre-adjudication program in Vermont. These committees include Peer Review, Public Relations, Strategic Planning, TASP, and as mentioned above, the Program Committee

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

Key Indicators

VICTIMS COMPENSATED

TOTAL NUMBER OF VICTIMS COMPENSATED FY06: 271

TOTAL RESTITUTION COLLECTED AND PAID TO VICTIMS: \$45,932

TOTAL DONATIONS FROM CLIENTS TO CHARITABLE ORGANIZATIONS: \$27,164

COMMUNITY SERVICE COMPLETED BY OFFENDERS

TOTAL HOURS COMMUNITY SERVICE PERFORMED FY06: 23,429

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Court Diversion**

PERCENT CASES SUCCESSFULLY COMPLETED

FY	FY'06	FY'07 (est.)	FY'08 (proj.)
% Successful	79%	81.3%	81.7%

Story Behind Baseline Performance

Court diversion was begun in the 1970's to divert first time minor offenders out of the court system. Enabling legislation was passed in 1981 making it a statewide option for juveniles and then extended to adult offenders in 1985. Since then diversion has operated in each county of the state.

The programs operate with about 30 full-time staff equivalents and 500 volunteers statewide. The cost in General Fund/Transportation Fund dollars to the state of Vermont last year for services was \$200 per case.

Strategies

Court diversion programs are committed to providing effective case management services for both diversion and the TASP. As stated earlier, the VACDP is studying the benefit of having more standardized components of the TASP.

Performance Measures:

<i>What/How Much We Do</i>	FY'06	FY '07 (est.)	FY '08 (proj.)
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1. Clients served

Number of Diversion Clients	2094	2000	2000
Number of TASP Clients	3938	3500	3500

Total	6032	5500	5500
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<i>How Well We Do It</i>	FY '06	FY '07 (est.)	FY '08 (proj.)
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1. Percent successful completions

Diversion Adult Cases	81%	82%	83%
Diversion Juvenile Cases	80%	84%	84%
TASP Cases	76%	78%	78.3%

Total % Successful	79%	81.3%	81.7%
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STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Court Diversion

2. Total Victim Compensation/restitution collected

Total Compensation	FY'06	FY'07 (est.)
Collected		
Restitution	\$45,932	\$47,000
Donations	\$27,164	\$30,000

How do we propose to improve performance?

Court diversion programs will continue implementing the effective intervention strategies that have been developed in the past two years for the TASP, such as requiring substance abuse assessment vs. screening and working closely with START teams in their counties. In addition, the VACDP is working at the local level to gain fuller consensus on implementing the next phase of the FY07 proposed case manager salary increase. Increasing case manager salaries during this fiscal year has proven to be highly effective in at least one county, raising the retention rate of case managers from under 50% to 100%. As the retention rate of case managers is increased, it is hoped that the successful completion rate of cases will also increase, enhancing the value of court diversion to the state court system even more.

FY 08 Budget

VACDP's budget is level funded this year.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Court Diversion

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	1,647,800	1,604,534	1,594,473	1,594,473
<hr/> TOTAL	<hr/> 1,647,800	<hr/> 1,604,534	<hr/> 1,594,473	<hr/> 1,594,473
FUND TYPE				
General Fund	981,093	1,204,534	1,194,473	1,194,473
Transportation Fund	143,978	0	0	0
Special Fund	522,729	400,000	400,000	400,000
<hr/> TOTAL	<hr/> 1,647,800	<hr/> 1,604,534	<hr/> 1,594,473	<hr/> 1,594,473

STATE OF VERMONT
FISCAL YEAR 2008 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 2005 an additional staff public defender was designated as a Serious Felony Attorney. The creation of the unit and designation of a serious felony staff attorney will help to reduce some of the caseload pressures in local public defender offices, while providing individuals charged with the most serious crimes superior quality representation. In FY 2005 a Public Defense Caseload Relief contract was established to provide relief to counties experiencing caseload spikes and backlogs, primarily in the southern counties. In FY 2006 a

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Defender General

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 76 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 approximately 2-3% of the caseload. However, it is the most expensive means of service, with an hourly rate of \$50. Recent efforts at expanding the contract system and implementation of the Serious Felony Units have yielded from the first quarter of FY 2002 to the first quarter of FY 2007 an 83% reduction in ad hoc debentures (bills for services), and a 76% decrease in added ad hoc clients.

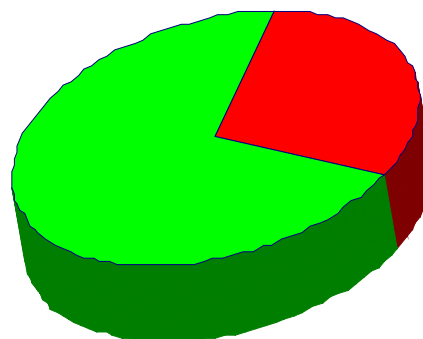
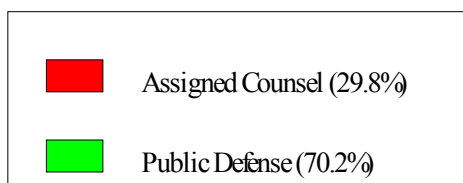
Serious Felony Units

The Legislature in 2001 authorized the creation of three Serious Felony Units (SFU) designed to provide representation in cases involving potential life term imprisonment and major felonies which would have ordinarily been assigned to an assigned counsel contractor or ad hoc counsel. In FY 2002 the ODG implemented all three SFUs as contracts and realized first year savings of \$112,000.00. The units are projected to realize savings of up to approximately \$170,000 per year, and they provide stability and quality representation to clients charged with the most serious crimes. In FY 2004 a fourth SFU was implemented. Since FY 2002 the establishment of the SFUs has saved almost \$1,200,000 as compared to assignment on an ad hoc basis. Additionally, the implementation of the SFUs has rendered budgeting much more predictable.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Defender General

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Public Defense	64	64	65	6,531,655	6,760,859	6,845,860	6,988,686
Assigned Counsel	2	2	2	2,868,522	2,925,470	2,926,581	2,967,285
TOTAL	66	66	67	9,400,177	9,686,329	9,772,441	9,955,971
FUND TYPE							
General Fund				7,688,889	8,969,021	9,039,717	9,173,240
Transportation Fund				739,781	0	0	0
Special Fund				752,502	602,502	617,918	777,731
Interdepartmental Transfer				219,005	114,806	114,806	5,000
TOTAL				9,400,177	9,686,329	9,772,441	9,955,971



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Defense

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2008 pays for existing staff salary increases, an expected increase in cost of expert services and office leases, and absorbs the cost of some interdepartmental funding that is expected to be discontinued. This level of funding does not provide for any cost of living increase for public defense contractors nor for anticipated increases in some operating costs, although funds are provided for a portion of the increase in fees charged by other state departments, such as fee for space and DII services.

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

This budget contains \$10,000 for replacement and upgrade of computer equipment. Additionally, the ODG embarked on an IT upgrade project in FY 2006, mostly with one-time funds, and it is anticipated that work on that project will continue into FY 2008.

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

Public Defense Caseload Activity

One of the prime measures of the demand for defense services is the number of added clients during a fiscal year. Public defenders routinely represent significantly more clients than is recommended under guidelines developed in 1973 to assure competent representation by the National Advisory Commission on Criminal Justice Standards and Goals. This Lawyer Equivalency Caseload (LEC) Guideline, provides that no single lawyer should accept more than either 150 added felony clients, 400 added misdemeanor clients or 200 juvenile clients in a year, or some combination of the three categories. For many years, the ODG has utilized this LEC formula as a measure of the workload of its staff. There has been a growing disparity between the LEC of public defenders and the actual number of public defenders who are available to perform this work. Chittenden County is of particular concern, handling nearly 40% of the state's caseload. The Chittenden County problem has developed over a 15-year period, so there are likely no feasible quick fixes. However, a long-term strategy to deal with Chittenden County needs to be developed.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Defense

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	5,769,364	6,089,740	6,131,655	6,220,658
Operating Expenses	762,291	671,119	714,205	768,028
<hr/> TOTAL	<hr/> 6,531,655	<hr/> 6,760,859	<hr/> 6,845,860	<hr/> 6,988,686
FUND TYPE				
General Fund	5,259,440	6,143,551	6,213,136	6,481,219
Transportation Fund	500,708	0	0	0
Special Fund	552,502	502,502	517,918	502,467
Interdepartmental Transfer	219,005	114,806	114,806	5,000
<hr/> TOTAL	<hr/> 6,531,655	<hr/> 6,760,859	<hr/> 6,845,860	<hr/> 6,988,686

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Assigned Counsel

Appropriation Key Budget Issues

The Governor's recommended funding for FY 2008 in Assigned Counsel pays for existing staff salary increases, an expected increase in cost of expert services and operating costs that are mostly case driven. This level of funding does not provide for any cost of living adjustment for assigned counsel 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 five 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.

In FY 2008 for the first time the funding for Ad Hoc Counsel is transferred from the General Fund to the Public Defender Special Fund. 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. For FY2008 this added reliance on the special fund is possible partly due to the current surplus in the special fund. For future years, the level of special fund revenues will need to be closely monitored.

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

Assigned Counsel Caseload Activity

Over the five-year period ending FY 2003 added clients assigned to assigned counsel contractors increased 49%. Starting in FY 2002 there has been a major shift in cases assigned to assigned counsel contractors and serious felony units versus ad hoc counsel, with a significant reduction in cases assigned to ad hoc counsel. There was a 76% reduction in added ad hoc clients from first quarter FY 2002 to first quarter FY 2007. Ad hoc debentures received in FY 2006 totaled only \$174,451.80, a reduction of 69% from FY 2001. We now, however, have reached a level of "frictional ad hoc," that is, ad hoc that is created at the margins of what we could ever hope to divert to assigned counsel contractors

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Assigned Counsel

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,797,637	2,862,918	2,858,529	2,889,376
Operating Expenses	70,885	62,552	68,052	77,909
<hr/> TOTAL	<hr/> 2,868,522	<hr/> 2,925,470	<hr/> 2,926,581	<hr/> 2,967,285
FUND TYPE				
General Fund	2,429,449	2,825,470	2,826,581	2,692,021
Transportation Fund	239,073	0	0	0
Special Fund	200,000	100,000	100,000	275,264
<hr/> TOTAL	<hr/> 2,868,522	<hr/> 2,925,470	<hr/> 2,926,581	<hr/> 2,967,285

STATE OF VERMONT
FISCAL YEAR 2008 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.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Judiciary

Description of Appropriations, Divisions, & Programs

THE SUPREME COURT

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

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

THE SUPREME COURT'S JUDICIAL DUTIES

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

The five justices of the Supreme Court resolve nearly 523 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

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assigned to sit in the Superior, District, and Family courts concurrently, especially when all three courts are located in the same building. In the larger counties, a different judge may sit in each of the trial courts.

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

THE DISTRICT COURT

Each county has a DISTRICT COURT. The Court is responsible for the 18,371 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 2,980 divorce and annulment actions, 1,481 other domestic actions (primarily parentage) and the 4,392 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 7,714 motions to establish, modify or enforce child support, 1,388 juvenile delinquency cases, 498 cases involving the abuse and neglect of children, 219 cases in which the state seeks to terminate parental rights, 3,734 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:

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Judiciary

- to conduct timely hearings and issue timely decisions in order to resolve disputes, to provide support to distressed litigants and to provide protection to victims of family violence and emotional abuse; and
- to provide courteous, calming and helpful service to assist family members to make informed decisions about how to resolve their disputes on their own through mediation or other community services.

THE SUPERIOR COURT

Each county has a SUPERIOR COURT. The Court is responsible for the 6,213 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 7,552 small claims filed each year. Citizens and businesses seeking up to \$3,500 for unpaid debts, shoddy home improvement jobs and a return of their apartment security deposit, save the expense of hiring an attorney and look to the superior court to resolve their disputes.

THE ENVIRONMENTAL COURT

The ENVIRONMENTAL COURT is responsible for hearing and deciding requests to enforce administrative orders issued by the Secretary of the Agency of Natural Resources and requests to review orders issued by the Secretary. The Court also hears appeals from municipal zoning boards and planning

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

THE PROBATE COURT

The PROBATE COURT is responsible for the 3,841 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 129,099 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 1,254 violations of underage drinking laws, 2,341 municipal ordinance violations and 707 fish and wildlife violations each year.

- Through court trials, the hearing officers and some assistant judges determine whether the 13,820 people who contest their tickets each year have violated the law and whether they must pay civil penalties to the state and municipalities.
- Through the assistance of court developed computer programs, Bureau staff accept \$15,998,017 in civil penalties from the 76,974 drivers who chose not to contest their traffic tickets or ordinance violations and from the 39,205 people who receive default judgements for failure to respond to their tickets.

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Judiciary

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Judiciary	344	356	356	31,059,679	33,056,954	33,583,806	33,627,343
<hr/> TOTAL	<hr/> 344	<hr/> 356	<hr/> 356	<hr/> 31,059,679	<hr/> 33,056,954	<hr/> 33,583,806	<hr/> 33,627,343
FUND TYPE							
General Fund				25,079,372	29,691,689	30,055,041	30,267,034
Transportation Fund				3,070,546	0	0	0
Special Fund				658,647	822,335	978,835	1,002,772
Federal Revenue Fund				261,729	421,930	421,930	414,327
Interdepartmental Transfer				1,989,385	2,121,000	2,128,000	1,943,210
<hr/> TOTAL				<hr/> 31,059,679	<hr/> 33,056,954	<hr/> 33,583,806	<hr/> 33,627,343

STATE OF VERMONT
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Judiciary

Appropriation Key Budget Issues

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

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

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

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

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Judiciary

maintenance, improve the accuracy of information with the system and provide agencies that work with the courts access to information needed to supervise cases within the system. Based on the study, the Judiciary, with the assistance of DII, issued an RFI to obtain information regarding approaches and estimated costs to meet the recommendations of the study.

Last session the Legislature, using information obtained through the RFI process, appropriated \$465,000 to hire a project manager, prepare and issue an RFP, and place a down payment on the acquisition of a new system.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Judiciary

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	24,754,474	25,836,112	26,286,915	26,432,091
Operating Expenses	6,305,205	7,150,842	7,226,891	7,125,252
Grants	0	70,000	70,000	70,000
<hr/> TOTAL	<hr/> 31,059,679	<hr/> 33,056,954	<hr/> 33,583,806	<hr/> 33,627,343
FUND TYPE				
General Fund	25,079,372	29,691,689	30,055,041	30,267,034
Transportation Fund	3,070,546	0	0	0
Special Fund	658,647	822,335	978,835	1,002,772
Federal Revenue Fund	261,729	421,930	421,930	414,327
Interdepartmental Transfer	1,989,385	2,121,000	2,128,000	1,943,210
<hr/> TOTAL	<hr/> 31,059,679	<hr/> 33,056,954	<hr/> 33,583,806	<hr/> 33,627,343

STATE OF VERMONT
FISCAL YEAR 2008 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 FY2006, the breakdown of actual costs between personal services and operating expenses was 87.1% personal services and 12.9% 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 2008 BUDGET RECOMMENDATIONS
State's Attorneys

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
State's Attorneys	124	129	129	9,124,241	9,790,229	10,143,388	10,396,544
<hr/> TOTAL	<hr/> 124	<hr/> 129	<hr/> 129	<hr/> 9,124,241	<hr/> 9,790,229	<hr/> 10,143,388	<hr/> 10,396,544
FUND TYPE							
General Fund				7,118,534	7,920,231	8,273,390	8,198,299
Transportation Fund				343,590	0	0	0
Special Fund				72,706	100,578	100,578	91,097
Federal Revenue Fund				3,691	25,000	25,000	25,000
Interdepartmental Transfer				1,585,720	1,744,420	1,744,420	2,082,148
<hr/> TOTAL				<hr/> 9,124,241	<hr/> 9,790,229	<hr/> 10,143,388	<hr/> 10,396,544

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State's Attorneys

Appropriation Key Budget Issues

The General Fund is increased by 3.5% in FY2008. The key budget pressures for the Department of State's Attorneys in FY2008 are the Department's attorney pay plan and the cost of an effective trial program. Additional pressures are decreasing federal dollars to support critical Department victim advocate and grant funded prosecutor positions.

Deputy State's Attorney Pay Plan The Department's pay plan has helped the Department retain experienced prosecutors on staff capable of handling heavier case loads. That pay plan has not been reviewed since the mid 1990's. The Department has asked for such a review by the Department of Human Resources. More experienced attorneys can handle more cases and more complex cases.

Effective Trial Program A strong trial program is essential to the effective performance of the Department. The total number of criminal cases added or reopened in FY2005 was 17,492 (3,829 felonies and 13,566 misdemeanors). While there has been a slight decrease in the number of cases added in FY2005, the number of violent felonies and crimes of sexual violence has increased. The great majority of cases are resolved short of trial because the Department is able and willing to take a case to trial. Fair and firm plea negotiations to resolve cases depends upon the Department's prospects for success at trial.

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

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

As part of its trial program, and as its preferred method of case management, the Department will continue to move toward vertical prosecution. Vertical prosecution means that the same prosecutor handles a case from initial charging decision straight through to final appeal. This approach not only ensures that the person handling a case is most familiar with its strengths and weaknesses, but also provides a consistent point of contact for crime victims. While the Department lacks sufficient attorneys to adopt vertical prosecution as standard practice, and 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.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State's Attorneys

The potential for decline in federal support is a possibility in FY 2008 and thereafter. Domestic violence prosecutors formerly funded as full-time positions have been reduced in hours to address previous federal cuts. Several victim advocate positions have similarly suffered reduction in hours.

Continued Implementation and Maintenance of CRIMES Database The Department's operating budget mainly covers the cost of rents, telecommunications, data circuits/computers, and postage. These four items accounted for 71.7% of the Department's FY2007 operating budget. The Department has worked hard in recent years to keep operating expenses down in an effort to maximize the dollars available for current staff and trial costs. The Department maintains an office in each county to serve the public and provide a critical community presence. Together with the Department's administrative office in Montpelier, the Department's operating budget funds 15 offices and the infrastructure that each office requires.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State's Attorneys

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	7,909,233	8,615,260	8,968,419	9,181,830
Operating Expenses	1,170,008	1,174,969	1,174,969	1,214,714
Grants	45,000	0	0	0
<hr/> TOTAL	<hr/> 9,124,241	<hr/> 9,790,229	<hr/> 10,143,388	<hr/> 10,396,544
FUND TYPE				
General Fund	7,118,534	7,920,231	8,273,390	8,198,299
Transportation Fund	343,590	0	0	0
Special Fund	72,706	100,578	100,578	91,097
Federal Revenue Fund	3,691	25,000	25,000	25,000
Interdepartmental Transfer	1,585,720	1,744,420	1,744,420	2,082,148
<hr/> TOTAL	<hr/> 9,124,241	<hr/> 9,790,229	<hr/> 10,143,388	<hr/> 10,396,544

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Sheriffs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Sheriffs	38	38	38	3,215,158	3,114,834	3,203,533	3,242,457
TOTAL	38	38	38	3,215,158	3,114,834	3,203,533	3,242,457
FUND TYPE							
General Fund				2,622,787	3,114,834	3,195,530	3,242,457
Transportation Fund				592,371	0	8,003	0
TOTAL				3,215,158	3,114,834	3,203,533	3,242,457

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Sheriffs

Appropriation Key Budget Issues

Prisoner Transports: The challenges for the transport program in FY2008 are both structural and financial. The structural challenge continues to be the number of transports. Coordinated effort by Sheriffs, the Court Administrator, Corrections, and the Defender General in the past has helped the Department to reduce the number of transports. The transport program remains, however, the Department's most serious fiscal challenge. In terms of raw numbers, the Department performed 3803 transports in FY2006 involving 9,825 prisoners covering 484,320 miles. This can be compared to FY2005, when the Department performed 3582 transports involving 9,621 prisoners and covering 462,742 miles. This is a steady increase was not foreseen. As a result, the Department is working with other departments and the Judiciary to try to find ways to bring number of transports down.

In FY2008 the Sheriffs could have a shortfall. With vigilance in scheduling and careful use of per diem deputies to keep costs down, the transport costs can be reduced. If the upward trend in using transports continues in FY2007 and FY2008, it will be difficult to meet the budget target.

In FY2007, the Sheriffs are doing everything in their power to reduce costs. They have imposed directives that if not complied with, the cost of the transport will not be paid for by the office of States Attorneys and Sheriffs. At this juncture, the use of video conferencing of appropriate court hearings and telephone status conferences, if prisoners are involved, could be key in reducing these costs.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Sheriffs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,851,031	2,805,590	2,894,289	2,828,849
Operating Expenses	364,127	309,244	309,244	413,608
<hr/> TOTAL	<hr/> 3,215,158	<hr/> 3,114,834	<hr/> 3,203,533	<hr/> 3,242,457
FUND TYPE				
General Fund	2,622,787	3,114,834	3,195,530	3,242,457
Transportation Fund	592,371	0	8,003	0
<hr/> TOTAL	<hr/> 3,215,158	<hr/> 3,114,834	<hr/> 3,203,533	<hr/> 3,242,457

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Safety

Department Mission Statement

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

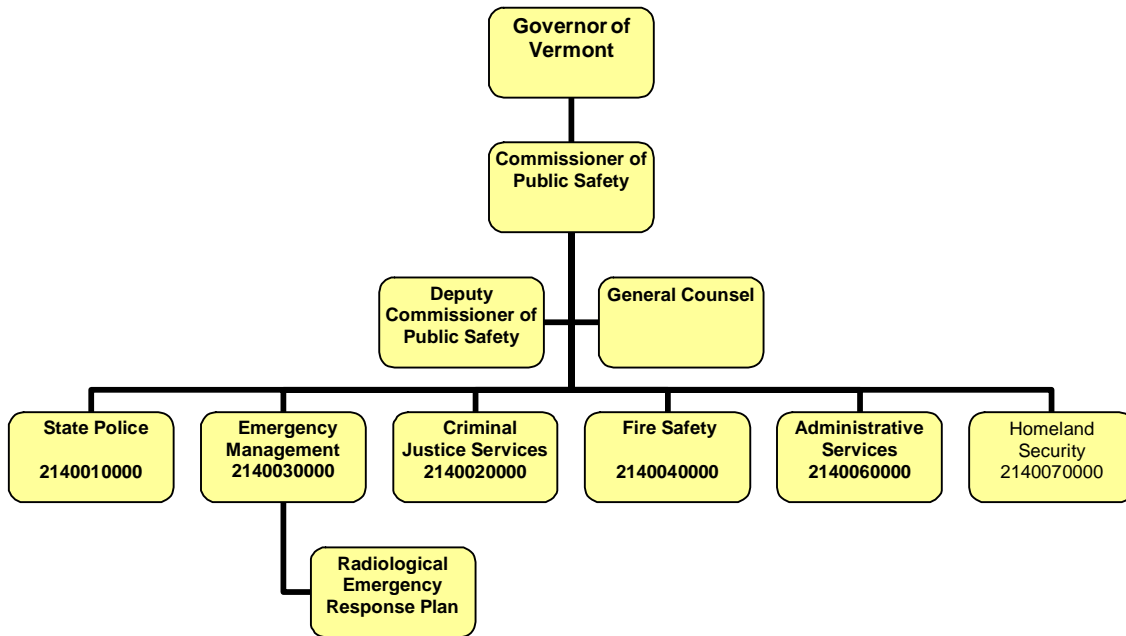
CREATION OF THE DEPARTMENT

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

Description of Appropriations, Divisions, & Programs

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

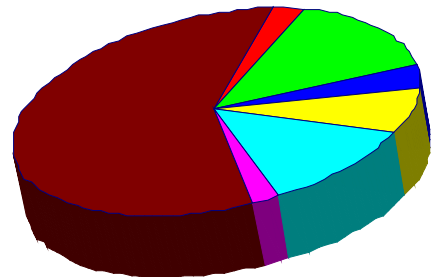
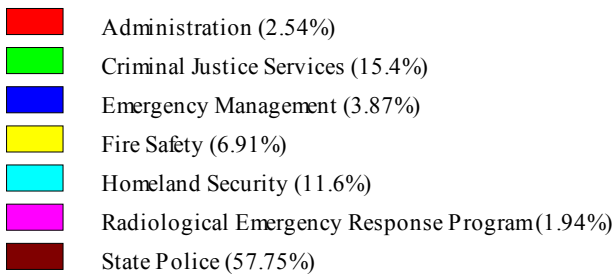
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Safety



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Safety

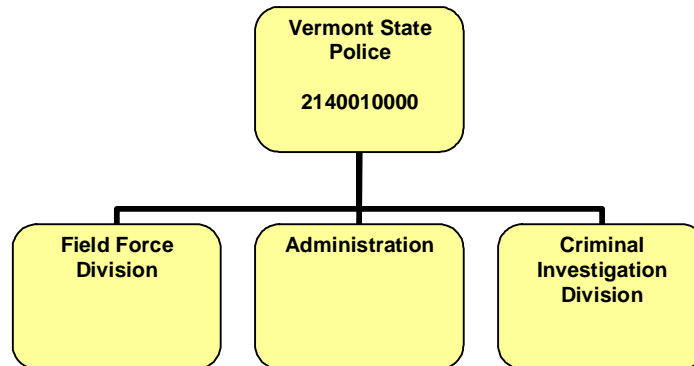
DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
State Police	454	465	466	44,297,847	44,995,162	45,199,527	45,956,364
Criminal Justice Services	67	69	72	11,270,351	10,512,216	10,619,241	12,252,946
Emergency Management	15	14	14	2,700,467	2,481,963	2,481,963	3,076,257
Fire Safety	45	53	51	5,116,434	4,721,483	4,781,804	5,496,190
Administration	23	25	25	1,617,551	1,834,255	1,834,255	2,020,893
Homeland Security	9	9	10	14,884,492	20,860,724	21,053,587	9,229,111
Radiological Emergency Response Program	8	9	9	1,139,400	1,360,440	1,429,822	1,545,158
	<u>620</u>	<u>643</u>	<u>646</u>	<u>81,026,542</u>	<u>86,766,243</u>	<u>87,400,199</u>	<u>79,576,919</u>
TOTAL							
FUND TYPE				21,037,713	9,681,155	9,688,560	12,171,118
General Fund				22,757,450	35,440,855	35,441,941	34,879,736
Transportation Fund				10,266,162	9,820,263	9,919,695	10,270,862
Special Fund				25,725,214	30,664,441	31,176,008	20,867,056
Federal Revenue Fund				1,240,003	1,159,529	1,173,995	1,388,147
Interdepartmental Transfer							
				<u>81,026,542</u>	<u>86,766,243</u>	<u>87,400,199</u>	<u>79,576,919</u>
TOTAL							



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State Police

Appropriation Key Budget Issues



The Vermont State Police includes 342 sworn members and 124 civilian personnel. They are the primary law enforcement agency in the state, providing twenty-four hour coverage to 212 of the states 255 towns or 46% of the state population on a full-time basis. In geographic terms, this accounts for 89% of the total land area in Vermont.

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

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

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

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

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

STATE OF VERMONT
FISCAL YEAR 2008 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 Dive Team. The Vermont State Police also provide Peer Support services to a host of first responders.

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

The Criminal Division consists of 78 sworn members and is divided into two units, the Bureau of Criminal Investigation (BCI) and the Special Investigations Unit (SIU). The Bureau of Criminal Investigations investigates all major crimes that are brought to their attention. Their primary focus is on death investigations, including homicides, fatal fires, untimely deaths and major crime cases. Secondary priorities include fire investigations, sex crimes and drug investigations. A significant commitment is also made to augment the efforts of other law enforcement agencies, including federal, state, county, and local departments with their major investigations. This includes the investigation of criminal conduct allegations made against Vermont law enforcement officers.

The Special Investigations Unit (SIU) is comprised of five sections. The Vermont Drug Task Force 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 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.

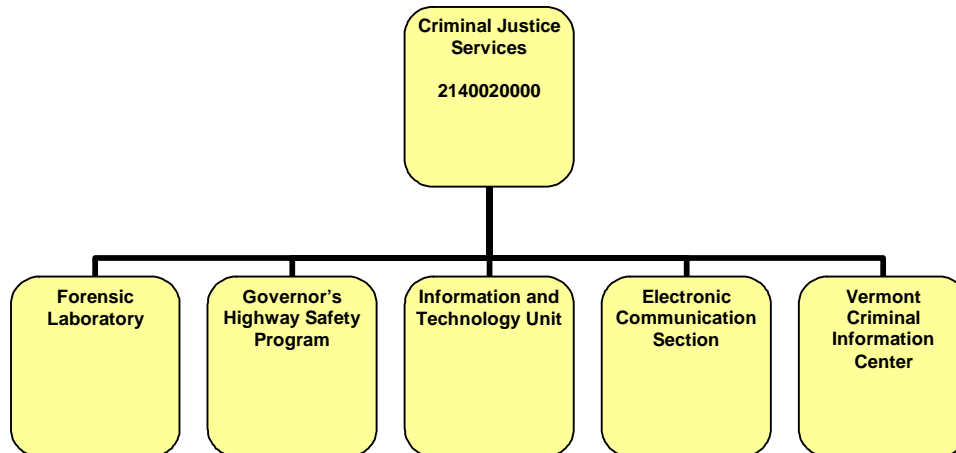
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State Police

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	36,568,571	37,651,431	37,655,031	38,140,415
Operating Expenses	5,799,031	5,707,781	5,908,546	6,840,315
Grants	1,930,245	1,635,950	1,635,950	975,634
<hr/> TOTAL	<hr/> 44,297,847	<hr/> 44,995,162	<hr/> 45,199,527	<hr/> 45,956,364
FUND TYPE				
General Fund	18,015,035	5,938,091	5,945,379	8,479,961
Transportation Fund	18,530,473	31,053,847	31,054,313	30,531,660
Special Fund	3,681,398	3,293,766	3,298,460	2,825,423
Federal Revenue Fund	3,542,534	4,156,802	4,348,719	3,558,334
Interdepartmental Transfer	528,407	552,656	552,656	560,986
<hr/> TOTAL	<hr/> 44,297,847	<hr/> 44,995,162	<hr/> 45,199,527	<hr/> 45,956,364

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Criminal Justice Services**

Appropriation Key Budget Issues



Criminal Justice Services, headed by a civilian Executive Director, is responsible for providing system support to a variety of state, county and local criminal justice agencies. Evidence analysis is available from the Vermont Forensics Laboratory serving all law enforcement agencies in Vermont. The Vermont Crime Information Center (VCIC), the state central repository for criminal information, disseminates criminal information for criminal and non criminal justice purposes. VCIC also manages the sex offender registry program and the new marijuana registry. The Electronic Communication Unit manages the two-way radio system for the Vermont State Police and other State agencies along with the State's digital microwave network. The Information and Technology Unit operates a wide area network that provides a system of services to over 1800 users at the state, county and municipal level. These services are mission-critical information technology applications for the effective and efficient support of law enforcement services throughout the state. The Governor's Highway Safety Program offers funding to state and local jurisdictions designed to reduce the incidence of death, injury and property damage on Vermont's highways.

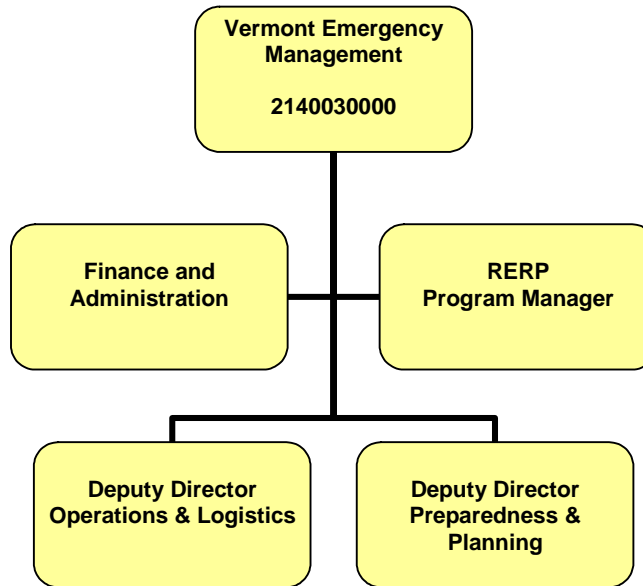
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Criminal Justice Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	4,877,586	5,925,379	5,925,379	5,797,030
Operating Expenses	3,191,045	2,404,337	2,511,362	3,199,016
Grants	3,201,720	2,182,500	2,182,500	3,256,900
<hr/> TOTAL	<hr/> 11,270,351	<hr/> 10,512,216	<hr/> 10,619,241	<hr/> 12,252,946
FUND TYPE				
General Fund	362,935	760,000	760,000	760,000
Transportation Fund	4,054,257	4,323,039	4,323,659	4,284,107
Special Fund	1,386,214	1,322,337	1,322,562	1,433,512
Federal Revenue Fund	4,873,732	3,678,817	3,770,531	5,151,813
Interdepartmental Transfer	593,213	428,023	442,489	623,514
<hr/> TOTAL	<hr/> 11,270,351	<hr/> 10,512,216	<hr/> 10,619,241	<hr/> 12,252,946

**STATE OF VERMONT
FISCAL YEAR 2008 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 fifteen, VEM manages programs that include state and local government emergency planning, local government outreach, radiological emergency preparedness (nuclear power plant), hazardous materials compliance, response and disaster prevention planning and mitigation. In addition, VEM staffs the state warning point that coordinates the assessment of response to the daily hazard incidents that occur in the state. The key to VEM's success, however, lies in the forging of partnerships with a wide range of federal, state, regional, local and private sector entities that augment the core mission of the agency. Sub-grants are awarded to the Local Emergency Planning Committees, Community Emergency Response Teams, Regional Planning Commissions, and municipalities for emergency planning and preparedness activities.

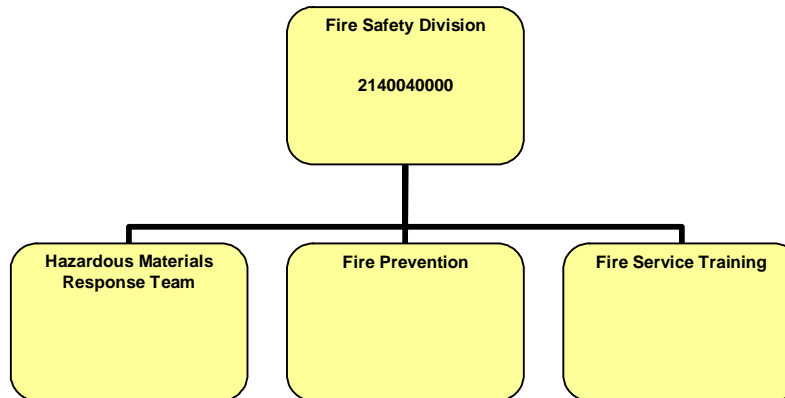
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Emergency Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,246,141	1,301,165	1,301,165	1,629,045
Operating Expenses	666,023	459,748	459,748	627,812
Grants	788,303	721,050	721,050	819,400
<hr/> TOTAL	<hr/> 2,700,467	<hr/> 2,481,963	<hr/> 2,481,963	<hr/> 3,076,257
FUND TYPE				
Transportation Fund	91,756	63,969	63,969	63,969
Special Fund	142,813	97,957	97,957	123,664
Federal Revenue Fund	2,465,898	2,320,037	2,320,037	2,888,624
<hr/> TOTAL	<hr/> 2,700,467	<hr/> 2,481,963	<hr/> 2,481,963	<hr/> 3,076,257

STATE OF VERMONT
FISCAL YEAR 2008 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 39 positions located in Barre, Montpelier, 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 programs. The primary activities of the division are inspecting buildings and reviewing plans to make sure that fire code and safety requirements are met, and providing educational outreach programs to stakeholders and the general public. It provides regulatory and technical assistance in the provision of barrier-free access to buildings for persons with disabilities. The Division continually works with the historic preservation community to ensure the safety of older buildings while assisting with preservation. The division recently began providing administrative support for the Elevator Safety program. The Division has entered into cooperative inspection agreements with municipalities around the state. These agreements allow cities and towns to enforce codes and standards on the State's behalf and increase the total number of inspections conducted in the State.

Over 90% of the Division's funding comes from the Fire Prevention special fund. This special fund consists of a number of fees for permits and plan reviews, with the construction plan review permit fee generating between \$1.6 million and \$2.3 million a year. The remaining special funds are from electrical, plumbing and sprinkler inspection fees. The Division's remaining funds are general funds and transfers from other departments. In fiscal year 2008, four new fire inspector positions are added to address the urgent need to inspect the 80,000 residential properties in Vermont. This activity is essential for the protection of our citizens.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Fire Safety

programs for all Vermont Firefighters. The Executive Director of Fire Service Training is appointed by and reports to the Director of the Fire Safety Division.

Fire Service Training oversees the operations of the Vermont Fire Academy that is located at the Emergency Services Training Facility in Pittsford, VT. The Vermont Fire Academy has a full-time staff of eight positions and is responsible for administering, developing, delivering, and documenting the efforts of firefighting students in many different programs.

Firefighter training programs are available to the 6,500 Vermont firefighters / 243 fire departments. These include Firefighter I, Fire Instructor I, Hazardous Materials, Incident Management and Terrorism related courses.

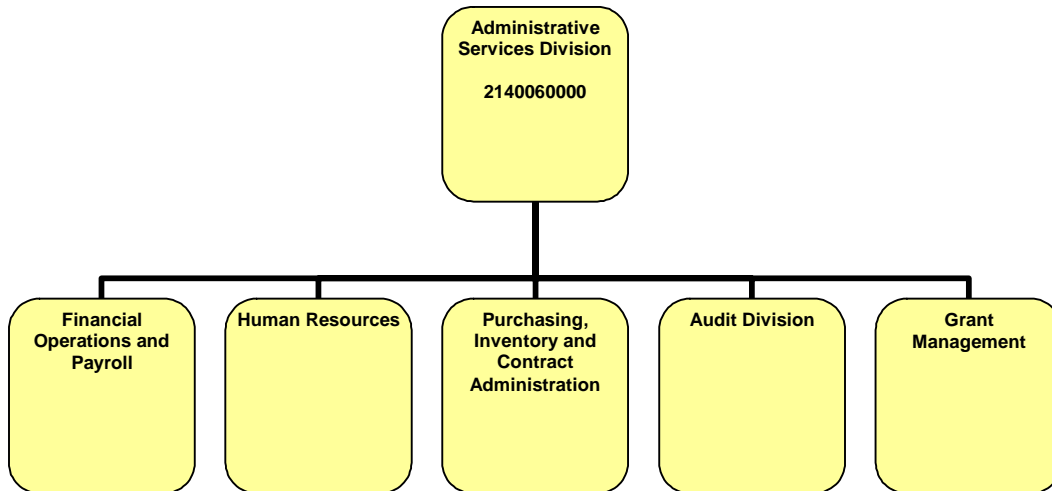
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Fire Safety

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,623,715	3,743,689	3,743,806	4,034,547
Operating Expenses	1,442,705	929,794	989,998	1,411,643
Grants	50,014	48,000	48,000	50,000
<hr/> TOTAL	<hr/> 5,116,434	<hr/> 4,721,483	<hr/> 4,781,804	<hr/> 5,496,190
FUND TYPE				
General Fund	663,291	713,652	713,769	554,159
Transportation Fund	80,964	0	0	0
Special Fund	3,916,337	3,738,363	3,766,994	4,343,105
Federal Revenue Fund	337,459	91,068	122,641	395,279
Interdepartmental Transfer	118,383	178,400	178,400	203,647
<hr/> TOTAL	<hr/> 5,116,434	<hr/> 4,721,483	<hr/> 4,781,804	<hr/> 5,496,190

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration**

Appropriation Key Budget Issues



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

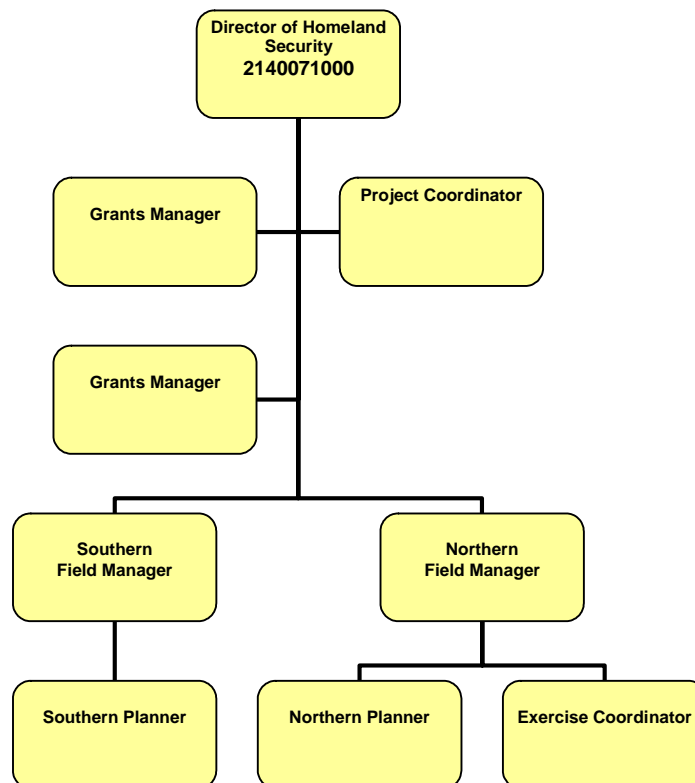
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,513,418	1,671,312	1,671,312	1,837,909
Operating Expenses	104,133	162,943	162,943	182,984
<hr/> TOTAL	<hr/> 1,617,551	<hr/> 1,834,255	<hr/> 1,834,255	<hr/> 2,020,893
FUND TYPE				
General Fund	1,617,551	1,834,255	1,834,255	1,945,925
Federal Revenue Fund	0	0	0	74,968
<hr/> TOTAL	<hr/> 1,617,551	<hr/> 1,834,255	<hr/> 1,834,255	<hr/> 2,020,893

STATE OF VERMONT
FISCAL YEAR 2008 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 three sworn State Police officers, five civilian classified employees and currently contracts with five individuals who serve as advisors to Vermont Homeland Security Unit. The Vermont State Police Troop Commanders work closely with the VTHSU for operational issues and have been appointed by the Commissioner as Public Safety District Coordinators as defined by Title 20. The Homeland Security Unit has been charged with four critical missions:

- a. All Hazards response plans - The HSU works in partnership with Vermont Emergency Management and provides guidance, training and federal homeland security funding to Vermont's 11 Regional Planning Commission's and 13 Local Emergency Planning Commission to assist in the development of local, regional and statewide all-hazards response plans.
- b. Gather, evaluate and disseminate terrorist threat information - The HSU works in a collaborative effort with the Vermont Fusion Center, the Federal Bureau of Investigation, the federal Department of Homeland Security and many other local, state, federal and international law enforcement agencies in an

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Homeland Security

effort to keep our first response agencies and government officials informed of the most up-to-date terrorist threat information. The HSU facilitates the distribution of updated terrorist threats to many first responders, has partnership in the US Attorney's Office Anti Terrorism Task Force and actively participates in the FBI's Joint Terrorism Task Force.

c. Train local state and federal partners All-Hazard response planning through the two Public Safety Academies. - The HSU coordinates approved All-Hazard response training programs through the Vermont Police and Fire Academies. The HSU has facilitated grant funding to these Academies in excess of \$1,700,000 to ensure that all Vermont first responders receive the training required to be able to Prevent, Protect Against, Respond To, and Recover from All-Hazards events.

d. Manage and administer federal homeland security grants - Since 1999, the Vermont Homeland Security Unit has received approximately \$66 million dollars of federal homeland security funding. Since that time, the HSU has been the single point of contact with the federal government for the receipt and distribution of these federal preparedness funds. The HSU works with over 8,000 first responders, 450 first response agencies and during any one year provides grant funds to over 300 sub grantees.

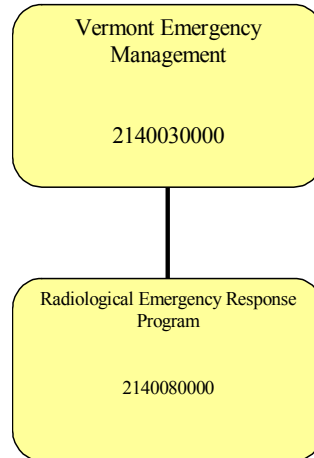
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Homeland Security

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,192,339	1,517,922	1,517,922	1,449,071
Operating Expenses	1,398,284	4,504,102	4,696,965	6,730,040
Grants	12,293,869	14,838,700	14,838,700	1,050,000
<hr/> TOTAL	<hr/> 14,884,492	<hr/> 20,860,724	<hr/> 21,053,587	<hr/> 9,229,111
FUND TYPE				
General Fund	378,901	435,157	435,157	431,073
Special Fund	0	7,400	3,900	0
Federal Revenue Fund	14,505,591	20,417,717	20,614,080	8,798,038
Interdepartmental Transfer	0	450	450	0
<hr/> TOTAL	<hr/> 14,884,492	<hr/> 20,860,724	<hr/> 21,053,587	<hr/> 9,229,111

**STATE OF VERMONT
FISCAL YEAR 2008 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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Radiological Emergency Response Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	514,754	667,284	667,284	768,470
Operating Expenses	178,253	239,640	309,022	221,980
Grants	446,393	453,516	453,516	554,708
<hr/> TOTAL	<hr/> 1,139,400	<hr/> 1,360,440	<hr/> 1,429,822	<hr/> 1,545,158
 FUND TYPE				
Special Fund	1,139,400	1,360,440	1,429,822	1,545,158
<hr/> TOTAL	<hr/> 1,139,400	<hr/> 1,360,440	<hr/> 1,429,822	<hr/> 1,545,158

STATE OF VERMONT
FISCAL YEAR 2008 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 reserve for both the US Army and US Air Force in times of national emergency or war.

Description of Appropriations, Divisions, & Programs

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

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

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

Additionally, the Military Department serves the needs of more than 60,000 Vermont Veterans. A major part of its service to Veterans is maintenance of the Vermont Veteran's Memorial Cemetery in Randolph. Supervision of this cemetery is provided through the Veterans' Affairs Office in Montpelier. The Veterans' Affairs Office also assists Veterans and Guardsmen/Reservists returning from overseas deployments in applying for Veterans Benefits, maintains records of all Vermont Veterans, coordinates requests for funeral services for deceased veterans, tracks and verifies claims for bonus payments and disability claims, and handles other requests for information. The Military Department also provides support to Vermont communities with color guards for parades and other formal ceremonies, as well as providing honor guards for funeral services throughout the state. In 2005, the Army and Air National

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Military

Guard provided over 390 military funeral details for Vermont's deceased Veterans and through November 2006 has provided an additional 456 details.

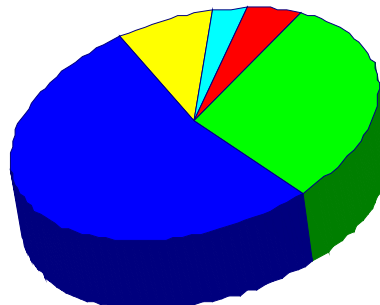
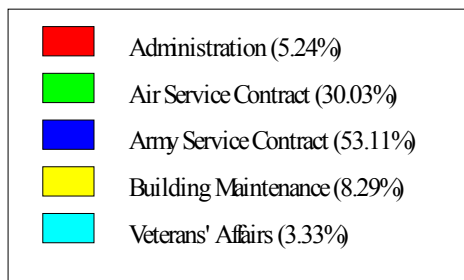
PROGRAMS: Since FY1994, the Military Department has administered Starbase, a 100% federally funded program targeting students in grades four through six with hands-on curriculum of science, math, and technology. Over 7,000 students have been served by the program. Students attend a five-day session held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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Military

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration	7	7	7	738,322	826,464	833,069	895,380
Air Service Contract	57	58	58	4,566,151	4,891,020	4,902,278	5,133,987
Army Service Contract	31	41	41	6,275,599	9,141,994	9,143,193	9,080,594
Building Maintenance	18	21	21	1,734,569	1,357,380	1,359,185	1,417,456
Veterans' Affairs	5	5	5	595,317	545,596	548,598	569,430
TOTAL	118	131	131	13,909,958	16,762,454	16,786,323	17,096,847
FUND TYPE							
General Fund				3,194,638	3,179,644	3,203,513	3,388,909
Special Fund				88,575	0	0	0
Federal Revenue Fund				10,310,733	13,582,810	13,582,810	13,707,938
Interdepartmental Transfer				316,012	0	0	0
TOTAL				13,909,958	16,762,454	16,786,323	17,096,847



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	449,142	475,193	481,798	532,542
Operating Expenses	167,127	151,271	151,271	162,838
Grants	122,053	200,000	200,000	200,000
<hr/> TOTAL	<hr/> 738,322	<hr/> 826,464	<hr/> 833,069	<hr/> 895,380
 FUND TYPE				
General Fund	738,322	826,464	833,069	895,380
<hr/> TOTAL	<hr/> 738,322	<hr/> 826,464	<hr/> 833,069	<hr/> 895,380

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Air Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,359,954	4,015,783	4,027,041	4,153,098
Operating Expenses	1,206,197	875,237	875,237	980,889
<hr/> TOTAL	<hr/> 4,566,151	<hr/> 4,891,020	<hr/> 4,902,278	<hr/> 5,133,987
FUND TYPE				
General Fund	418,218	339,579	350,837	399,579
Federal Revenue Fund	4,147,933	4,551,441	4,551,441	4,734,408
<hr/> TOTAL	<hr/> 4,566,151	<hr/> 4,891,020	<hr/> 4,902,278	<hr/> 5,133,987

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Army Service Contract

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,801,402	3,361,860	3,363,059	3,300,460
Operating Expenses	3,474,197	5,780,134	5,780,134	5,780,134
<hr/> TOTAL	<hr/> 6,275,599	<hr/> 9,141,994	<hr/> 9,143,193	<hr/> 9,080,594
FUND TYPE				
General Fund	112,799	110,625	111,824	107,064
Federal Revenue Fund	6,162,800	9,031,369	9,031,369	8,973,530
<hr/> TOTAL	<hr/> 6,275,599	<hr/> 9,141,994	<hr/> 9,143,193	<hr/> 9,080,594

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Building Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	796,555	915,455	917,260	975,531
Operating Expenses	938,014	441,925	441,925	441,925
<hr/> TOTAL	<hr/> 1,734,569	<hr/> 1,357,380	<hr/> 1,359,185	<hr/> 1,417,456
FUND TYPE				
General Fund	1,418,557	1,357,380	1,359,185	1,417,456
Interdepartmental Transfer	316,012	0	0	0
<hr/> TOTAL	<hr/> 1,734,569	<hr/> 1,357,380	<hr/> 1,359,185	<hr/> 1,417,456

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Veterans' Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	283,804	265,466	268,468	316,503
Operating Expenses	311,513	107,315	107,315	75,112
Grants	0	172,815	172,815	177,815
<hr/> TOTAL	<hr/> 595,317	<hr/> 545,596	<hr/> 548,598	<hr/> 569,430
FUND TYPE				
General Fund	506,742	545,596	548,598	569,430
Special Fund	88,575	0	0	0
<hr/> TOTAL	<hr/> 595,317	<hr/> 545,596	<hr/> 548,598	<hr/> 569,430

STATE OF VERMONT
FISCAL YEAR 2008 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 and the total number of open claims at the start of FY 2007 was 1,427. 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 with the program experiencing a 22% increase (173,028) in FY 06.

The Victim Assistance Program is funded through the Center's special fund appropriation and federal VOCA funds. It maintains 21 full-time equivalent Victim Advocates in the State's Attorneys Offices throughout the fourteen counties of Vermont to assist victims through the criminal justice process and to act as liaison with the State's Attorneys and other criminal justice agencies. Victims of crime in Vermont are entitled to certain basic rights, which include the right to be informed, to be present, and to be heard at all critical stages of the criminal justice process. In the larger counties, there are also specialized Victim Advocates who work exclusively with victims of domestic violence, child abuse or sexual assault in order to respond to the unique needs of these crime victims. Currently, there are five

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Victim Advocates who are part of these special prosecution units. A full-time Coordinator 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 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 the Restitution Fund. A Restitution Unit was created at the Center and became operational on July 1, 2004. Restitution Judgment Orders ordered by the Court are sent to the Unit and payment to the victim is made out of the Restitution Fund up to a \$10,000 cap. The Unit then collects from the offender to reimburse the fund (or the victim for orders over \$10,000). The Unit also took over the collection of restitution ordered prior to July 1, 2004 from the Department of Corrections. During FY 06, the Restitution Unit paid out \$2,023,006 dollars to crime victims and collected \$1,155,416 from offenders.

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

Federal Grant Programs:

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

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

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

Rural Domestic Violence and Child Victimization Grant federal funds are aimed at reducing the obstacles that prevent battered women and their children in isolated rural areas from accessing needed

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

services. In Vermont, this grant program funds a Domestic Violence Unit at the Department of Children and Families and children's services at local domestic violence programs.

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

Bureau of Justice Assistance congressionally mandated grant funds are allocated to the Parallel Justice Pilot Project in Burlington, Vermont. This is a new program piloted in FY07.

State Grant Programs:

State Domestic Violence and Sexual Assault Funds are passed through to the 16 member programs of the Vermont Network Against Domestic and Sexual Violence to enable them to provide direct service to victims of domestic and sexual violence.

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

Child Advocacy Center Grant program funds 5 nationally accredited Child Advocacy Centers that coordinate the investigation, prosecution and clinical treatment of children who have been sexually abused.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Center for Crime Victims' Services	0	0	0	9,243,399	10,022,528	10,075,418	10,119,818
TOTAL	0	0	0	9,243,399	10,022,528	10,075,418	10,119,818
FUND TYPE							
General Fund				1,043,644	1,125,253	1,125,253	1,125,020
Special Fund				3,973,882	4,876,155	4,929,045	4,973,678
Federal Revenue Fund				4,152,291	4,021,120	4,021,120	4,021,120
Interdepartmental Transfer				73,582	0	0	0
TOTAL				9,243,399	10,022,528	10,075,418	10,119,818

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Description of Appropriations, Divisions, & Programs

The Center for Crime Victim Services is mandated by statute to administer the Victims Compensation and Victim Assistance Programs, as well as the Restitution Unit that was created in FY 2004. In addition, the Center has been charged with the administration of several state and federal grant programs whose funds are intended to expand the provision of services to victims of crime.

The Victims Compensation Program provides limited financial assistance to victims who have experienced a financial loss as a direct result of a violent crime. In general, compensation is not provided for property losses and, as designated “last payor,” the program reimburses only those expenses not covered by some form of insurance. Staff members verify claims through a comprehensive investigative process and approved payments are made either to service providers or directly to the victim. Over the past five years the number of claims received annually has steadily risen from approximately 450 to nearly 600 new claims each year. In addition, claims from previous years often remain open for several years due to the on-going needs of crime victims who need counseling and support throughout the recovery process. The complexity of the claims has also increased, with payments for services such as relocation, out-of-state travel and temporary living expenses for victims fleeing domestic violence situations becoming far more common than they were when the program was first established. \$710,380 has been budgeted in FY 2007 for payment of these claims.

The Victim Assistance Program is funded through the Center’s General fund Appropriation and Federal VOCA funds maintains 23 full-time equivalent advocates in the State’s Attorneys Offices throughout the fourteen counties of Vermont to assist victims through the criminal justice process and to act as liaison with the State’s Attorneys and other criminal justice agencies. Victims of crime in Vermont are entitled to certain basic rights, which include the right to be informed, to be present, and to be heard at all critical stages of the criminal justice process. A full-time coordinator position on the Center’s staff is charged with providing the supervision and technical assistance necessary to ensure that the advocates continue to perform their duties effectively. \$1,159,247 has been budgeted in FY 07 for the Victim Assistance Program.

The Restitution Unit, established by Act 57 and passed by the Legislature in FY 2003, was charged with improving the system of ordering and collecting restitution owed to victims by criminal offenders. A surcharge was added to court fines and traffic tickets beginning on July 1, 2003 in order to capitalize a Restitution Fund. The Restitution Unit became operational on July 1, 2004. The Restitution Unit paid out to victims \$1,439,797 in restitution payments that were court-ordered after July 1, 2004 and an additional \$306,497 for Restitution collected from cases ordered prior to July 1, 2004. The Unit will continue to work to collect these obligations from offenders in order to replenish the Fund. In FY 07, \$2,200,000 is budgeted for restitution payments to crime victims.

Grant Program dollars for provision of services to crime victims, awarded by various funding sources, are consolidated at the Center for Crime Victim Services for administrative purposes. This enables Vermont to take a more comprehensive approach to allocating funds geographically, demographically, and across program purposes, ensuring that underserved populations are not overlooked. Staff at the

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

Center monitor all grant recipients for compliance with state and federal guidelines and evaluate their activities to assess their effectiveness. The Center provides technical assistance to non-profit victim service agencies in developing strategies for seeking additional funding opportunities, and staff members provide training to new personnel at non-profit agencies on grant reporting requirements in order to reduce the amount of time grant recipients must spend away from their primary purpose of providing direct service to victims.

Federal Grant Programs:

VOCA (Victims of Crime Act) federal funds provide “core” services to victims of domestic and sexual violence and child sexual abuse, to elderly victims and to the families of homicide victims. Advocates at the Attorney General’s Office, SafeSpace of Burlington, Vermont Center for the Deaf & Hard of Hearing, Child Advocacy Centers, the Victim Assistance Program and the sixteen member programs of the Vermont Network Against Domestic and Sexual Violence provide these services. In FY 2007, \$1,266,375 in federal funds is budgeted.

STOP Violence Against Women Formula Grant supports multi-disciplinary domestic and sexual violence prosecution units in numerous counties across the state, whose work is to ensure the timely disposition of sexual assault and domestic violence cases while reducing the trauma experienced by victims. In FY 2007, \$854,100 in federal funds is budgeted for these units.

FVPSA (Family Violence Prevention and Services Act) monies provide immediate shelter and related assistance to victims of family violence and their dependents, and, also fund public awareness activities related to domestic violence. In FY 2007, \$718,175 in federal funds is budgeted.

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

Grants to Encourage Arrest Policies Program federal dollars are used to keep domestic violence victims safer and hold batterers more accountable by funding law enforcement, the Intensive Domestic Abuse Programs at the Department of Corrections, the Domestic Violence Council, and legal representation for victims in family court matters. In FY 2007, \$356,187 in federal funds is budgeted.

State Grant Programs:

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

The Supervised Visitation Grant program funds eight Supervised Visitation Centers that provide a neutral place for children to visit their non-residential parent when domestic violence or child abuse is present in the family. In FY 07, \$100,000 is budgeted for this grant program.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services**

Appropriation Key Budget Issues

The key budget issue for the Center is the on-going pressure of funding the annual increases in salaries and benefits in the Victim Assistance Program. The Victim Assistance Program currently employs 21 FTE Victim Advocates located in the state's attorneys' offices and is funded through the federal Victim of Crime Act (VOCA) grant and the state's Victim Compensation Special Fund. The federal VOCA grant has been level funded for the past six years and may be cut somewhere between 7.5% and 11% in federal fiscal year 2007 that will impact C CVS state FY 08 budget. This situation forces the state's Victim Compensation Special Fund to absorb the annual increases for the Victim Assistance Program. However, revenue to the Victim Compensation Special Fund has not grown at the rate predicted despite an increase to the surcharge during FY 07. In addition, the cost of claims through the Victim Compensation Program increased in FY 06 by 22%. To help reduce the pressure on the Victim Compensation Special Fund, \$50,000 has been cut from the operating costs of the Victim Assistance Program in the FY 08 budget.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Center for Crime Victims' Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

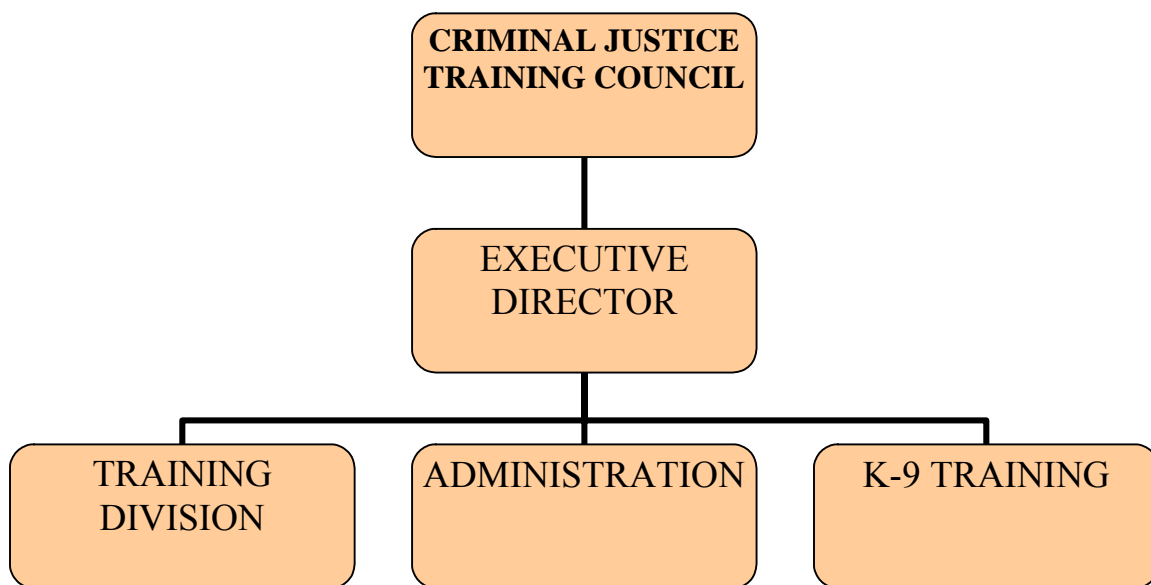
	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,060,069	1,159,459	1,212,349	1,186,878
Operating Expenses	297,580	307,874	307,874	303,478
Grants	7,885,750	8,555,195	8,555,195	8,629,462
<hr/> TOTAL	<hr/> 9,243,399	<hr/> 10,022,528	<hr/> 10,075,418	<hr/> 10,119,818
FUND TYPE				
General Fund	1,043,644	1,125,253	1,125,253	1,125,020
Special Fund	3,973,882	4,876,155	4,929,045	4,973,678
Federal Revenue Fund	4,152,291	4,021,120	4,021,120	4,021,120
Interdepartmental Transfer	73,582	0	0	0
<hr/> TOTAL	<hr/> 9,243,399	<hr/> 10,022,528	<hr/> 10,075,418	<hr/> 10,119,818

STATE OF VERMONT
FISCAL YEAR 2008 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.

Description of Appropriations, Divisions, & Programs



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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

Academy each day for in-service education and re-certification training.

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

The Council also cooperates with various community organizations by offering the facility for student seminars, recreation events and leadership classes. Additionally, the Academy houses 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 more in demand but are expensive and time consuming.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Criminal Justice Training Council	10	11	11	2,089,682	1,807,828	2,109,488	2,023,906
<hr/> TOTAL	<hr/> 10	<hr/> 11	<hr/> 11	<hr/> 2,089,682	<hr/> 1,807,828	<hr/> 2,109,488	<hr/> 2,023,906
FUND TYPE							
General Fund				948,418	1,171,978	1,184,706	1,385,881
Transportation Fund				283,293	0	0	0
Special Fund				526,168	505,452	505,452	510,393
Federal Revenue Fund				44,996	0	0	0
Interdepartmental Transfer				286,807	130,398	419,330	127,632
<hr/> TOTAL				<hr/> 2,089,682	<hr/> 1,807,828	<hr/> 2,109,488	<hr/> 2,023,906

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Criminal Justice Training Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,117,448	1,007,217	1,012,345	1,032,090
Operating Expenses	972,234	800,611	1,097,143	991,816
<hr/> TOTAL	<hr/> 2,089,682	<hr/> 1,807,828	<hr/> 2,109,488	<hr/> 2,023,906
FUND TYPE				
General Fund	948,418	1,171,978	1,184,706	1,385,881
Transportation Fund	283,293	0	0	0
Special Fund	526,168	505,452	505,452	510,393
Federal Revenue Fund	44,996	0	0	0
Interdepartmental Transfer	286,807	130,398	419,330	127,632
<hr/> TOTAL	<hr/> 2,089,682	<hr/> 1,807,828	<hr/> 2,109,488	<hr/> 2,023,906

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

Department Mission Statement

The Vermont Agency of Agriculture, Food and Markets has four divisions and 96 employees. The Agency's mission is to protect animal health and welfare and the public health, maintain and improve environmental quality, maintain and support the viability of the Vermont agricultural industry and ensure consumer equity in commerce.

Description of Appropriations, Divisions, & Programs

The Agency continues its significant role in the Governor's Clean and Clear initiative to improve and protect Vermont's water quality. Clean and Clear tackles the problem of phosphorus runoff through a comprehensive and accelerated cleanup program. The Agency of Agriculture and the Agency of Natural Resources administer this multi-million dollar project. Significant resources continue to be directed to Clean and Clear in the proposed FY08 budget.

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

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

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

The Agricultural Resource Management and Environmental Stewardship Division:

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

pesticide applicators, dealers, manufacturers, and the general public.

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

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

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

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

The Food Safety and Consumer Assurance Division serves to:

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

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

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

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

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

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

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

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

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

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

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

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

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

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

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

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

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

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

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

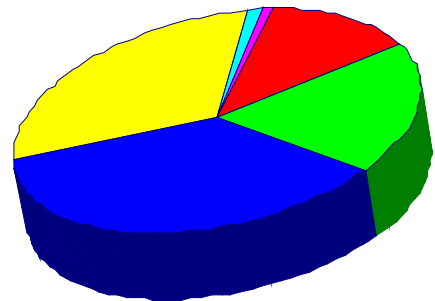
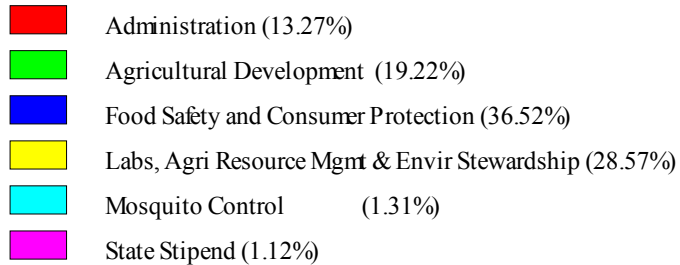
The Stipend Program makes awards to agricultural fairs and field days to encourage agricultural events.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agriculture, Food and Markets

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration	12	12	12	1,567,872	1,659,635	1,692,026	2,077,082
Food Safety and Consumer Protection	36	36	36	5,340,412	5,551,718	5,675,127	5,715,729
Agricultural Development	11	11	10	1,627,139	2,579,614	3,055,883	3,007,216
Labs, Agri Resource Mgmt & Envir	39	39	39	3,469,279	4,209,740	5,021,741	4,470,575
Stewardship	0	0	0	175,000	175,000	175,000	175,000
State Stipend	0	0	0	82,130	90,000	317,487	204,750
Mosquito Control							
	98	98	97	12,261,832	14,265,707	15,937,264	15,650,352
TOTAL							
FUND TYPE				4,818,600	5,756,329	7,200,973	6,064,866
General Fund				38,630	0	0	0
Transportation Fund				5,492,473	6,807,673	6,872,586	7,748,075
Special Fund				1,616,460	1,371,202	1,433,202	1,525,681
Federal Revenue Fund				295,669	330,503	430,503	311,730
Interdepartmental Transfer							
				12,261,832	14,265,707	15,937,264	15,650,352
TOTAL							



**STATE OF VERMONT
FISCAL YEAR 2008 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 for animal identification; to respond to agricultural regulatory issues; and to have a coordinated marketing policy. Federal grant funds are being used to assist in this process.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	832,204	855,670	869,705	907,195
Operating Expenses	450,177	446,851	465,207	816,806
Grants	285,491	357,114	357,114	353,081
<hr/> TOTAL	<hr/> 1,567,872	<hr/> 1,659,635	<hr/> 1,692,026	<hr/> 2,077,082
FUND TYPE				
General Fund	1,412,697	1,403,539	1,435,930	1,297,384
Special Fund	95,987	118,940	118,940	611,632
Federal Revenue Fund	55,188	78,543	78,543	125,386
Interdepartmental Transfer	4,000	58,613	58,613	42,680
<hr/> TOTAL	<hr/> 1,567,872	<hr/> 1,659,635	<hr/> 1,692,026	<hr/> 2,077,082

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Food Safety and Consumer Protection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,248,680	2,478,439	2,490,967	2,620,156
Operating Expenses	515,296	271,787	382,668	495,573
Grants	2,576,436	2,801,492	2,801,492	2,600,000
<hr/> TOTAL	<hr/> 5,340,412	<hr/> 5,551,718	<hr/> 5,675,127	<hr/> 5,715,729
FUND TYPE				
General Fund	1,433,500	1,404,221	1,527,630	1,732,864
Transportation Fund	38,630	0	0	0
Special Fund	3,049,036	3,513,447	3,513,447	3,411,959
Federal Revenue Fund	819,246	627,050	627,050	563,906
Interdepartmental Transfer	0	7,000	7,000	7,000
<hr/> TOTAL	<hr/> 5,340,412	<hr/> 5,551,718	<hr/> 5,675,127	<hr/> 5,715,729

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Agricultural Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	804,568	826,041	957,874	752,331
Operating Expenses	475,334	504,152	648,588	482,385
Grants	347,237	1,249,421	1,449,421	1,772,500
<hr/> TOTAL	<hr/> 1,627,139	<hr/> 2,579,614	<hr/> 3,055,883	<hr/> 3,007,216
FUND TYPE				
General Fund	625,354	813,420	1,135,513	843,958
Special Fund	812,879	1,571,703	1,613,879	1,954,258
Federal Revenue Fund	188,906	194,491	206,491	209,000
Interdepartmental Transfer	0	0	100,000	0
<hr/> TOTAL	<hr/> 1,627,139	<hr/> 2,579,614	<hr/> 3,055,883	<hr/> 3,007,216

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Labs, Agri Resource Mgmt & Envir Stewardship**

Appropriation Key Budget Issues

Thanks to three years of significant increases in support of Clean and Clear the Agricultural Resource Management and Environmental Stewardship Division is making significant progress in regulatory oversight and technical assistance to address agricultural water quality.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Labs, Agri Resource Mgmt & Envir Stewardship

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,763,381	3,079,164	3,113,430	2,779,046
Operating Expenses	558,575	504,576	514,036	566,529
Grants	147,323	626,000	1,394,275	1,125,000
<hr/> TOTAL	<hr/> 3,469,279	<hr/> 4,209,740	<hr/> 5,021,741	<hr/> 4,470,575
FUND TYPE				
General Fund	1,172,049	1,960,149	2,722,150	1,890,910
Special Fund	1,452,441	1,513,583	1,513,583	1,690,226
Federal Revenue Fund	553,120	471,118	521,118	627,389
Interdepartmental Transfer	291,669	264,890	264,890	262,050
<hr/> TOTAL	<hr/> 3,469,279	<hr/> 4,209,740	<hr/> 5,021,741	<hr/> 4,470,575

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State Stipend

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
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 2008 BUDGET RECOMMENDATIONS
Mosquito Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	500	20,000	20,000	20,000
Operating Expenses	69,108	70,000	297,487	184,750
Grants	12,522	0	0	0
<hr/> TOTAL	<hr/> 82,130	<hr/> 90,000	<hr/> 317,487	<hr/> 204,750
FUND TYPE				
General Fund	0	0	204,750	124,750
Special Fund	82,130	90,000	112,737	80,000
<hr/> TOTAL	<hr/> 82,130	<hr/> 90,000	<hr/> 317,487	<hr/> 204,750

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

Department Mission Statement

The Department contains the Divisions of Banking, Insurance, Captive Insurance, Securities and Health Care Administration. The Banking, Insurance and Captive Insurance divisions perform financial examinations of the institutions and companies under their jurisdictions. The Insurance Division reviews the contracts and products being sold to the public and the qualifications and disciplinary history of financial service providers and their sales agents. The Securities Division reviews securities offerings prior to their sale to the Vermont public and reviews the qualifications and disciplinary history of broker-dealer and investment adviser firms and their agents. The Health Care Administration Division regulates and monitors key sectors of Vermont's health care system to ensure that all Vermonters have access to preventive and medically necessary care that is affordable and meets accepted standards for quality. The Banking, Insurance Securities and Health Care Administrative divisions mediate consumer complaints and provide consumer information. Formation and expansion of regulated Vermont companies are subject to Department review, as are the rates charged on certain financial service products. The Department has administrative enforcement power to ensure compliance with Vermont laws.

Description of Appropriations, Divisions, & Programs

Banking Division activities are organized around three broad program areas.

- (1) Supervision which includes issuing charters and licenses as well as conducting examinations and investigations of all regulated entities in such areas as safety and soundness, trust, electronic data processing, e-banking, business practices, and compliance. These organizations are supervised by the Commissioner in a manner to assure the solvency, liquidity, stability and efficiency of all such organizations to assure reasonable and orderly competition thereby encouraging the availability of financial services to the public. The Commissioner has been granted a wide range of enforcement alternatives by the Legislature.
- (2) Consumer services, which is available to assist any consumer who has questions or concerns about an institution chartered or regulated by the Commissioner. Efforts are made to assist a consumer through problem resolution and intervention with regulated institutions. Examinations and investigations maybe initiated where needed.
- (3) Education, which was added with the passage of the new banking law in 2000, centers on providing the public valuable information through brochures, surveys, and public speaking engagements, which can be used when making a decision regarding choice of institution or product. Survey results and other information about chartered and licensed entities are available on the Department's web site www.bishca.state.vt.us <<http://www.bishca.state.vt.us>>.

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During Fiscal year 2008, the following state-chartered entities and licensees will be regulated by the Banking Division: Vermont Financial Institutions, Non-Depository Trust Companies, Independent Trust Companies, Credit Unions, Mutual Holding Companies, Licensed Lenders, Mortgage Brokers, Debt Adjusters, Sales Finance Companies, Money Transmitters, Check Cashers and Currency Exchangers.

The mission of the **Insurance Division** is to protect the insurance buying public through regulation of those persons and companies engaged in providing insurance to Vermont consumers. The Division, through each of its sections, regulates the insurance industry through ongoing financial surveillance, periodic financial and market conduct examinations, licensing and maintenance of competency standards of individual professionals, rate and policy form review and consumer education and consumer complaint resolution.

The Rate & Forms Section's function is to review and approve policy forms and certain rate filings for insurance companies licensed to do business in Vermont. This includes Property & Casualty insurance and Life & Annuity insurance. In FY2006, approximately 5,900 filings were acted on resulting in approximately \$575,000 in fees received. The Rate & Forms Section also monitors and analyzes the insurance market in Vermont in regards to most lines of Property & Casualty insurance, maintains statistical reporting of the industry, provides technical data support to the Consumer Complaints Section and reports and testifies on a wide range of insurance issues to the legislature.

The purpose of the Market Conduct Section is to ensure that insurance companies licensed in the state conduct their business in accordance with Vermont law and treat consumers in a fair and equitable manner. To accomplish this goal, the Insurance Division employs experienced Market Conduct Examiners to perform periodic on-site examinations of the trade practices of insurance companies and licensees that do business in the state. Any activities uncovered by the examination that are not in accordance with Vermont law may lead to an enforcement action, including administrative penalties and orders of restitution. The cost of market conduct examinations to Vermont taxpayers is negligible since Vermont law allows the Department to be reimbursed for the cost of the exam by companies and licensees being examined. During FY2006, the Insurance Division completed market conduct examinations of four insurance companies doing business in the state and initiated examinations of two other insurers. As a direct result of these examinations and the related enforcement actions, Vermont policyholders have recovered refunds exceeding \$208,000 and the State has received approximately \$15,000 in administrative penalties.

The primary goal of the Company Licensing and Examination Section is to ensure that consumers purchase insurance from companies which are fiscally responsible. The Section licenses or authorizes and reviews approximately 1,200 traditional insurance companies conducting business in this state. Of these, 18 are domiciled in Vermont. Traditional insurance companies include property and casualty companies, life and health companies, non-profit health maintenance organizations, fraternal organizations, title companies, viatical companies, HMOs, premium finance and service contract companies and continuing care retirement communities. Fees amounting to approximately \$580,000 are

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collected from the companies. Every three to five years, under the Section's examination program, licensed domestic companies are visited on site where an in-depth review of their financial position is conducted. On going financial analysis of Vermont's domestic companies is also conducted through submitted financial statements and other required filings. During 2005, the Company Licensing and Examination Section was re-accredited by The National Association of Insurance Commissioners. As a result of re-accreditation, the section's financial examinations of insurance companies are recognized by all states.

The main objective of the Insurance Division's Consumer Assistance Section is to provide direct and personal service to the public on resolving consumer complaints. This entails ensuring that the insurance industry adheres to the laws, regulations and bulletins established by the Department to protect the public. This can range from assisting the consumer in getting a claim paid to aiding the consumer in procuring coverage during the hard market which we are now experiencing. The Section provides consumer education and guidance, comparative information about rates and forms in the marketplace, various consumer guide publications and on site attendance at a variety of fairs and shows to assist on an outreach basis. In 2006, the Section logged approximately 7,000 telephone calls for assistance, opened over 580 complaints, answered an additional 194 written inquires and recovered approximately \$1 million for consumers through problem solving resolution and intervention with companies.

The Producer Licensing Section of the Insurance Division issues 15 different types of licenses on a biennial basis. The primary purpose of the Licensing Section is to protect Vermonters by ensuring that only qualified individuals are licensed in Vermont. In addition to this mission, the Section also provides the insurance industry with excellent and timely service so that the business of insurance using licensees is uninterrupted. In FY2006, the Section collected \$5.3 million in licensing related fees. It should be noted that insurance producers are licensed for two year periods occurring in odd numbered years, thus the section's fees vary significantly between odd and even numbered years.

The Producer Licensing Section completed a systems-wide conversion onto a new software system. As a result of this conversion the Section is achieving greater efficiency managing the licensing process. Service quality has improved dramatically by shortening the length of time needed to obtain a license. In addition, as a result of the conversion the Section participates in a national database that enables the electronic processing of certain license types.

The **Captive Insurance Division** is charged with licensing and examining captive insurance companies domiciled in Vermont. A captive insurer is a company, which is owned, and managed by its policyholders, thereby enhancing the company's desire and ability to control costs and tailor its insurance program to suit its individual needs. Vermont has evolved a regulatory system to ensure the solvency of captives while recognizing the special purpose for which they were created. The number of captives in Vermont continues to grow.

There are 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

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examining these insurers to ensure their financial solvency. The Division collects fees for their licensing and examination activities. Captive insurers create jobs and also generate premium taxes for the state; in FY2006 the Captive insurance industry remunerated approximately \$22,740,000 in premium taxes to Vermont

The mission of the **Securities Division** is to protect Vermont investors from fraudulent investment schemes and thus to help promote the legitimate formation of capital in this state. The Division fulfills this mission through four main regulatory activities: 1) review and approval of securities offered to Vermont investors; 2) licensing of securities dealers and investment advisors; 3) enforcement of the anti-fraud provisions of the Vermont Securities Act; and 4) consumer protection by both responding to consumer complaints and providing education to the investing public.

The Division employs five members, including one enforcement attorneys, two securities examiners who review proposed securities offerings and investigate alleged violations of the Vermont Securities Act, a systems administrator who oversees the licensing of over 78,000 securities dealers and investment advisors in the state (firms and individuals), and a program services clerk.

In FY 2005, the Division's revenue from all sources, including fines and licensing fees, exceeded \$13.2 million. In FY 2006, the Division's revenue from all sources was \$14,311,102.67. The Division has received over \$200,000 in fines and donations from global settlements during the current fiscal year.

The Division believes that helping to create financial literacy is one of the best ways to protect Vermont investors. During FY 2006, Division staff engaged in a variety of activities designed to promote financial literacy amongst Vermont citizens, including personal appearances at senior fairs and high schools, television appearances, and the publication of magazine and newspaper articles. The Division also began a program to speak to various Vermont rotary clubs and senior associations. The Division plans to continue increasing its investor education activities by further developing programs aimed at increasing the financial sophistication of two high priority groups, senior citizens and teenagers.

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

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

During the 2006 legislative session, Acts 190 and 191 were passed to provide the foundation for Vermont's Health Care Reform Plan that is designed to simultaneously achieve the following three

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goals:

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

BISHCA is also participating in new activities to meet these goals:

- a) Planning and developing a non-group market security trust program;
- b) Reviewing and updating common claims and procedures;
- c) Developing price and quality information that is transparent to the consumer;
- d) Updating hospital community reporting to address adverse event reporting, infection reporting and nursing measures;
- e) Established a Cost Shift Task Force and provided recommendations in a report to the Health Care Reform Commission on December 1, 2006;
- f) Preparing a report providing recommendations to standardize uncompensated care reporting and policies for the hospitals;
- g) Reviewing and updating insurance laws and regulations related to Uniform Credentialing; continuation of coverage, healthy choices discounts, and proposed Sorry Works legislation; and
- h) Developing the multi-payer database.

In addition, the Department is working with other state agencies and stakeholders to develop and enhance the implementation of the Catamount Health Care Plan.

HCA operates 6 primary programs to carry out regulatory responsibilities and to meet inquiries from the legislature and the Governor. These programs utilize both staff and contractual expertise to implement and operate healthcare provider and insurance oversight, budget review and certificate of need, data research and analysis, consumer services, and regulatory legal/enforcement activities. The following describes the major functions that HCA performs.

PROFILE OF PROGRAMS/FUNCTIONS

Health Resource Allocation Plan

Regulatory oversight of health care in Vermont changed in 2003 with the passage of Act 53 by the Vermont General Assembly. The law is implemented under the provisions of 18 V.S.A. §9402 through §9456. A key provision of the Act is the development of a Health Resource Allocation Plan (HRAP).

The Governor reviewed and finalized the HRAP in the summer of 2005 and adopted it on August 2, 2005. BISHCA has identified key next steps for the HRAP and has a number of activities that are expected to address updating the HRAP. These include but are not limited to:

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- a) Developing CON benchmarks;
- b) Using employer survey data to update the count of uninsured and to provide demographic information for both the insured and uninsured;
- c) Analyzing provider service areas and develop means to compare and present utilization data for an array of services;
- d) Improving transparency for quality and price information to enhance consumerism in health care;
- e) Developing organizational structure and regulations around the multi-payer data set;
- f) Enhancing analyses in the Expenditure analysis that examine border crossing trends and expenditures by various age cohorts; and
- g) Improving reporting for uncompensated care to enhance the analysis of the cost shift to better understand the demographic characteristics of those receiving uncompensated 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, delivery and quality of health care services offered to Vermonters. HCA administers the annual collection, distribution and analysis of hospital discharge data quantifying utilization of inpatient, outpatient and emergency department services in Vermont and for Vermonters using hospital services in bordering states. HCA has recently expanded the scope of required reporting on outpatient services from Vermont hospitals. **Under new provisions**, HCA is charged with collecting claims data from all health insurers to support development of a comprehensive health care information system and to the extent allowed by HIPAA, make the data available for the review of health care utilization, expenditures, and performance in Vermont. HCA also has a charge to annually produce the Vermont health care expenditure analysis and forecast quantifying expenditures for health care in the state, and for state residents in and out of state. In addition, HCA develops and analyzes administrative and survey databases to monitor the health insurance coverage status of Vermont residents and the private health insurance market in Vermont.

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” and discouraging development of unnecessarily duplicative health care services while working to maintain and improve the quality of and access to health care services and promote the rational allocation of health care services in the state. In addition, improved reporting efforts are designed to help educate communities and the consumer about hospital pricing and local health service needs.

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Specifically, HCA:

- a) As required by 18 VSA 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;
- b) Reviews budgets to determine whether a hospital operated within its approved budget level established in the prior year;
- c) As required by 18 VSA 9431 et seq., approves or disapproves expenditures for new institutional health services which exceed specific dollar amounts and reviews other proposals as mandated by Certificate of Need (**CON**) laws;
- d) As required by 18 VSA 9431 develops three-year projections of health care expenditures, using the Vermont Expenditure Analysis; and,
- e) 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 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. 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 Review 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 each 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.

Health Care Quality Improvement

Managed Care Quality Assurance: HCA is responsible for evaluating managed care organizations (MCOs) under 8 V.S.A. § 4089a, Rule 10, and Regulation 95-2. Each year under Rule 10, MCOs file extensive data sets related to care processes and outcomes, consumer satisfaction, access to care, and utilization review and grievance timeliness. HCA analyzes the data, publishes an annual consumer guide comparing Vermont MCO performance to the national average, and works with the

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MCOs to identify quality improvement opportunities based on the data. The MCOs also undergo extensive Rule 10 Triennial Reviews to ensure that their policies and practices conform to Rule 10 requirements. Mental health review agents are licensed under 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 Act 53 of 2003 (18 V.S.A. § 9405b). Each hospital must publish an annual report that includes measures of quality, patient safety, hospital pricing and financial health; a summary of the hospital's budget; a process for achieving openness, inclusiveness and meaningful public participation in the hospital's strategic planning and decision-making; the hospital's complaint resolution process; information about ongoing quality improvement and patient safety projects; a summary of the community needs assessment; and information about the hospital's governing body. Amendments adopted in 2006 require infection and nurse staffing measures to be added to the reports. These measures will augment data in the current reports relating to heart attack, pneumonia and heart failure care; patient satisfaction; volume and mortality of selected procedures; financial health; and hospital price comparisons for the most common diagnosis-related groups and outpatient surgical and diagnostic procedures.

Consumer Price and Quality Transparency: Under Act 191 of 2006, the Department is required to establish a work group and promulgate rules regarding consumer price and quality information systems. This statutory requirement is broader than the Act 53 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.

Participation in Statewide Health Care Quality Improvement Initiatives: HCA works with the Department of Health and the Office of Vermont Health Access (OVHA) on a variety of issues, including the Vermont Blueprint for Health Chronic Care Initiative, the Vermont Youth Health Improvement Initiative, diabetes care, asthma care, and smoking cessation.

Uniform Provider Credentialing and Common Claims and Procedures: Act 191 of 2006 includes requirements to adopt a uniform provider credentialing application form, and convene a work group to design, recommend and implement steps to streamline health care administrative procedures.

Consumer Protection Programs

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

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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 timeliness of the resolution. In order to respond to consumers with questions about health insurance, HCA produces a series of publications. 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 External Appeals Program for physical 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 grounds. The Division administers both programs. That work includes recruitment, orientation and administrative and legal support for the volunteer Independent Panel; issuing RFPs and contracting with independent review organizations; responding to and assessing consumer inquiries; processing inquiries and applications; administering the appeals process for each case; educating consumers and others about appeal rights; and addressing systemic issues that become evident in the course of administering the appeals. The Division has received approximately 10 formal Independent Panel and 26 formal external review applications to date in CY 2006 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.

Office of Health Care Ombudsman: HCA contracts with the Office of Health Care Ombudsman to ensure that consumers have access to advocates to assist them with complaints and appeals related to health insurance and health care.

Common Sense, Consensus Initiatives

Improving Quality and Containing Costs through Health Care System Reform

BISHCA's budget includes \$3,626,000 for the following programs in the Governor's Health Care Reform Plan:

- *\$2.5 million for the Non Group Market Security Trust* This effort will total over \$2.5 million, of which \$1 million in grant dollars is being provided to develop the infrastructure and program plan. It is expected that this program will begin implementation sometime during 2008. The grant money is provided by the Center for Medicaid Operations of the Center for Medicare and Medicaid Services and will be used hire consultants or another 3rd party to develop and administer the implementation plans. The balance of the funds will be used to subsidize Vermont's non-group market in order to reduce non-group premiums.

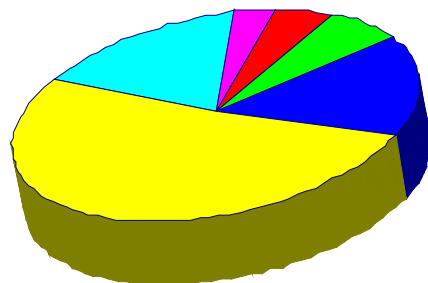
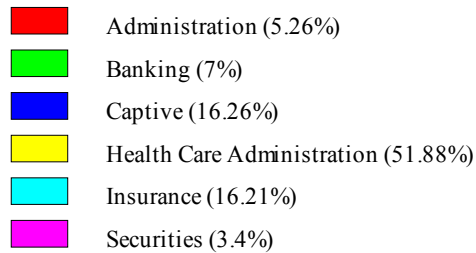
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

- *\$100,000 for the Uninsured Survey* This will be an update to the Vermont Family Health Insurance survey that the Department has administered 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.
- *\$726,000 The VITL Health Information Technology project.* During the 2005 Session, the Legislature and the Governor approved the creation of the Health Information Technology project, under the leadership of the Vermont Information Technology Leaders (VITL) and BISHCA. The project is designed to provide Vermont with a modern health care information and communications system. Two key elements of the project include the development of a patient-centered health information technology plan and the implementation of an electronic medical records system. A pilot project involving at least two hospitals was started in July of 2006.
- *\$200,000 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 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.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Banking Ins Sec Hlth Care Adm

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Banking	16	16	17	1,323,304	1,414,075	1,414,075	1,521,591
Insurance	27	27	28	3,058,468	3,437,326	3,437,326	3,524,286
Captive	26	28	30	2,818,908	3,223,609	3,223,609	3,534,254
Securities	7	6	7	571,888	657,718	657,718	738,808
Health Care Administration	21	24	24	3,724,184	4,920,898	4,920,898	11,279,753
Administration	12	12	12	945,652	1,110,630	1,110,630	1,142,630
TOTAL	109	113	118	12,442,404	14,764,256	14,764,256	21,741,322
FUND TYPE							
General Fund				7,789	711,000	711,000	711,000
Special Fund				11,275,353	12,267,075	12,267,075	18,450,325
Federal Revenue Fund				0	0	0	1,000,000
Global Commitment Fund				983,637	1,716,181	1,716,181	1,509,997
Interdepartmental Transfer				175,625	70,000	70,000	70,000
TOTAL				12,442,404	14,764,256	14,764,256	21,741,322



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Banking

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,011,595	1,133,430	1,133,430	1,241,297
Operating Expenses	311,709	280,645	280,645	280,294
<hr/> TOTAL	<hr/> 1,323,304	<hr/> 1,414,075	<hr/> 1,414,075	<hr/> 1,521,591
FUND TYPE				
Special Fund	1,323,304	1,414,075	1,414,075	1,521,591
<hr/> TOTAL	<hr/> 1,323,304	<hr/> 1,414,075	<hr/> 1,414,075	<hr/> 1,521,591

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Insurance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,669,246	2,918,926	2,918,926	2,988,436
Operating Expenses	389,222	518,400	518,400	535,850
<hr/> TOTAL	<hr/> 3,058,468	<hr/> 3,437,326	<hr/> 3,437,326	<hr/> 3,524,286
FUND TYPE				
Special Fund	3,058,468	3,437,326	3,437,326	3,524,286
<hr/> TOTAL	<hr/> 3,058,468	<hr/> 3,437,326	<hr/> 3,437,326	<hr/> 3,524,286

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Captive

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,357,950	2,785,349	2,785,349	3,032,154
Operating Expenses	460,958	438,260	438,260	502,100
<hr/> TOTAL	<hr/> 2,818,908	<hr/> 3,223,609	<hr/> 3,223,609	<hr/> 3,534,254
FUND TYPE				
Special Fund	2,818,908	3,223,609	3,223,609	3,534,254
<hr/> TOTAL	<hr/> 2,818,908	<hr/> 3,223,609	<hr/> 3,223,609	<hr/> 3,534,254

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Securities

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	470,431	524,668	524,668	602,058
Operating Expenses	101,457	133,050	133,050	136,750
<hr/> TOTAL	<hr/> 571,888	<hr/> 657,718	<hr/> 657,718	<hr/> 738,808
FUND TYPE				
Special Fund	571,888	657,718	657,718	738,808
<hr/> TOTAL	<hr/> 571,888	<hr/> 657,718	<hr/> 657,718	<hr/> 738,808

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health Care Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,340,205	4,541,080	4,541,080	10,890,439
Operating Expenses	383,979	379,818	379,818	389,314
<hr/> TOTAL	<hr/> 3,724,184	<hr/> 4,920,898	<hr/> 4,920,898	<hr/> 11,279,753
FUND TYPE				
General Fund	7,789	711,000	711,000	711,000
Special Fund	2,557,133	2,423,717	2,423,717	7,988,756
Federal Revenue Fund	0	0	0	1,000,000
Global Commitment Fund	983,637	1,716,181	1,716,181	1,509,997
Interdepartmental Transfer	175,625	70,000	70,000	70,000
<hr/> TOTAL	<hr/> 3,724,184	<hr/> 4,920,898	<hr/> 4,920,898	<hr/> 11,279,753

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	912,442	1,059,213	1,059,213	1,099,435
Operating Expenses	33,210	51,417	51,417	43,195
<hr/> TOTAL	<hr/> 945,652	<hr/> 1,110,630	<hr/> 1,110,630	<hr/> 1,142,630
FUND TYPE				
Special Fund	945,652	1,110,630	1,110,630	1,142,630
<hr/> TOTAL	<hr/> 945,652	<hr/> 1,110,630	<hr/> 1,110,630	<hr/> 1,142,630

STATE OF VERMONT
FISCAL YEAR 2008 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 Archives, Elections, Corporations, and Professional Regulation; and the Safe at Home address confidentiality program.

ARCHIVES

The Archives division of the Office of the Secretary of State preserves and keeps accessible state government records deemed by statute, record schedule or archival appraisal to have continuing value. The goal of the Archives is to provide evidence of key government transactions and activities of government. The Archives provides reference services to those seeking to review public records.

The Archives shall, to the extent practicable, cooperate with and assist state institutions, political subdivisions, and individuals engaged in archival management and historical research. The Archives may offer advice on questions associated with the statutory provisions governing access to public records. The primary statutory authority for the State Archives can be found in 3 V.S.A. §117 and in the broader requirements of Article VI, Chapter I of the Vermont Constitution for the accountability of government officials to the public.

ELECTIONS

The Elections division of the Office of the Secretary of State protects the integrity of campaigning and elections in Vermont; facilitates the access of all citizens to elections, governmental activities, and public issues; provides administration and support for the orderly conduct of elections, including making recommendations for improvements to the process (both technological and policy); provides responsive and accurate information and advice to citizens, public officials, and the press on elections, campaign finance, lobbyist disclosure, open meeting, public records, and municipal questions; administers the campaign finance and lobbyist disclosure laws; improves the motor voter registration process and forms; continues to increase the availability of information through its web site and publications; and provides public education to encourage the participation of all citizens of voting age in the Vermont elections process.

As of the 2000 census, there were 461,491 citizens of voting age and as of November, 2006 there were 433,572 registered voters in Vermont. The Elections division serves citizens, voters, candidates, political parties, political committees, public officials (elected and appointed), members of the press, lobbyists, lobbyist employers, students, public interest groups and a wide variety of researchers and academicians.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Secretary of State

CORPORATIONS

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

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

OFFICE OF PROFESSIONAL REGULATION

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

SAFE AT HOME

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Secretary of State

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Secretary of State	53	55	55	5,672,402	6,581,578	7,096,730	6,636,265
<hr/> TOTAL	<hr/> 53	<hr/> 55	<hr/> 55	<hr/> 5,672,402	<hr/> 6,581,578	<hr/> 7,096,730	<hr/> 6,636,265
FUND TYPE							
General Fund				788,274	586,693	1,101,845	588,801
Special Fund				3,784,346	3,919,885	3,919,885	3,972,462
Federal Revenue Fund				1,024,782	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer				75,000	75,000	75,000	75,002
<hr/> TOTAL				<hr/> 5,672,402	<hr/> 6,581,578	<hr/> 7,096,730	<hr/> 6,636,265

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Secretary of State

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	4,162,114	4,040,135	4,127,485	4,407,205
Operating Expenses	1,430,959	1,341,443	1,769,245	1,229,060
Grants	79,329	1,200,000	1,200,000	1,000,000
<hr/> TOTAL	<hr/> 5,672,402	<hr/> 6,581,578	<hr/> 7,096,730	<hr/> 6,636,265
FUND TYPE				
General Fund	788,274	586,693	1,101,845	588,801
Special Fund	3,784,346	3,919,885	3,919,885	3,972,462
Federal Revenue Fund	1,024,782	2,000,000	2,000,000	2,000,000
Interdepartmental Transfer	75,000	75,000	75,000	75,002
<hr/> TOTAL	<hr/> 5,672,402	<hr/> 6,581,578	<hr/> 7,096,730	<hr/> 6,636,265

**STATE OF VERMONT
FISCAL YEAR 2008 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 Efficiency Vermont's energy efficiency programs; proposes and promotes strategies and programs to enhance energy savings for customers, the Vermont economy and environment; and works in public/private partnerships to develop renewable energy resources in the state. The Division writes and manages grants to support innovative energy efficiency strategies and to build on its successful efforts promoting renewable and sustainable energy technologies in Vermont.

Regulated Utility Planning. The Planning Division reviews the State's current and long term needs for electric energy and for a least cost portfolio of options to meet the State's future demand. The Planning Division reviews utility power supply and cost information, monitoring for consistency with policy recommendations in the Vermont Comprehensive Energy and Electric Plan, regularly reviews fossil fuel price forecasts, and provides expert support to public advocacy functions. The Planning Division also

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Service Department

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.

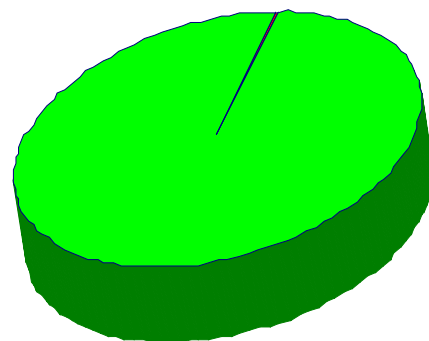
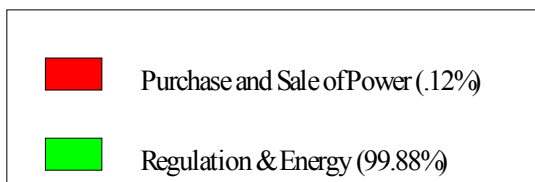
Monitoring of Non-Regulated Fuels. The Department monitors and reports non-regulated fuel prices and supplies statewide. This information is summarized and distributed in a monthly publication, "Vermont Fuel Price Report." Key issues and trends are identified and actions are recommended when appropriate 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 2008 BUDGET RECOMMENDATIONS
Public Service Department

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Regulation & Energy	42	43	44	4,726,469	6,022,263	10,822,263	11,030,854
Purchase and Sale of Power	0	0	0	16,531	13,402	13,402	13,402
TOTAL	42	43	44	4,743,000	6,035,665	10,835,665	11,044,256
FUND TYPE							
General Fund				576	0	0	0
Special Fund				3,913,253	4,842,865	9,642,865	9,851,772
Federal Revenue Fund				815,502	1,157,800	1,157,800	1,157,484
Interdepartmental Transfer				13,669	35,000	35,000	35,000
TOTAL				4,743,000	6,035,665	10,835,665	11,044,256



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Regulation & Energy

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,465,013	4,547,379	4,767,379	4,873,384
Operating Expenses	571,657	674,884	694,884	687,463
Grants	689,799	800,000	5,360,000	5,470,007
<hr/> TOTAL	<hr/> 4,726,469	<hr/> 6,022,263	<hr/> 10,822,263	<hr/> 11,030,854
FUND TYPE				
General Fund	576	0	0	0
Special Fund	3,896,722	4,829,463	9,629,463	9,838,370
Federal Revenue Fund	815,502	1,157,800	1,157,800	1,157,484
Interdepartmental Transfer	13,669	35,000	35,000	35,000
<hr/> TOTAL	<hr/> 4,726,469	<hr/> 6,022,263	<hr/> 10,822,263	<hr/> 11,030,854

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Purchase and Sale of Power

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	15,028	11,886	11,886	11,886
Operating Expenses	1,503	1,516	1,516	1,516
<hr/> TOTAL	<hr/> 16,531	<hr/> 13,402	<hr/> 13,402	<hr/> 13,402
FUND TYPE				
Special Fund	16,531	13,402	13,402	13,402
<hr/> TOTAL	<hr/> 16,531	<hr/> 13,402	<hr/> 13,402	<hr/> 13,402

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Service Board**

Department Mission Statement

The Public Service Board exists to ensure that Vermont's ratepayers receive high quality public utility services in over one million accounts from approximately 550 utilities, at minimum reasonable costs, measured over time periods consistent with the public good of the state.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Service Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Public Service Board	28	27	27	2,772,115	2,757,097	2,757,097	2,826,024
TOTAL	28	27	27	2,772,115	2,757,097	2,757,097	2,826,024
FUND TYPE							
Special Fund				2,772,115	2,757,097	2,757,097	2,826,024
TOTAL				2,772,115	2,757,097	2,757,097	2,826,024

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Service Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,448,757	2,447,097	2,447,097	2,526,024
Operating Expenses	323,358	310,000	310,000	300,000
<hr/> TOTAL	<hr/> 2,772,115	<hr/> 2,757,097	<hr/> 2,757,097	<hr/> 2,826,024
FUND TYPE				
Special Fund	2,772,115	2,757,097	2,757,097	2,826,024
<hr/> TOTAL	<hr/> 2,772,115	<hr/> 2,757,097	<hr/> 2,757,097	<hr/> 2,826,024

**STATE OF VERMONT
FISCAL YEAR 2008 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 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 2008 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Enhanced 9-1-1 Board	11	11	11	2,808,889	2,478,194	2,478,194	3,356,610
TOTAL	11	11	11	2,808,889	2,478,194	2,478,194	3,356,610
FUND TYPE							
Special Fund				2,808,889	2,478,194	2,478,194	3,356,610
TOTAL				2,808,889	2,478,194	2,478,194	3,356,610

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board**

Appropriation Key Budget Issues

Key components of Vermont's E9-1-1 system will reach "end of life" and will no longer be supported by Verizon, our current system provider, past December 31, 2006. This information became known on September 30, 2005 and was the sole factor in the E911 Board's decision to go to bid on a new system contract. This was very short notice for a major system change. After requesting information and reviewing our options, the Board drafted and released a Request for Proposal in January 2006 for a significant revision or replacement of the Enhanced 9-1-1 operating system. After a competitive bid process and independent review, the Board awarded the contract to a private contractor with both the best system and the lowest cost. The system, like any system, must still rely upon certain key aspects of the telecommunications infrastructure owned by Verizon. As the infrastructure was considered a commodity item, our system RFP did not include any portion of a telecommunications infrastructure thus not giving any one bidder an advantage. These costs were separate in every bid proposal submitted, pursuant to the instructions in the RFP. The unbundling of these infrastructure charges necessary for any 911 system, have proved to be more costly than the current system line costs, which were hidden within the old system contract with Verizon. Once the new system is firmly in place, savings may be realized through re-engineering the infrastructure and re-negotiating with ongoing vendors. Availability of prior year E911 carry forward funds, as well as a minimal increase in the Vermont Universal Service Fund fee will be required to maintain Vermont's E911 system.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Enhanced 9-1-1 Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,259,883	2,106,208	2,106,208	2,003,841
Operating Expenses	549,006	371,986	371,986	1,352,769
<hr/> TOTAL	<hr/> 2,808,889	<hr/> 2,478,194	<hr/> 2,478,194	<hr/> 3,356,610
FUND TYPE				
Special Fund	2,808,889	2,478,194	2,478,194	3,356,610
<hr/> TOTAL	<hr/> 2,808,889	<hr/> 2,478,194	<hr/> 2,478,194	<hr/> 3,356,610

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Racing Commission**

Department Mission Statement

The Racing Commission is charged with the establishment, licensing, regulation, and control of the pari-mutuel system of wagering on horse racing in the State of Vermont.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Racing Commission

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Racing Commission	0	0	0	668	1,000	1,000	1,000
TOTAL	0	0	0	668	1,000	1,000	1,000
FUND TYPE							
General Fund				668	1,000	1,000	1,000
TOTAL				668	1,000	1,000	1,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Racing Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	668	1,000	1,000	1,000
TOTAL	668	1,000	1,000	1,000
FUND TYPE				
General Fund	668	1,000	1,000	1,000
TOTAL	668	1,000	1,000	1,000

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Rights Commission**

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

The HRC is funded by a combination of:

State general funds, at an amount roughly equivalent to about 80% of salary and benefit costs of the Commission's five staff members; and, Federal funds resulting from an on-going contractual relationship with the U.S. Department of Housing and Urban Development's Fair Housing and Equal Opportunity Office (HUD) to investigate housing discrimination complaints in Vermont that allege violations of both state and federal fair housing law. Federal receipts for FY08 will be \$68,280, down over \$50,000 from the \$118,657 awarded for FY07. Again, in FY08 the Commission will be seeking \$170,000 in federal funds appropriation to maintain its current level of effort. The remaining \$101,720 will be withdrawn from a federal reserve fund (accumulated from the capacity building phase of the HUD grant) maintained on behalf of the HRC.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Rights Commission

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Human Rights Commission	5	5	5	460,469	458,006	498,803	472,589
TOTAL	5	5	5	460,469	458,006	498,803	472,589
FUND TYPE							
General Fund				281,327	288,006	328,803	301,850
Federal Revenue Fund				179,142	170,000	170,000	170,739
TOTAL				460,469	458,006	498,803	472,589

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Rights Commission

Appropriation Key Budget Issues

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

This dynamic will cause significant pressure in FY09, when the accumulated federal reserve fund will be all but depleted (with less than \$25,000 projected to be remaining). The on-going disparity between the HUD Fair Housing awards received (approximately \$70,000) and the Federal Fund Appropriation (\$170,000) will no longer be sustainable and the Commission will be forced to dramatically reduce its level of service and its staff. Meanwhile, HUD is requiring a more rapid response to federal fair housing complaints and has heightened its training requirements for HRC staff. HUD now requires all HRC investigative staff to attend a five-week fair housing training course. In addition, HUD is becoming more involved in its review and consideration of HRC findings in federal fair housing cases. This process demands an inordinate use of finite staff time. The question remains whether this on-going relationship is sustainable and continues to be in the State's interest given HUD's increasing demands on the HRC concurrent with a decrease in federal financial support of the Commission's work.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Rights Commission

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	393,169	379,094	414,475	386,895
Operating Expenses	57,838	78,912	84,328	85,694
Grants	9,462	0	0	0
<hr/> TOTAL	<hr/> 460,469	<hr/> 458,006	<hr/> 498,803	<hr/> 472,589
FUND TYPE				
General Fund	281,327	288,006	328,803	301,850
Federal Revenue Fund	179,142	170,000	170,000	170,739
<hr/> TOTAL	<hr/> 460,469	<hr/> 458,006	<hr/> 498,803	<hr/> 472,589

STATE OF VERMONT
FISCAL YEAR 2008 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 the department's mission is to control the distribution of alcoholic beverages, while providing excellent customer service and effective public safety, for the general good of the state.

Description of Appropriations, Divisions, & Programs

Administration Appropriation:

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

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

Retail Operations provide for the sale of alcohol beverages to the public and licensed establishments throughout the state.

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

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 vendors to resale. Information Technology supports all divisions of the department.

Enforcement, Licensing & Education Appropriation:

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

Its goals are: to provide meaningful liquor control education to licensees, schools and the general public; apply strict but fair enforcement of the Vermont liquor laws and regulations; and permit only

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Liquor Control

responsible persons to engage in alcohol beverage sales and service.

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

Enforcement and Licensing 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 4,900 licenses annually, handles cases, and enforces decisions made by the Liquor Control Board. They also conduct alcohol compliance testing monthly of licensed premises, as mandated by the Liquor Control Board.

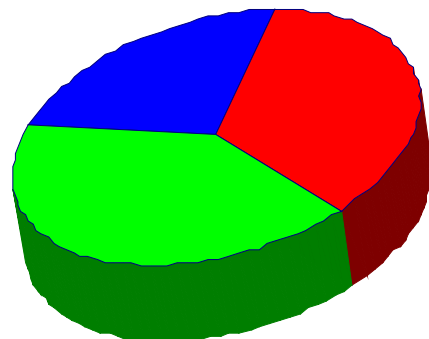
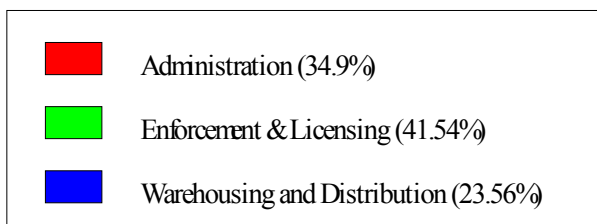
The Education Unit provides licensee server training for business owners and their employees. A training schedule and calendar can be found on the department's our web site: <http://liquorcontrol.vermont.gov/>. They also process statistical seminar activity. Their primary function is to provide mandatory server/seller training as mandated by 7 V.S.A. Sec.239(c). Tobacco compliance testing also has been mandated by the legislature (2001-2002). The Tobacco Settlement Fund is used to cover the Education Unit as well as monthly tobacco compliance test costs.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Liquor Control

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Enforcement & Licensing	24	24	24	1,889,141	1,951,455	1,937,757	2,067,659
Administration	19	19	19	1,594,879	1,674,730	1,673,611	1,736,736
Warehousing and Distribution	14	14	14	868,596	1,133,556	1,133,556	1,172,602
TOTAL	57	57	57	4,352,616	4,759,741	4,744,924	4,976,997
FUND TYPE							
Special Fund				288,474	289,768	296,612	289,645
Enterprise Fund				4,035,536	4,469,973	4,448,312	4,687,352
Interdepartmental Transfer				28,606	0	0	0
TOTAL				4,352,616	4,759,741	4,744,924	4,976,997



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Enforcement & Licensing

Appropriation Key Budget Issues

The total budget increase for this division is \$116,204. The operating increases are for printing new educational posters and books for licensees, safety equipment and other equipment for field investigators, gasoline for investigator vehicles, hardware and software replacements, and telephone service for home office phones and DSL lines for connection to the main office's network. The personal service increase is made up of salary and benefit increases. License fee revenue from fee increases in the 2006 session will be beneficial in maintaining this level of service.

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

Tobacco Settlement money (\$289,768) funds the education program for tobacco and alcohol licensees and their employees. It also funds the tobacco compliance program under which DLC conducts monthly tobacco compliance tests. These funds are key to the provision of DLC's mandatory educational programs, which significantly influence the success of the compliance programs.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Enforcement & Licensing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,578,428	1,616,703	1,616,703	1,677,769
Operating Expenses	308,073	334,752	321,054	389,890
Grants	2,640	0	0	0
<hr/> TOTAL	<hr/> 1,889,141	<hr/> 1,951,455	<hr/> 1,937,757	<hr/> 2,067,659
FUND TYPE				
Special Fund	288,474	289,768	296,612	289,645
Enterprise Fund	1,572,061	1,661,687	1,641,145	1,778,014
Interdepartmental Transfer	28,606	0	0	0
<hr/> TOTAL	<hr/> 1,889,141	<hr/> 1,951,455	<hr/> 1,937,757	<hr/> 2,067,659

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

The total budget increase for this division is \$62,006. The operating increase is for laptops and printers, printing and advertising, replacement vehicle for retail operations, and furniture and fixture replacements. The personal service increase is made up of salary and benefit increases.

SEI Initiative Update: As part of the response to recommendations of the MAI Study in 2004, DLC has chosen Robocom to install a Warehouse Management System. The project started in December 2006 and will continue throughout 2007. The cost of the project will be split between two years to lessen the financial impact.

The revenue stream from sale of spirits has increased dramatically since 1996, when DLC introduced its Prime Focus sales program. The program's main objective was to promote local purchases of spirits by providing Vermonters with excellent product value while diminishing the loss of revenue due to cross-border purchasing. The strategy has succeeded with sales increasing from \$34,931,651 in 1996 to \$53,000,000 in FY2006. Sales for the first five months of FY2007 are more than \$1.0 million over last year and could be up by an additional \$2.5 to \$3 million by year-end. Tax revenue to the General Fund has increased due to the upward sales trends that are prevailing in all categories of spirits sales.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,252,350	1,304,489	1,304,489	1,329,017
Operating Expenses	342,529	370,241	369,122	407,719
<hr/> TOTAL	<hr/> 1,594,879	<hr/> 1,674,730	<hr/> 1,673,611	<hr/> 1,736,736
 FUND TYPE				
Enterprise Fund	1,594,879	1,674,730	1,673,611	1,736,736
<hr/> TOTAL	<hr/> 1,594,879	<hr/> 1,674,730	<hr/> 1,673,611	<hr/> 1,736,736

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Warehousing and Distribution

Appropriation Key Budget Issues

The total budget increase for this division is \$39,046. The operating increase is for a truck replacement, other equipment, heating oil and gas increases, maintenance on vehicles, and a laptop. The new warehouse management system, phase one started in December, 2006.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Warehousing and Distribution

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	677,271	790,029	764,629	757,159
Operating Expenses	191,325	343,527	368,927	415,443
<hr/> TOTAL	<hr/> 868,596	<hr/> 1,133,556	<hr/> 1,133,556	<hr/> 1,172,602
FUND TYPE				
Enterprise Fund	868,596	1,133,556	1,133,556	1,172,602
<hr/> TOTAL	<hr/> 868,596	<hr/> 1,133,556	<hr/> 1,133,556	<hr/> 1,172,602

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agency of Human Services

Agency Mission Statement

The mission of the Agency is to improve the well-being of Vermonters today and tomorrow and protect those who cannot protect themselves.

Description of Departments in Agency

The Agency of Human Services is comprised of the following departments and offices:

Office of the Secretary: The Office includes the Division of Administrative Services that provides Agency planning and oversight functions for the Secretary. It also provides support for the Division of Rate Setting, the Director of Housing & Transportation, the Investigations Unit, the Human Services Board, and the Developmental Disabilities Council.

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

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

Department of Health (DOH): DOH protects and promotes health, and prevents disease and injury through public health programs to maintain and improve the health status of all Vermonters. Programs focus on infectious and chronic disease control and prevention (e.g., injury prevention, and healthy babies programs), surveillance (e.g., disease reporting), and protection (e.g., restaurant inspections). The Department also oversees provision of services to adults with mental illness, children and adolescents experiencing a severe emotional disturbance and their families.

Department for Children and Family Services (DCF): DCF administers many programs that address the basic needs of Vermonters who are unable to provide for themselves and their dependents. These programs promote the well-being of families and individuals through welfare-to-work services, in-kind benefits, and cash assistance. DCF also helps families and individuals lead healthy and independent lives

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agency of Human Services

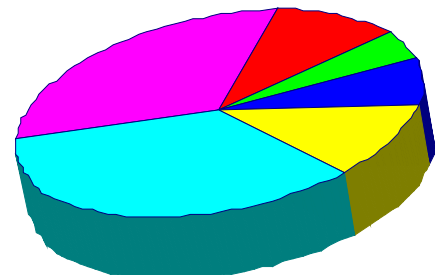
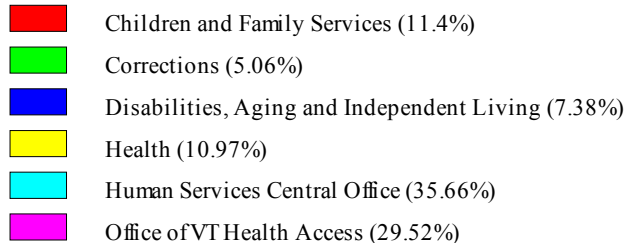
by providing support services and offering educational, information, and prevention services to communities. Social services seek to break the cycle of abuse, neglect, and delinquency. Child care services take a lead role in developing quality child care services in Vermont. The Division of Child Support enforces state and federal statutes to ensure that children receive financial support from absent parents. Child Support improves financial security for children by obtaining child support obligations and payments.

Office of Vermont Health Access (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. As such, it is the largest insurer in Vermont in terms of dollars spent and the second largest insurer in terms of covered lives.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agency of Human Services

AGENCY SUMMARY BY DEPARTMENT

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Human Services Central Office	104	105	103	582,473,413	807,220,604	824,653,048	902,449,893
Office of VT Health Access	88	88	105	612,170,857	681,168,749	684,851,482	747,034,130
Health	855	871	872	220,740,309	255,701,424	261,083,042	277,575,427
Children and Family Services	973	978	1,000	282,573,440	279,970,378	294,504,889	288,468,140
Disabilities, Aging and Independent Living	297	297	305	159,036,501	175,380,008	174,410,834	186,858,230
Corrections	1,170	1,171	1,164	112,385,940	118,586,467	121,306,493	127,974,284
	<u>3,487</u>	<u>3,510</u>	<u>3,549</u>	<u>1,969,380,460</u>	<u>2,318,027,630</u>	<u>2,360,809,788</u>	<u>2,530,360,104</u>
TOTAL							
FUND TYPE				396,586,760	484,649,118	489,021,110	495,172,155
General Fund				1,641,462	0	0	0
Transportation Fund				304,901,871	224,475,988	233,502,922	268,420,281
Special Fund				789,966,088	832,705,910	845,376,288	896,895,612
Federal Revenue Fund				0	10,000	10,000	10,000
Permanent Trust Fund				462,869,247	758,886,488	773,561,171	850,238,060
Global Commitment Fund				2,819,912	3,322,612	3,350,721	3,322,612
Internal Service Fund				10,595,120	13,977,514	15,987,576	16,301,384
Interdepartmental Transfer							
				<u>1,969,380,460</u>	<u>2,318,027,630</u>	<u>2,360,809,788</u>	<u>2,530,360,104</u>
TOTAL							



**STATE OF VERMONT
FISCAL YEAR 2008 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

Division of Administration and Planning:

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

Fiscal Unit:

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

Rate Setting Unit:

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Services Central Office

Office of the Chief Information Officer and Network Systems:

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

Human Resources Unit:

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

Internal Affairs Unit:

This unit is responsible for all labor related investigations within the Agency of Human Services, specifically those within the Department of Corrections. On top of labor related issues this Unit investigates incidents within the Department of Corrections to include but not limited to alleged misconduct, policy violations, work rule violations, bargaining agreement violations, inmate grievances and inmate on inmate incidents. The unit works closely with all Departments within the Agency of Human Services and maintains an established toll-free telephone number set up to allow the general public and those under the charge of the Department of Corrections to file complaints. This Unit is a result of Legislative action to create more accountability and transparency within the Agency of Human Services.

Human Services Board:

The Board is a citizen's panel consisting of seven members created by the legislature pursuant to 3 V.S.A.3090. Its duties are to act as a fair hearing board for appeals brought by individuals who are aggrieved by decisions or policies of departments and programs within the Agency of Human Services. The Board conducts hearings and issues written decisions in accordance with its rules and its statutory responsibilities. The Board also certifies Family Court copies of Child Support Orders issued by the Board prior to the creation of the Family Court.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Services Central Office

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. 13 of its 21 members are self-advocates and family members. The mission of VTDDC is to facilitate connections and to promote supports that bring people with developmental disabilities into the heart of Vermont communities. Each year VTDDC uses its federal funds to engage in advocacy, capacity building, and systems change activities, including projects in public education, leadership training, and advocacy aimed at enhancing services and supports, community participation and choice.

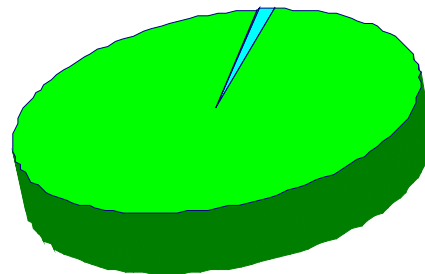
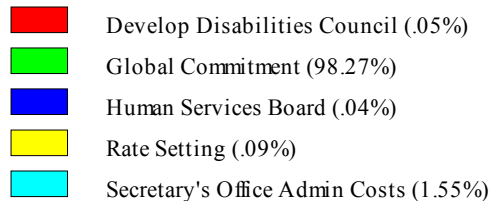
Tobacco Evaluation & Review Board:

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Human Services Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Secretary's Office Admin Costs	89	89	87	8,255,297	13,318,979	13,704,181	14,005,336
Global Commitment	0	0	0	570,138,502	792,294,238	809,342,444	886,800,057
Rate Setting	10	10	10	674,103	778,190	778,190	809,169
Develop Disabilities Council	1	2	2	486,729	488,284	488,284	493,251
Human Services Board	4	4	4	281,170	340,913	339,949	342,080
Gov Com on Emp of People w/Dis	0	0	0	2,091	0	0	0
Administrative Management Fund	0	0	0	2,635,521	0	0	0
TOTAL	104	105	103	582,473,413	807,220,604	824,653,048	902,449,893
FUND TYPE							
General Fund				110,792,606	120,678,925	127,954,107	122,174,835
Special Fund				123,380,938	186,691,599	186,691,599	224,851,291
Federal Revenue Fund				347,599,325	492,311,376	502,055,894	547,514,177
Interdepartmental Transfer				700,544	7,538,704	7,951,448	7,909,590
TOTAL				582,473,413	807,220,604	824,653,048	902,449,893



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Secretary's Office Admin Costs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,986,148	6,522,771	6,495,229	6,890,677
Operating Expenses	1,870,256	2,220,100	2,220,100	2,676,686
Grants	2,398,893	4,576,108	4,988,852	4,437,973
<hr/> TOTAL	<hr/> 8,255,297	<hr/> 13,318,979	<hr/> 13,704,181	<hr/> 14,005,336
FUND TYPE				
General Fund	5,230,095	3,726,910	3,699,368	3,915,516
Special Fund	538,417	619,538	619,538	619,538
Federal Revenue Fund	2,486,792	4,770,606	4,770,606	4,929,088
Interdepartmental Transfer	(7)	4,201,925	4,614,669	4,541,194
<hr/> TOTAL	<hr/> 8,255,297	<hr/> 13,318,979	<hr/> 13,704,181	<hr/> 14,005,336

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Global Commitment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	570,138,502	792,294,238	809,342,444	886,800,057
<hr/> TOTAL	<hr/> 570,138,502	<hr/> 792,294,238	<hr/> 809,342,444	<hr/> 886,800,057
FUND TYPE				
General Fund	105,435,224	116,901,768	124,205,456	118,209,256
Special Fund	120,207,000	186,072,061	186,072,061	224,231,753
Federal Revenue Fund	344,496,278	487,041,206	496,785,724	542,079,845
Interdepartmental Transfer	0	2,279,203	2,279,203	2,279,203
<hr/> TOTAL	<hr/> 570,138,502	<hr/> 792,294,238	<hr/> 809,342,444	<hr/> 886,800,057

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Rate Setting

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	619,536	685,795	685,795	739,407
Operating Expenses	54,567	92,395	92,395	69,762
<hr/> TOTAL	<hr/> 674,103	<hr/> 778,190	<hr/> 778,190	<hr/> 809,169
FUND TYPE				
Interdepartmental Transfer	674,103	778,190	778,190	809,169
<hr/> TOTAL	<hr/> 674,103	<hr/> 778,190	<hr/> 778,190	<hr/> 809,169

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Develop Disabilities Council

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	133,850	139,974	139,974	152,876
Operating Expenses	43,083	33,310	33,310	40,817
Grants	309,796	315,000	315,000	299,558
<hr/> TOTAL	<hr/> 486,729	<hr/> 488,284	<hr/> 488,284	<hr/> 493,251
 FUND TYPE				
Federal Revenue Fund	486,729	488,284	488,284	493,251
<hr/> TOTAL	<hr/> 486,729	<hr/> 488,284	<hr/> 488,284	<hr/> 493,251

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administrative Management Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	253,881	290,456	289,492	287,458
Operating Expenses	27,289	50,457	50,457	54,622
<hr/> TOTAL	<hr/> 281,170	<hr/> 340,913	<hr/> 339,949	<hr/> 342,080
FUND TYPE				
General Fund	127,287	50,247	49,283	50,063
Federal Revenue Fund	127,435	11,280	11,280	11,993
Interdepartmental Transfer	26,448	279,386	279,386	280,024
<hr/> TOTAL	<hr/> 281,170	<hr/> 340,913	<hr/> 339,949	<hr/> 342,080

STATE OF VERMONT
FISCAL YEAR 2008 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.

The mission of OVHA is to:

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

Description of Appropriations, Divisions, & Programs

OVHA Leadership & Organization

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

Program Descriptions with Enrollment & Expenditure Information

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

Aged, Blind, and Disabled (ABD) Adults - eligible under the Medicaid rules in Title XIX of the Social Security Act; adults who are "medically needy" according to Medicaid rules (they meet other criteria, but they must also Vermont's pharmacy programs have transitioned due to the implementation of Medicare Part D as the primary prescription drug insurance for those individuals with Medicare. Individuals with both Medicaid and Medicare are known as full dual eligibles.

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Office of VT Health Access

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

The following table depicts the requested total caseload and expenditures for State Fiscal Year (SFY) 2008 for the Pharmacy programs and depicts SFY 2005 and SFY 2006 actuals, and SFY 2007 estimates.

PHARMACY		
<u>Year</u>	<u>Caseload</u>	<u>Expenditures</u>
SFY '05 Actuals	13,802	\$ 31,336,048
SFY '06 Actuals	13,459	\$ 25,668,961
SFY '07 Estimates	13,004	\$ 8,231,517
SFY '08 Requested	14,954	\$ 9,913,377

Healthy Vermonters

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

The following table depicts the requested total caseload and expenditures for State Fiscal Year (SFY) 2008 for the Healthy Vermonters program and depicts SFY 2005 and SFY 2006 actuals, and SFY 2007 estimates.

PDP/Healthy Vermonters Program		
<u>Year</u>	<u>Caseload</u>	<u>Expenditures</u>
SFY '05 Actuals	13,255	\$ -
SFY '06 Actuals	13,707	\$ -
SFY '07 Estimates	8,841	\$ -
SFY '08 Requested	8,841	\$ -

Catamount Health

In fiscal year 2007, a new healthcare initiative was adopted with the purpose of reducing the total number of uninsured in Vermont. Through such, a new insurance benefit package will be offered to citizens who do not currently have access to a health plan. State assistance will be provided to people who fall at or beneath 300% of the federal poverty level.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Office of VT Health Access

Catamount Health		
<u>Year</u>	<u>Caseload</u>	<u>Expenditures</u>
SFY '05 Actuals	-	\$ -
SFY '06 Actuals	-	\$ -
SFY '07 Estimates	-	\$ -
SFY '08 Requested	2,755	\$ 11,657,566

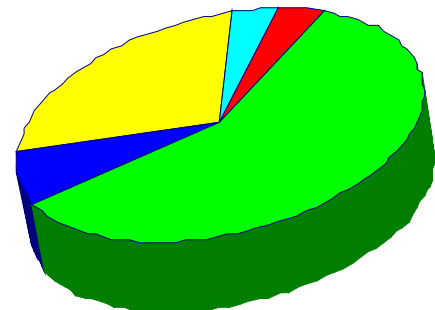
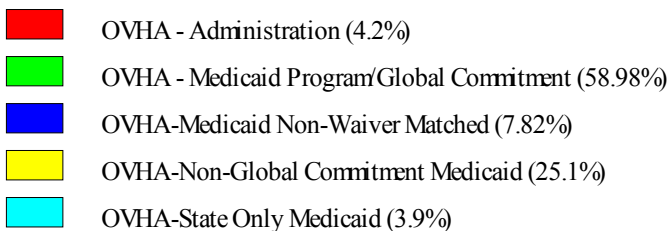
Appropriation Key Budget Issues

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Office of VT Health Access

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
OVHA - Administration	88	88	105	25,250,048	28,529,990	37,225,957	31,395,906
OVHA - Medicaid Program/Global Commitment	0	0	0	375,105,370	389,504,923	389,025,944	440,583,316
OVHA-Non-Global Commitment	0	0	0	154,787,920	172,317,361	167,782,587	187,539,580
Medicaid	0	0	0	16,920,532	29,621,923	27,465,572	29,124,517
OVHA-State Only Medicaid	0	0	0	40,106,987	61,194,552	63,351,422	58,390,811
OVHA-Medicaid Non-Waiver Matched	88	88	105	612,170,857	681,168,749	684,851,482	747,034,130
TOTAL				50,000	123,987,986	121,225,950	128,077,901
FUND TYPE				141,948,391	0	0	0
General Fund				186,130,480	137,961,843	141,270,941	147,471,820
Special Fund				283,769,890	418,856,126	421,991,797	471,121,615
Federal Revenue Fund				272,096	362,794	362,794	362,794
Global Commitment Fund				612,170,857	681,168,749	684,851,482	747,034,130
Interdepartmental Transfer							
TOTAL							



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
OVHA - Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	22,714,794	26,611,976	34,307,943	28,833,926
Operating Expenses	2,024,268	1,918,014	1,918,014	1,561,980
Grants	510,986	0	1,000,000	1,000,000
<hr/> TOTAL	<hr/> 25,250,048	<hr/> 28,529,990	<hr/> 37,225,957	<hr/> 31,395,906
FUND TYPE				
General Fund	50,000	0	386,295	50,000
Special Fund	3,338,289	0	0	0
Federal Revenue Fund	3,588,332	0	3,726,655	700,000
Global Commitment Fund	18,001,331	28,167,196	32,750,213	30,283,112
Interdepartmental Transfer	272,096	362,794	362,794	362,794
<hr/> TOTAL	<hr/> 25,250,048	<hr/> 28,529,990	<hr/> 37,225,957	<hr/> 31,395,906

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
OVHA - Medicaid Program/Global Commitment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	375,105,370	389,504,923	389,025,944	440,583,316
<hr/> TOTAL	<hr/> 375,105,370	<hr/> 389,504,923	<hr/> 389,025,944	<hr/> 440,583,316
FUND TYPE				
Special Fund	44,482,930	0	0	0
Federal Revenue Fund	67,031,059	0	0	0
Global Commitment Fund	263,591,381	389,504,923	389,025,944	440,583,316
<hr/> TOTAL	<hr/> 375,105,370	<hr/> 389,504,923	<hr/> 389,025,944	<hr/> 440,583,316

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
OVHA-Non-Global Commitment Medicaid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	154,787,920	172,317,361	167,782,587	187,539,580
TOTAL	154,787,920	172,317,361	167,782,587	187,539,580
FUND TYPE				
General Fund	0	70,960,289	69,092,869	77,199,877
Special Fund	63,708,725	0	0	0
Federal Revenue Fund	91,079,195	101,357,072	98,689,718	110,339,703
TOTAL	154,787,920	172,317,361	167,782,587	187,539,580

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
OVHA-State Only Medicaid**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	16,920,532	29,621,923	27,465,572	29,124,517
TOTAL	16,920,532	29,621,923	27,465,572	29,124,517
FUND TYPE				
General Fund	0	28,437,916	27,249,932	28,869,330
Special Fund	14,743,354	0	0	0
Global Commitment Fund	2,177,178	1,184,007	215,640	255,187
TOTAL	16,920,532	29,621,923	27,465,572	29,124,517

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
OVHA-Medicaid Non-Waiver Matched**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	40,106,987	61,194,552	63,351,422	58,390,811
<hr/> TOTAL	<hr/> 40,106,987	<hr/> 61,194,552	<hr/> 63,351,422	<hr/> 58,390,811
FUND TYPE				
General Fund	0	24,589,781	24,496,854	21,958,694
Special Fund	15,675,093	0	0	0
Federal Revenue Fund	24,431,894	36,604,771	38,854,568	36,432,117
<hr/> TOTAL	<hr/> 40,106,987	<hr/> 61,194,552	<hr/> 63,351,422	<hr/> 58,390,811

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

Department Mission Statement

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

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

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

Description of Appropriations, Divisions, & Programs

The Department of Health is organized into eight divisions:

Administration,
Health Protection,
Health Surveillance,
Health Improvement,
Community Public Health,
Alcohol and Drug Abuse Programs,
Mental Health, and
Vermont State Hospital.

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

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

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

The **Administration** appropriation includes:

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

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

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

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

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

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

The **Health Protection** appropriation includes:

Emergency Medical Services:

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

Emergency Preparedness Program:

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

Radiological Health Services:

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

Food and Lodging Services:

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

Environmental Health Programs:

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

The **Health Surveillance** appropriation includes:

Public Health Laboratory:

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

Infectious Disease Epidemiology:

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

Immunization:

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

Public Health Statistics:

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

Office of the Chief Medical Examiner:

Performs autopsies and investigates unexpected or unnatural deaths from violence, injury, suicide, drugs or other circumstances.

The **Health Improvement** appropriation includes:

- ☐ Maternal and Child Health which administers the Maternal and Child Health federal block grant, the federal family planning grant and the abstinence education grant, and it monitors and works to improve the system of health care for women, children and families.
- ☐ Children with Special Health Needs (CSHN) which provides and /or assures that health care and support services are available to children (0-21) who have complex health problems and to their families.
- ☐ Office of Oral Health which works to improve the oral health of Vermonters by assuring access to preventive dental care, and support for fluoridation programs.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

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

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

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

Twelve district offices around the state:

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

WIC:

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

EPSDT:

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

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

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

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

The **Alcohol & Drug Abuse Programs** appropriation funds:

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

Alcohol and Drug Abuse Treatment:

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

Alcohol and Drug Prevention:

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

The **Mental Health** appropriation funds:

- Adult mental health services,
- Children's mental health services,
- Mental health legal services

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

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

In addition, approximately 9,812 children and adolescents and their families received community-based mental health services in FY2006. These children and adolescents either experience a severe emotional disturbance or are at substantial risk for developing a severe disturbance. They include youth who exhibit behavioral, emotional, or social impairment that disrupts academic or developmental progress or family or interpersonal relationships. They fall into at least one of three categories: (1) exhibit seriously impaired contact with reality and severely impaired social, academic and self-care functioning; (2) classified as management or conduct 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 4,208 Vermonters were served through these Emergency programs in 2006.

The **Vermont State Hospital** appropriation funds:

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

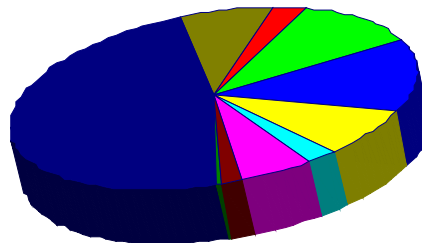
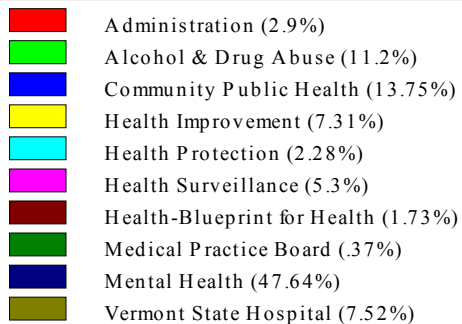
The **Board of Medical Practice** appropriation funds:

The Board of Medical Practice issues and renews licenses and certificates for physicians (MDs), podiatrists (DPMs), physician's assistants (PAs), and anesthesiologist assistants (AAs). The Board investigates complaints and allegations of unprofessional conduct against any person subject to its jurisdiction. The Health Department, using Board-generated fee revenues, is required by law to create and maintain individual profiles on all health care professionals licensed, certified, or registered by the Board and to make these profiles available to the public on a website. The Department must also use a portion of licensing and certification fees to support the costs of creating and maintaining a Vermont practitioner recovery network to monitor recovering chemically-dependent licensees for the protection of the public.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration	98	96	90	9,084,970	8,307,990	8,598,241	8,042,413
Health-Blueprint for Health	0	0	0	0	3,246,492	2,953,606	4,807,708
Health Protection	47	47	47	5,516,732	5,740,007	5,765,999	6,332,601
Health Surveillance	134	133	132	14,282,475	14,976,081	16,183,800	14,706,510
Health Improvement	76	78	79	18,059,441	19,723,654	20,045,736	20,291,585
Community Public Health	210	210	208	27,609,508	34,636,804	34,768,264	38,158,180
Alcohol & Drug Abuse	40	40	42	23,150,054	30,779,496	30,606,958	31,101,880
Mental Health	40	38	42	105,042,238	118,799,594	121,845,266	132,247,704
Vermont State Hospital	204	223	226	17,271,501	18,708,479	19,423,845	20,861,837
Medical Practice Board	6	6	6	723,390	782,827	891,327	1,025,009
TOTAL	855	871	872	220,740,309	255,701,424	261,083,042	277,575,427
FUND TYPE							
General Fund				63,520,011	30,435,654	31,015,980	29,229,846
Special Fund				11,660,643	12,617,068	12,547,062	18,916,670
Federal Revenue Fund				91,712,080	55,447,165	53,797,419	54,291,763
Permanent Trust Fund				0	10,000	10,000	10,000
Global Commitment Fund				50,846,915	156,247,993	162,769,037	174,183,604
Interdepartmental Transfer				3,000,660	943,544	943,544	943,544
TOTAL				220,740,309	255,701,424	261,083,042	277,575,427



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	6,315,284	5,760,189	5,752,154	5,623,417
Operating Expenses	2,390,551	2,397,801	2,696,087	2,268,996
Grants	379,135	150,000	150,000	150,000
<hr/> TOTAL	<hr/> 9,084,970	<hr/> 8,307,990	<hr/> 8,598,241	<hr/> 8,042,413
FUND TYPE				
General Fund	1,523,198	114,453	694,304	0
Special Fund	80,505	124,525	124,525	124,525
Federal Revenue Fund	5,227,823	5,517,818	5,988,218	6,101,179
Global Commitment Fund	1,367,101	2,547,194	1,787,194	1,812,709
Interdepartmental Transfer	886,343	4,000	4,000	4,000
<hr/> TOTAL	<hr/> 9,084,970	<hr/> 8,307,990	<hr/> 8,598,241	<hr/> 8,042,413

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health-Blueprint for Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	0	2,549,049	2,256,163	2,851,522
Operating Expenses	0	331,443	331,443	385,783
Grants	0	366,000	366,000	1,570,403
<hr/> TOTAL	<hr/> 0	<hr/> 3,246,492	<hr/> 2,953,606	<hr/> 4,807,708
FUND TYPE				
General Fund	0	1,234,431	941,545	0
Special Fund	0	0	0	1,846,713
Federal Revenue Fund	0	0	0	27,597
Global Commitment Fund	0	2,012,061	2,012,061	2,933,398
<hr/> TOTAL	<hr/> 0	<hr/> 3,246,492	<hr/> 2,953,606	<hr/> 4,807,708

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health Protection

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,040,274	3,282,307	3,218,206	3,886,089
Operating Expenses	967,185	768,200	803,200	757,012
Grants	1,509,273	1,689,500	1,744,593	1,689,500
<hr/> TOTAL	<hr/> 5,516,732	<hr/> 5,740,007	<hr/> 5,765,999	<hr/> 6,332,601
FUND TYPE				
General Fund	40,897	238,513	142,505	458,665
Special Fund	921,394	904,000	939,000	1,313,121
Federal Revenue Fund	4,051,627	4,239,401	4,239,401	4,110,313
Global Commitment Fund	147,914	55,093	142,093	147,502
Interdepartmental Transfer	354,900	303,000	303,000	303,000
<hr/> TOTAL	<hr/> 5,516,732	<hr/> 5,740,007	<hr/> 5,765,999	<hr/> 6,332,601

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health Surveillance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	8,922,308	9,606,227	9,585,071	9,710,579
Operating Expenses	2,695,522	2,845,354	3,837,229	2,471,432
Grants	2,664,645	2,524,500	2,761,500	2,524,499
<hr/> TOTAL	<hr/> 14,282,475	<hr/> 14,976,081	<hr/> 16,183,800	<hr/> 14,706,510
FUND TYPE				
General Fund	3,390,762	3,601,147	2,721,052	1,901,636
Special Fund	621,498	1,307,500	1,710,707	1,307,500
Federal Revenue Fund	8,268,495	8,809,317	9,226,465	8,923,937
Permanent Trust Fund	0	10,000	10,000	10,000
Global Commitment Fund	1,891,724	1,183,573	2,451,032	2,498,893
Interdepartmental Transfer	109,996	64,544	64,544	64,544
<hr/> TOTAL	<hr/> 14,282,475	<hr/> 14,976,081	<hr/> 16,183,800	<hr/> 14,706,510

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Health Improvement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	7,480,369	7,659,905	7,883,142	8,051,727
Operating Expenses	991,530	1,051,300	1,061,145	1,038,409
Grants	9,587,542	11,012,449	11,101,449	11,201,449
<hr/> TOTAL	<hr/> 18,059,441	<hr/> 19,723,654	<hr/> 20,045,736	<hr/> 20,291,585
FUND TYPE				
General Fund	309,302	571,675	2,423,412	1,432,640
Special Fund	4,913,529	3,578,482	3,021,769	3,400,069
Federal Revenue Fund	8,062,021	8,322,546	7,404,066	8,251,158
Global Commitment Fund	4,770,589	7,243,951	7,189,489	7,200,718
Interdepartmental Transfer	4,000	7,000	7,000	7,000
<hr/> TOTAL	<hr/> 18,059,441	<hr/> 19,723,654	<hr/> 20,045,736	<hr/> 20,291,585

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Community Public Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	11,805,449	12,543,385	12,507,074	14,449,064
Operating Expenses	1,975,122	2,145,389	2,145,389	2,127,292
Grants	13,828,937	19,948,030	20,115,801	21,581,824
<hr/> TOTAL	<hr/> 27,609,508	<hr/> 34,636,804	<hr/> 34,768,264	<hr/> 38,158,180
FUND TYPE				
General Fund	1,477,524	2,122,308	1,096,953	900,638
Special Fund	1,220,721	3,231,400	3,231,400	7,231,400
Federal Revenue Fund	15,849,153	14,135,816	14,037,552	14,080,223
Global Commitment Fund	8,947,489	15,032,280	16,287,359	15,830,919
Interdepartmental Transfer	114,621	115,000	115,000	115,000
<hr/> TOTAL	<hr/> 27,609,508	<hr/> 34,636,804	<hr/> 34,768,264	<hr/> 38,158,180

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Alcohol & Drug Abuse

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	4,054,756	9,228,703	9,221,165	9,414,451
Operating Expenses	693,049	1,130,648	1,130,648	1,097,983
Grants	18,402,249	20,420,145	20,255,145	20,589,446
<hr/> TOTAL	<hr/> 23,150,054	<hr/> 30,779,496	<hr/> 30,606,958	<hr/> 31,101,880
FUND TYPE				
General Fund	3,873,831	3,370,025	3,287,227	3,308,814
Special Fund	3,114,324	2,578,334	2,578,334	2,618,333
Federal Revenue Fund	5,223,507	9,445,528	8,813,757	8,711,297
Global Commitment Fund	10,597,801	15,235,609	15,777,640	16,313,436
Interdepartmental Transfer	340,591	150,000	150,000	150,000
<hr/> TOTAL	<hr/> 23,150,054	<hr/> 30,779,496	<hr/> 30,606,958	<hr/> 31,101,880

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Mental Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,305,762	4,245,156	4,565,152	4,653,064
Operating Expenses	592,464	645,735	653,235	640,626
Grants	101,144,012	113,908,703	116,626,879	126,954,014
<hr/> TOTAL	<hr/> 105,042,238	<hr/> 118,799,594	<hr/> 121,845,266	<hr/> 132,247,704
FUND TYPE				
General Fund	36,308,178	884,623	805,137	885,616
Special Fund	513	0	0	0
Federal Revenue Fund	45,029,454	4,976,739	4,037,960	4,036,059
Global Commitment Fund	22,963,884	112,938,232	117,002,169	127,326,029
Interdepartmental Transfer	740,209	0	0	0
<hr/> TOTAL	<hr/> 105,042,238	<hr/> 118,799,594	<hr/> 121,845,266	<hr/> 132,247,704

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont State Hospital

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	15,076,555	17,362,523	17,379,020	19,039,338
Operating Expenses	2,194,946	1,342,956	2,041,825	1,819,499
Grants	0	3,000	3,000	3,000
<hr/> TOTAL	<hr/> 17,271,501	<hr/> 18,708,479	<hr/> 19,423,845	<hr/> 20,861,837
FUND TYPE				
General Fund	16,596,319	18,298,479	18,903,845	20,341,837
Special Fund	225,182	110,000	170,000	170,000
Federal Revenue Fund	0	0	50,000	50,000
Interdepartmental Transfer	450,000	300,000	300,000	300,000
<hr/> TOTAL	<hr/> 17,271,501	<hr/> 18,708,479	<hr/> 19,423,845	<hr/> 20,861,837

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Medical Practice Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	596,004	466,127	574,627	617,224
Operating Expenses	127,386	316,700	316,700	407,785
<hr/> TOTAL	<hr/> 723,390	<hr/> 782,827	<hr/> 891,327	<hr/> 1,025,009
FUND TYPE				
Special Fund	562,977	782,827	771,327	905,009
Global Commitment Fund	160,413	0	120,000	120,000
<hr/> TOTAL	<hr/> 723,390	<hr/> 782,827	<hr/> 891,327	<hr/> 1,025,009

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Children and Family Services

Department Mission Statement

The Department for Children and Families (DCF), in partnership with others, works with Vermonters and their families to achieve their healthy development, safety, well-being and self-sufficiency.

Description of Appropriations, Divisions, & Programs

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

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

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

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

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

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

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

Office of Economic Opportunity (OEO). OEO supports community-based antipoverty programs with grants management; resource identification and development; training and technical assistance; and advocacy.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Children and Family Services

Commissioner's Office

Provides administrative oversight and support to the operating divisions; is responsible for policy and budget development; maintains relationships with other state agencies, the legislature and federal officials.

Child Development Division

Program Focus:

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

Population Served:

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

Major Programs/Services:

Licensing: The Licensing Unit is responsible for regulating and monitoring all child care centers, family child care homes and certified legally exempt providers in Vermont. There are currently 699 Licensed Centers, 1,253 Registered Homes and 1,052 Certified Legally Exempt providers. The regulated child care system serves approximately 38,000 children ages 6 weeks to 13 years. The Licensing Unit processes applications for child care, including over 40,000 criminal record and child abuse screens annually. Consumer education services are part of this unit.

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

The Healthy Babies, Kids & Families program which provides home visiting, nursing and family support services to pregnant women and children up to 5 who are receiving Medicaid benefits. 4,624 women and children were served in FY 2006.

The Family, Infant and Toddler Program which serves children under 3 with established disabilities or a diagnosed condition with high probability of subsequent developmental delays. There are 685 active participants at any given time with over 1,200 children served in FY 2006.

The CUPS Program which is the main vehicle for providing early childhood mental health services in Vermont. CUPS served 589 children and their families with direct therapeutic services in FY 2006.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Children and Family Services

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

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

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

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

Family Services Division

Program Focus:

Child abuse and neglect investigations: The division is responsible for responding to reports alleging that children are abuse or neglected. When an intake results in a child abuse investigation, a social worker must see the child within 72 hours. The focus is on the child's immediate safety. Frequently, social workers collaborate with law enforcement personnel when conducting these investigations.

Ongoing services to families at risk: For families who are at the highest risk of abuse or neglect, the division provides family services focused on addressing the underlying factors that contribute to the risk. Social workers provide direct services, and coordinate other therapeutic services targeted at risk reduction.

Substitute care, treatment and permanency planning services for children in custody: The division focuses on providing the most appropriate out-of-home living situation. Whenever possible, children are placed in their own school districts. The division is actively focused on ensuring a permanent home for children as soon as possible, preferably with the child's own family.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Children and Family Services

Probation and other restorative justice services for delinquent youth, including detention and treatment services at the Woodside Juvenile Rehabilitation Facility, a 28-bed facility: The division provides services to delinquent youth with a focus on balanced and restorative justice. A central goal is to avoid later involvement with the adult corrections system.

Adoption subsidy and post-adoption supports for adoptees with special needs: Children adopted through the foster care system care are often eligible for financial supports due to their special needs. In addition, adoptive families are provided with post-adoption services to ensure their success as parents through the predictably difficult times they will face in parenting children with special needs.

The Emergency Services Program: Provides after-hours support for foster parents and other families. In addition, the Emergency Services Program staff respond to reports of abuse and neglect, deploying social workers to respond when necessary.

The Residential Licensing Unit: Promotes safety of children by licensing foster families, residential facilities and child placing agencies.

The Family Services Central Office: Provides necessary supports to ensure quality services, such as planning, policy development, quality assurance, budget development and oversight, support of the foster and residential care system, oversight on the contracted services system, etc.

Economic Services Division

Program Focus:

The Economic Services Division (ESD) administers a variety of state, federal/state, and federal programs that address the basic needs of Vermonters who are unable to provide for themselves and their dependents. Contributing factors include unemployment, part-time or low-wage employment, family breakup, single parenthood, age, temporary or permanent disability, death of a family member, or other catastrophic event. These programs promote the well-being of families and individuals by providing welfare-to-work services, health care coverage, cash assistance and food support. The programs include health care programs, Reach Up, Food Stamps, Farm to Family, AABD, Fuel Assistance, General Assistance/Emergency Assistance, and Telephone Lifeline. ESD determines financial eligibility for health care programs, and administers the other programs listed above.

These programs serve more than 75,000 low- to moderate-income families, or about 150,000 people at any given time during the year. More than one in five Vermonters will receive one or more benefits or services from these programs.

Reach Up - Families with children who are unable to provide for themselves as a result of family breakup, single parenthood, temporary or permanent disability, unemployment, or low-wage employment, receive cash assistance, case management, other welfare-to-work services, and referral to

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Children and Family Services

the Office of Child Support. Families receiving Reach Up are also provided with Medicaid coverage and approximately nine out of ten receive Food Stamps. General funds in the Reach Up appropriation support the Postsecondary Education (PSE) program, which provides stipends and individual case management to approximately 250 parents who are pursuing a two- or four-year college education.

In FY 2008, the estimated average Reach Up caseload is expected to be 11,004 participants a month.

Aid to the Aged, Blind, & Disabled (AABD) - The AABD appropriation funds the State Supplement to federal Supplemental Security Income (SSI) benefits that 13,800 Vermonters receive from the Social Security Administration. The majority lives independently in the community, and the remainder lives in community or residential care homes. This appropriation also funds the Essential Person Program that provides cash assistance to needy household members, in many instances the SSI recipient's spouse, who is ineligible for SSI and Reach Up benefits and whose care or services are essential to the SSI recipient's ability to remain at home.

In FY 20078 the estimated average AABD caseload is expected to be 13,800 recipients a month and the Essential Person Program caseload should be approximately 185 households a month.

General Assistance - General Assistance/Emergency Assistance (GA/EA) programs are emergency financial assistance programs for eligible households whose emergency needs cannot be met under any other assistance program administered by Economic Services and cannot be relieved without ESD's intervention. A household may qualify for GA/EA in two ways: by meeting either the non-catastrophic or the catastrophic rules.

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

In FY 2008 the estimated average GA caseload is expected to be 3000 applications per month.

Food Stamp Cash Out - The Food Stamp cash-out program serves 17 percent of Food Stamp program recipients and represents 17 percent of total benefits disbursed; the remaining 83 percent of recipients are enrolled in the Electronic Benefit Transfer (EBT/Food) component of the program. In FY'99, coupon issuance was replaced by a statewide EBT distribution system. Cash-out benefits are permitted for households in which everyone is either 65 or older or an SSI recipient. Monthly Food Stamp program benefits, in combination with part of the household's income and other benefits, if any, are intended to enable the household to maintain a minimally nutritious diet.

In FY 2008 the estimated average Cash-Out caseload should be 8,475 recipients a month and the Total Food Stamp Program caseload should be 49,652 recipients a month if previous years' trends continue. These numbers could be higher depending on the success of aggressive outreach and program redesign strategies under consideration to boost participation rates and improve program access.

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Children and Family Services

Home Heating Fuel Assistance (LIHEAP) - Via Act 158 (1996), the General Assembly defined in statute the purpose of and conditions under which Vermont households may qualify for heating fuel assistance. Benefits are issued as a direct payment to their certified fuel supplier. ESD has a formal agreement with the five Community Action Programs to operate the Crisis Component of the Fuel Program.

In FY 2008 the estimated average Fuel caseload should be 21,566 households for the season.

Federal welfare reform reauthorization: Federal authorization for the Temporary Assistance for Needy Families Block Grant (TANF), Vermont's primary funding source for the Reach Up program, expired on September 30, 2002. Since that time, Congress has continued TANF funding through a series of legislative extensions until it reauthorized the program in the Deficit Reduction Act of 2005 (DRA). The DRA included changes that directly affect the states' participation requirements. To comply with these changes, Vermont must:

- 1 Increase its work participation rate,
- 2 Increase the number of hours participants engage in approved activities,
- 3 Engage participants in approved activities sooner,
- 4 Increase availability of child care
- 5 Expand and modify information technology and data collection, and
- 6 Provide more intensive services to help participants overcome barriers to employment in shorter time periods, or in conjunction with their participation in work activities.

The program and resource implications of these changes are significant. DCF's continuing efforts to improve Reach Up outcomes through program evaluation and the reallocation of resources will not be sufficient to fulfill the state's new obligations of the reauthorization and to avoid fiscal penalties. To meet the challenges of the expected changes, DCF will have to develop job and work placements across the state, fund additional childcare needs, and provide more intensive barrier removal services.

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

- ☐ increased access to the FSP and greater overall participation by potentially eligible Vermonters
- ☐ increased customer satisfaction
- ☐ improved quality control and payment accuracy rates
- ☐ improved application and change processing timeliness rates
- ☐ reduced workload pressures on district office staff who, in turn, will be better able to focus on Reach Up case management under TANF redesign
- ☐ cost savings derived through paperwork reduction, document imaging, and other program simplification.

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Children and Family Services

ESD is working with the USDA Food and Nutrition Service to analyze modernization projects underway in other states and will use these analyses to inform our process as we develop a Vermont- specific modernization proposal. Although eligibility modernization is primarily a Food Stamp initiative, our entire range of integrated program eligibility systems will benefit from its implementation.

Long term-care (LTC) Medicaid administration: The cost of LTC Medicaid continues as a significant budget pressure. The increasingly complex financial situations of many applicants challenge the division to provide additional resources to assure the consistent and accurate administration of the program. Critical resources include adequate training, supervision, and access to legal assistance for review of case documents. Further legal analysis of federal rules and estate planning vehicles could also yield program savings through changes resulting in increased cost sharing by individuals or estate recovery receipts.

Medicare Modernization Act (MMA): The MMA, implemented on January 1, 2006, has had a significant impact on the Medicare beneficiaries who also receive benefits through the Medicaid, VHAP-Pharmacy, VScript, or VScript expanded programs. Transitioning beneficiaries to a new prescription drug program continues to require extensive outreach and education to beneficiaries and the public, data collection from beneficiaries, staff training, and systems and procedures redesign.

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

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

This initiative will result in the transition of some VHAP beneficiaries to the ESI program and an increase in health care program applicants through the Economic Services Division. It also creates a new level of complexity in eligibility determination and administration of the program. In addition, the October 1, 2007 implementation date is a very ambitious one. We have been working collaboratively with OVHA, to develop the system design, rules, notices and related information for these new programs. Thus far, work on this new initiative is proceeding on schedule.

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Medical support from non-custodial parents: Pursuing medical support from non-custodial parents, which is a mandate to the Office of Child Support, is an opportunity to increase parents' personal responsibility to support their children, with an added benefit of some Medicaid savings when a child shifts to private health care coverage. However, the implementation of this initiative will require procedure changes, collection of additional data from families, systems redesign, staff training, and the establishment of consequences for families that do not cooperate with this mandate.

Stretching the heating dollar: ESD also administers a fuel assistance program through its Office of Home Heating Fuel Assistance, with federal funding from the Low-Income Home Energy Assistance Program (LIHEAP). These payments are not intended to meet the total cost of heating the home, but rather to provide supplemental assistance to households that qualify. In the 2005/2006 heating season, 20,454 Vermont families received a seasonal fuel assistance benefit. The crisis component of the program was also able to help approximately 4870 households avert a heating emergency. The caseload is expected to be higher in the 2006/2007 heating season.

Field Services Division

Program Focus:

The Field Services Division was formed during FY 2005 as part of the reorganization of AHS. The Division was created for the purpose of maximizing the effectiveness of human services provision in each region of the state. The Division's scope covers the entire Agency of Human Services, including services provided through state-operated entities as well as those operated by private "designated" agencies. AHS Field Directors work with state departments and divisions, private agencies, community partnerships, education, business, and, especially, consumer groups, to design and implement innovations to improve performance related to the ten outcomes for the Agency of Human Services, as well as to make specific progress around the ten themes of the 2004 Reorganization of Human Services:

Respectful Service: Creating a pervasive customer-friendly culture.

Access to Services: Creating a clear and welcoming presence in the community and assuring that people who connect with the agency are guided to the assistance they need. Creating technology that supports easy access.

Prevention: Working together with communities to promote healthy individuals and families.

Preventing Crises: Intervening as early as possible to reduce the need for more intensive services.

Effective Service Coordination: Assuring that individuals and families served by AHS programs have a service coordinator and well-coordinated interventions and supports.

Flexible Funding to address gaps in services: Working to respond to need and to avoid "silo thinking" that creates barriers.

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Collaboration with Key Partners: Building on existing partnerships and promoting broader relationships.

Support through Transition: Building smooth bridges between programs defined by age, disability, or situation (e.g. pre-school to school, adolescence to adulthood, school to work, prison to community, hospital to community, elder care at home to some type of supported situation, etc.)

Continuous Improvement and Accountability: Promoting a significant consumer voice in the process. Assuring tracking and addressing performance indicators related to the Agency's success.

Information Systems: Establishing improved information systems to support a more effective and efficient system.

History/Mandate:

For the past 35 years, human services in Vermont, as in all other states, has been organized around particular human problems. There have been departments, divisions, and units dedicated to economic problems, substance abuse, mental health, public health, child abuse, corrections, physical disabilities, developmental disabilities, aging, and every other imaginable disability or circumstance. In many of these areas, Vermont's programs have been exceptional, among the best in the country. In addition, there have been a number of initiatives in recent years that have encouraged collaboration across specialized programs. Despite all of this good work, there are various indicators that demonstrate the failings of a system built primarily around programmatic silos.

Eighteen months of inquiry produced a large body of information from citizens throughout Vermont, indicating that despite specific programs that have been excellent, there were serious issues around respect, access, and service coordination. In addition, it was realized that Vermont needed to become better at addressing problems earlier.

The Legislature, in May, 2004, authorized the Agency of Human Services to reorganize pursuant to the plan the agency submitted to the legislature. A State Advisory Group continues to oversee the process for a period of three years.

Population Served:

The mission of the Field Services Division is to optimize all the operations of the Agency of Human Services. The primary mandate of the Division is to assist the system and service providers to view the world through the eyes of actual and potential service participants and through a community lens. Field Directors work with local branches of the Agency to create functional systems and identify barriers to the success of the Agency in reaching its goals. The work of AHS Field Directors is not limited to a particular sub-set of the population, but rather is to assure that the system works for all Vermonters.

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Major Programs/Activities:

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

District Leadership Teams: comprised of local leaders, both state and private, engaged in community-wide planning and assessment to support the Field Director in implementing the agenda of the Agency of Human Services to increase the health and well-being of all Vermonters.

Regional Advisory Councils: made up of current and past service participants who advise, support and guide the Field Director in the development and implementation of strategies to improve the functioning of the Agency of Human Services.

Contracted Service Coordinators: this position is designed to offer service coordination to those individuals or families with complex needs who do not have access to this function or to assist existing teams to identify a lead service coordinator and to assist in the creation of a coordinated service plan.

Direct Service Dollars: designed to be flexible in nature, these dollars are allocated to the Field Directors to temporarily assist individuals and families in need when gaps in the system are identified.

Contracted Peer Navigator: this position was created to offer participants within the system contact with someone who has experienced the system first-hand and can assist with access and navigating within the complexities of service provision.

Office of Disability Determination Services (DDS)

Program Focus:

DDS serves the public by making prompt, program-accurate decisions of medical eligibility for disability benefits under Social Security and Supplemental Security Income (SSI). All funds expended by DDS to process Social Security and SSI disability claims are 100% federally reimbursed. A small part of DDS workload (6% in federal fiscal year 2006) involves medical eligibility for Medicaid based on the Social Security regulatory definition of disability. In addition, the DDS recently assumed responsibility for simultaneously processing the Katie Beckett Medicaid waiver level-of-care determinations for children.

OFFICE OF CHILD SUPPORT

Program Focus:

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

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perform the complete array of our existing services regardless of budgetary circumstances.

OCS was funded with approximately \$1.9 million in general fund for SFY 07 and it is anticipated that the \$1.9 M will generate child support collections of \$55.5 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 (\$55.5 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 Vermonters and strengthen Vermont communities. OEO provides program and grants management, resource identification and development, training and technical assistance and advocacy for community-based organizations in a manner that fosters creativity and innovation.

OEO connects communities to resources within government and the private sector in order to eliminate poverty.

OEO provides this assistance through:

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

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

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

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individuals towards permanent housing.

ASSET DEVELOPMENT:

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

COMMUNITY SERVICES

OEO's Community Services works to alleviate poverty and provide crisis assistance through emergency food, shelter and other services. Community Services involves a variety of state and federal funding sources aimed at specific program areas:

The Community Services Block Grant from the U.S. Department of Health and Human Services provides basic funding for Vermont's five Community Action Agencies (CAAs) and has been in existence since 1964. In 2006, Vermont CAAs provided direct services to nearly 40,000 low-income Vermonters. Direct services include emergency food shelves, employment, health, nutrition, housing and other assistance.

The Federal Emergency Management Agency (FEMA) also awards emergency food and shelter funds to Vermont through OEO, which distributes these funds to over 27 non-profit organizations serving low-income Vermonters, thereby assisting them with emergency food and shelter needs.

* A combination of federal Housing and Urban Development (HUD) funding and a state General Fund appropriation provides Vermont homeless shelters and providers of services to the precariously housed, funds to meet the needs of persons who are homeless or at risk of homelessness. In SFY 2006, 3,880 individuals spent at least one night in a shelter in Vermont.

* The statewide MicroBusiness Development Program assists low-to-moderate income Vermonters who want to gain skills and knowledge necessary to start and operate a micro business. In 2006, 96 new businesses were started, and 141 new full- and part-time jobs were created by business start-ups, expansions and enhancements. According to a recent survey of Job Start borrowers, nearly three-fourths were still in business. 47% had been in business between one and five years, and another 20% were successfully operating their businesses for over six years.

* Individual Development Accounts (IDAs) - This project is a matched-savings program that allows income-eligible participants to accumulate the assets needed to purchase a home, pursue higher

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Children and Family Services

education or capitalize a small business. In 2006, of 298 savers, 232 met their savings goal (78%) and the amount of aggregated savings was \$97,943.

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 \$7 million annually, is comprised 83% from state funds and 17% from USDOE.

Services Available to Income-Eligible People Include:

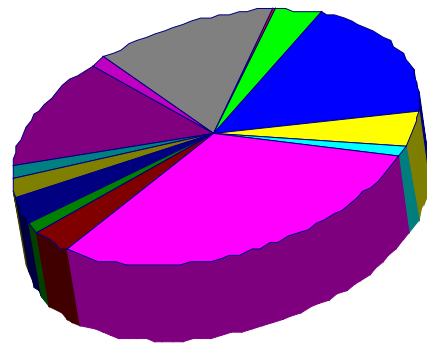
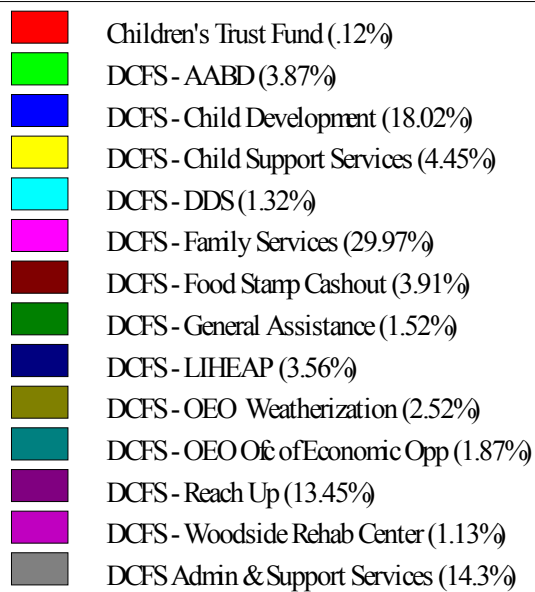
- Comprehensive “whole house” assessment of energy related problems,
- State-of-the-art building diagnostics including: blower door testing, carbon monoxide and heating system testing and infrared scans.
- “Full-service” energy efficiency retrofits including: dense-pack sidewall insulation, air sealing, attic insulation, heating system upgrades and replacements.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Children and Family Services

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
DCFS Admin & Support Services	433	445	462	36,207,315	34,334,730	37,934,760	41,243,971
DCFS - Family Services	289	289	293	83,247,026	87,738,413	83,127,350	86,456,409
DCFS - Child Development	41	41	43	49,308,570	50,474,149	50,732,013	51,982,257
DCFS - Child Support Services	143	134	134	11,346,155	11,659,625	11,642,158	12,824,960
DCFS - AABD	0	0	0	10,928,670	10,963,435	11,173,315	11,157,546
DCFS - General Assistance	0	0	0	4,493,433	4,376,259	4,376,259	4,376,259
DCFS - Food Stamp Cashout	0	0	0	8,329,814	7,178,725	11,055,733	11,288,833
DCFS - Reach Up	0	0	0	39,918,314	41,996,096	41,306,780	38,805,606
DCFS - LIHEAP	0	0	0	19,999,129	10,256,117	22,492,015	10,256,117
DCFS - OEO Ofc of Economic Opp	3	4	3	5,115,262	5,417,036	5,415,112	5,407,741
DCFS - OEO Weatherization	2	2	2	7,147,378	8,019,438	8,019,438	7,274,481
DCFS - Woodside Rehab Center	32	33	33	2,948,052	3,069,218	3,054,826	3,256,823
DCFS - DDS	30	30	30	3,163,414	4,146,246	3,796,246	3,796,246
Children's Trust Fund	0	0	0	420,908	340,891	378,884	340,891
TOTAL	973	978	1,000	282,573,440	279,970,378	294,504,889	288,468,140
FUND TYPE							
General Fund				92,485,973	82,122,820	79,144,204	79,193,409
Transportation Fund				60,732	0	0	0
Special Fund				25,515,414	22,392,566	31,316,167	21,731,080
Federal Revenue Fund				122,852,093	121,207,259	122,496,056	122,817,332
Global Commitment Fund				38,373,359	52,451,843	58,563,589	61,969,929
Interdepartmental Transfer				3,285,869	1,795,890	2,984,873	2,756,390
TOTAL				282,573,440	279,970,378	294,504,889	288,468,140

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Children and Family Services**



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DCFS Admin & Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	28,828,066	27,880,515	30,395,450	33,748,978
Operating Expenses	6,349,686	4,947,217	5,655,186	6,094,778
Grants	1,029,563	1,506,998	1,884,124	1,400,215
<hr/> TOTAL	<hr/> 36,207,315	<hr/> 34,334,730	<hr/> 37,934,760	<hr/> 41,243,971
FUND TYPE				
General Fund	11,451,519	11,066,492	11,407,202	12,627,866
Special Fund	606,981	0	0	0
Federal Revenue Fund	16,844,916	13,515,108	13,749,065	14,815,041
Global Commitment Fund	5,996,005	8,842,574	11,358,954	12,890,508
Interdepartmental Transfer	1,307,894	910,556	1,419,539	910,556
<hr/> TOTAL	<hr/> 36,207,315	<hr/> 34,334,730	<hr/> 37,934,760	<hr/> 41,243,971

STATE OF VERMONT
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DCFS - Family Services

Appropriation Key Budget Issues

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

Implementation of statutory revision authorizing child abuse registry checks for employees who will care for vulnerable children or adults has resulted in as many as 100 checks per week, resulting in increased pressure on staff.

Children and youth committed to the care and custody of the state are increasingly in need of significant and on-going mental health and substance abuse treatment.

The custody population continues to become older - over 60% are twelve and older. This requires adjustments to the current systems for placement and treatment.

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

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

Assuring adequate numbers of resource families who have the necessary skills to nurture children with complex behaviors and needs will continue to be a challenge.

Currently, the division provides supports to over 1200 adopted children with special needs. These children, adopted at an older age, continue to need supportive services after adoption.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Family Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	18,356,819	19,332,140	19,255,603	20,267,158
Operating Expenses	2,977,504	2,932,379	3,180,600	3,118,322
Grants	61,912,703	65,473,894	60,691,147	63,070,929
<hr/> TOTAL	<hr/> 83,247,026	<hr/> 87,738,413	<hr/> 83,127,350	<hr/> 86,456,409
FUND TYPE				
General Fund	21,642,560	26,044,388	14,853,325	16,053,209
Special Fund	1,808,702	1,381,152	1,831,152	1,831,152
Federal Revenue Fund	27,027,891	26,344,700	25,214,700	26,059,058
Global Commitment Fund	31,816,120	33,968,173	40,548,173	41,832,990
Interdepartmental Transfer	951,753	0	680,000	680,000
<hr/> TOTAL	<hr/> 83,247,026	<hr/> 87,738,413	<hr/> 83,127,350	<hr/> 86,456,409

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Child Development**

Appropriation Key Budget Issues

Complexity of Children's Needs:

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

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Child Development**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,044,276	2,793,150	2,777,064	2,943,906
Operating Expenses	639,542	762,969	762,969	762,228
Grants	45,624,752	46,918,030	47,191,980	48,276,123
<hr/> TOTAL	<hr/> 49,308,570	<hr/> 50,474,149	<hr/> 50,732,013	<hr/> 51,982,257
FUND TYPE				
General Fund	19,846,889	20,049,881	20,321,503	21,246,555
Transportation Fund	60,732	0	0	0
Special Fund	957,000	1,230,722	978,000	865,000
Federal Revenue Fund	28,022,989	27,435,701	26,737,743	26,604,204
Global Commitment Fund	281,249	1,532,093	2,469,015	3,040,746
Interdepartmental Transfer	139,711	225,752	225,752	225,752
<hr/> TOTAL	<hr/> 49,308,570	<hr/> 50,474,149	<hr/> 50,732,013	<hr/> 51,982,257

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Child Support Services**

Appropriation Key Budget Issues

Vermont continues to see reductions in federal incentives.

1. The Deficit Reduction Act 2005 eliminated the state's ability to receive 66% match on federal incentive payments. This amounts to approximately a 19% cut in federal funds. This was a major blow to OCS' funding for SFY2008.
2. A capped incentive funding pool is shared by all states. All states compete for monies from the capped incentive pool. Thus, while Vermont's performance remains high, as these improving (and larger) states draw more money from the pool, states that have consistently performed well (such as Vermont) are seeing reductions in available incentives.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Child Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	8,025,785	8,778,807	8,761,325	9,027,353
Operating Expenses	3,320,370	2,880,818	2,880,833	3,797,607
<hr/> TOTAL	<hr/> 11,346,155	<hr/> 11,659,625	<hr/> 11,642,158	<hr/> 12,824,960
FUND TYPE				
General Fund	1,079,399	1,908,463	1,890,996	2,535,052
Special Fund	480,963	455,718	455,718	455,718
Federal Revenue Fund	9,460,058	9,188,344	9,188,344	9,446,590
Interdepartmental Transfer	325,735	107,100	107,100	387,600
<hr/> TOTAL	<hr/> 11,346,155	<hr/> 11,659,625	<hr/> 11,642,158	<hr/> 12,824,960

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - AABD**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,483,686	1,365,966	1,365,966	1,365,966
Grants	9,444,984	9,597,469	9,807,349	9,791,580
<hr/> TOTAL	<hr/> 10,928,670	<hr/> 10,963,435	<hr/> 11,173,315	<hr/> 11,157,546
FUND TYPE				
General Fund	10,925,865	3,629,932	7,423,315	7,407,546
Global Commitment Fund	2,805	7,333,503	3,750,000	3,750,000
<hr/> TOTAL	<hr/> 10,928,670	<hr/> 10,963,435	<hr/> 11,173,315	<hr/> 11,157,546

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - General Assistance**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	4,493,433	4,376,259	4,376,259	4,376,259
<hr/> TOTAL	<hr/> 4,493,433	<hr/> 4,376,259	<hr/> 4,376,259	<hr/> 4,376,259
FUND TYPE				
General Fund	3,142,439	2,514,939	2,854,939	2,854,939
Federal Revenue Fund	1,073,814	1,111,320	1,111,320	1,111,320
Global Commitment Fund	277,180	750,000	410,000	410,000
<hr/> TOTAL	<hr/> 4,493,433	<hr/> 4,376,259	<hr/> 4,376,259	<hr/> 4,376,259

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Food Stamp Cashout**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	8,329,814	7,178,725	11,055,733	11,288,833
TOTAL	8,329,814	7,178,725	11,055,733	11,288,833
FUND TYPE				
Federal Revenue Fund	8,329,814	7,178,725	11,055,733	11,288,833
TOTAL	8,329,814	7,178,725	11,055,733	11,288,833

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Reach Up**

Appropriation Key Budget Issues

Federal welfare reform reauthorization: Federal authorization for the Temporary Assistance for Needy Families Block Grant (TANF), Vermont's primary funding source for the Reach Up program, expired on September 30, 2002. Since that time, the U.S. Congress has continued TANF funding through a series of legislative extensions; the current one continues funding through March 31, 2005. When Congress reauthorizes TANF, it is likely the legislation will include changes to the states' participation requirements. To comply with these anticipated changes, Vermont will need to:

- Increase the work participation rate,
- Increase the number of hours participants engage in approved activities,
- Engage participants in approved activities sooner,
- Increase availability of child care, especially for younger children,
- Expand and modify information technology and data collection, and
- Provide more intensive services to help participants overcome barriers to employment in shorter time periods, or in conjunction with their participation in work activities.

The program and resource implications of these changes are significant. DCF's continuing efforts to improve Reach Up outcomes through program evaluation and the reallocation of resources will not be sufficient to fulfill the state's new obligations of the reauthorization. To meet the challenges of the expected changes, DCF will have to find new resources to develop job and work placements across the state, fund additional childcare needs, and provide more intensive barrier removal services.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Reach Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	465	0	0	0
Operating Expenses	19,845	0	0	0
Grants	39,898,004	41,996,096	41,306,780	38,805,606
<hr/> TOTAL	<hr/> 39,918,314	<hr/> 41,996,096	<hr/> 41,306,780	<hr/> 38,805,606
FUND TYPE				
General Fund	13,845,747	12,808,023	12,827,710	12,277,114
Special Fund	2,200,000	2,200,000	2,200,000	2,200,000
Federal Revenue Fund	23,872,567	26,962,573	26,251,623	24,282,807
Global Commitment Fund	0	25,500	27,447	45,685
<hr/> TOTAL	<hr/> 39,918,314	<hr/> 41,996,096	<hr/> 41,306,780	<hr/> 38,805,606

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - LIHEAP**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	20,148	20,000	20,000	20,000
Operating Expenses	125,127	90,000	90,000	90,000
Grants	19,853,854	10,146,117	22,382,015	10,146,117
<hr/> TOTAL	<hr/> 19,999,129	<hr/> 10,256,117	<hr/> 22,492,015	<hr/> 10,256,117
FUND TYPE				
General Fund	6,700,000	0	3,547,568	0
Special Fund	13,299,129	10,256,117	18,944,447	10,256,117
<hr/> TOTAL	<hr/> 19,999,129	<hr/> 10,256,117	<hr/> 22,492,015	<hr/> 10,256,117

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
DCFS - OEO Ofc of Economic Opp

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	241,032	202,462	201,752	223,699
Operating Expenses	57,153	85,023	85,023	80,705
Grants	4,817,077	5,129,551	5,128,337	5,103,337
<hr/> TOTAL	<hr/> 5,115,262	<hr/> 5,417,036	<hr/> 5,415,112	<hr/> 5,407,741
FUND TYPE				
General Fund	883,352	985,725	917,061	888,546
Special Fund	60,619	57,340	57,340	57,340
Federal Revenue Fund	3,878,079	4,122,898	4,189,638	4,210,782
Interdepartmental Transfer	293,212	251,073	251,073	251,073
<hr/> TOTAL	<hr/> 5,115,262	<hr/> 5,417,036	<hr/> 5,415,112	<hr/> 5,407,741

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - OEO Weatherization**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	80,076	154,488	154,488	159,531
Operating Expenses	31,264	129,950	129,950	129,950
Grants	7,036,038	7,735,000	7,735,000	6,985,000
<hr/> TOTAL	<hr/> 7,147,378	<hr/> 8,019,438	<hr/> 8,019,438	<hr/> 7,274,481
FUND TYPE				
Special Fund	5,983,363	6,741,517	6,741,517	5,995,753
Federal Revenue Fund	1,164,015	1,277,921	1,277,921	1,278,728
<hr/> TOTAL	<hr/> 7,147,378	<hr/> 8,019,438	<hr/> 8,019,438	<hr/> 7,274,481

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - Woodside Rehab Center

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,440,440	2,598,093	2,583,701	2,632,506
Operating Expenses	507,612	471,125	471,125	624,317
<hr/> TOTAL	<hr/> 2,948,052	<hr/> 3,069,218	<hr/> 3,054,826	<hr/> 3,256,823
FUND TYPE				
General Fund	2,867,552	3,014,326	2,999,934	3,201,931
Interdepartmental Transfer	80,500	54,892	54,892	54,892
<hr/> TOTAL	<hr/> 2,948,052	<hr/> 3,069,218	<hr/> 3,054,826	<hr/> 3,256,823

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - DDS**

Appropriation Key Budget Issues

The transition to electronic claim files and business processes and new Social Security disability regulations have made the DDS claims process more labor-intensive and processing time longer. Average processing time for a medical determination for SSI has lengthened from 53 days in federal fiscal year 2005 to 88 days in October 2006. The DDS has hired and is training additional staff for the new, more labor-intensive workload.

Many healthcare facilities are not yet prepared to transmit records to DDS electronically. The conversion of paper evidence into electronic format adds excessive mail time as substantially all evidentiary material must be sent to Social Security's national scanning contractor in Kentucky. The DDS has requested that Social Security support a local scanning operation. The DDS plans to do individual outreach with the larger healthcare providers in Vermont to see whether direct electronic transmission processes between their facilities and DDS can be developed.

There are insufficient consultative examination resources in local communities. The DDS needs to purchase consultative examinations for some claimants in order to meet the federal documentation requirements for their claims. Since Social Security limits DDS to the Medicare fee schedule, the DDS has great difficulty recruiting providers to perform these examinations. The limited number of professionals with the required credentials, particularly in rural parts of the state, and the fact that other state agencies and insurance companies pay much more than the Medicare fees, means that people with disabilities often must wait months and travel long distances for these examinations.

Potential federal budget cuts for Social Security will impact the DDS. Federal budget shortfalls and increased numbers of initial claims have led Social Security to postpone continuing disability reviews. These reviews serve the important function of ensuring that beneficiaries whose conditions have enough for them to return to work leave the rolls. Although only a few of those reviewed are removed from the rolls, the return on administrative costs is quite high: more than \$10 for every \$1 dollar spent. Without these reviews, the state continues to provide Medicaid coverage and pay the state supplement for SSI for individuals who are no longer medically eligible for benefits.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DCFS - DDS**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,775,987	3,587,857	3,221,300	3,221,300
Operating Expenses	387,427	558,389	574,946	574,946
<hr/> TOTAL	<hr/> 3,163,414	<hr/> 4,146,246	<hr/> 3,796,246	<hr/> 3,796,246
FUND TYPE				
Federal Revenue Fund	2,976,350	3,899,729	3,549,729	3,549,729
Interdepartmental Transfer	187,064	246,517	246,517	246,517
<hr/> TOTAL	<hr/> 3,163,414	<hr/> 4,146,246	<hr/> 3,796,246	<hr/> 3,796,246

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Children's Trust Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	420,908	340,891	378,884	340,891
TOTAL	420,908	340,891	378,884	340,891
FUND TYPE				
General Fund	100,651	100,651	100,651	100,651
Special Fund	118,657	70,000	107,993	70,000
Federal Revenue Fund	201,600	170,240	170,240	170,240
TOTAL	420,908	340,891	378,884	340,891

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

Department Mission Statement

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

Description of Appropriations, Divisions, & Programs

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

* The Division of Disability and Aging Services (DDAS) manages a wide variety of programs and services for elders, people with physical disabilities, individuals with developmental disabilities and people with traumatic brain injuries. The primary goal of these services is to help individuals gain independence or remain independent and active in their community. The major programs in this division include: the long term care Section 1115 Choices for Care Waiver (managed by DAIL, but the funds are in OVHA); the Developmental Services Waiver (now part of the Global Commitment); Flexible Family Funding; all Older Americans Act programs in the Area Agencies on Aging, including case management and nutrition programs; Adult Day Services; Attendant Services Program; the Public Guardianship services; Traumatic Brain Injury Waiver (now part of Global Commitment), Children's Personal Care Services (managed in DDAS, but the funds are in OVHA); and the High Tech Program (managed in DDAS, but the funds are in OVHA).

* The Division of Vocational Rehabilitation (VR) assists Vermonters with a disability to enter or re-enter the work force through a wide variety of programs and individual support services. The core program (VR Section 110) enables Vermonters with a disability to assess their skills and abilities, identify a vocational goal, develop an Individualized Plan for Employment and receive services leading to meaningful employment. VR invests heavily in serving people with the most significant disabilities through supported employment programs and has developed a network of specialized Transition Counselors to support young adults from school to work. The Division operates the VR Reach Up program to serve TANF recipients with disabilities, a statewide Benefits Counseling Program to support Social Security beneficiaries to work, and the Assistive Technology Project that provides Vermonters with information, training on AT devices and services.

* The Division for the Blind and Visually Impaired (DBVI) assists Vermonters who are blind or have a visual impairment to enter or return to work, much the same as VR. It also provides some funds for independent living services, to help blind or visually impaired individuals to live and contribute in their communities. The major programs in DBVI include: the core rehabilitation work, known as Section 110 services and the Older Blind Program.

* The Division of Licensing and Protection (DLP) performs a critical role in ensuring quality of many health care services and protecting vulnerable adults from abuse, neglect and exploitation. Major programs in DLP include: Survey and Certification which involves inspections and surveys of all

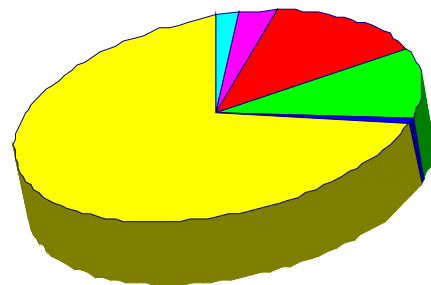
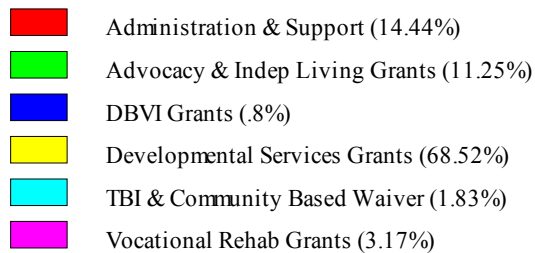
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

Medicare and Medicaid facilities and organizations including nursing homes and home health agencies; State licensure of residential care homes; and Adult Protective Services, which investigates abuse, neglect and exploitation of vulnerable adults.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Disabilities, Aging and Independent Living

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration & Support	297	297	305	24,043,871	26,109,838	25,901,133	26,977,298
Advocacy & Indep Living Grants	0	0	0	19,007,699	21,632,428	21,734,443	21,024,486
DBVI Grants	0	0	0	1,309,344	1,417,110	1,486,457	1,486,457
Vocational Rehab Grants	0	0	0	5,907,768	5,736,907	5,963,471	5,921,471
Developmental Services Grants	0	0	0	105,951,251	117,490,715	116,332,320	128,033,070
TBI & Community Based Waiver	0	0	0	2,816,568	2,993,010	2,993,010	3,415,448
TOTAL	297	297	305	159,036,501	175,380,008	174,410,834	186,858,230
FUND TYPE							
General Fund				27,384,391	18,920,345	18,494,612	18,278,610
Transportation Fund				422,692	0	0	0
Special Fund				1,405,218	1,137,338	1,301,629	1,233,823
Federal Revenue Fund				39,577,986	23,883,557	23,861,268	24,113,659
Global Commitment Fund				87,816,474	128,580,382	127,486,604	140,068,768
Interdepartmental Transfer				2,429,740	2,858,386	3,266,721	3,163,370
TOTAL				159,036,501	175,380,008	174,410,834	186,858,230



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration & Support

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	20,294,616	22,413,228	22,229,523	23,274,892
Operating Expenses	3,749,255	3,696,610	3,671,610	3,702,406
<hr/> TOTAL	<hr/> 24,043,871	<hr/> 26,109,838	<hr/> 25,901,133	<hr/> 26,977,298
FUND TYPE				
General Fund	5,690,044	6,154,846	6,124,113	6,467,588
Special Fund	746,219	686,875	822,000	824,910
Federal Revenue Fund	11,531,447	11,361,149	11,052,216	11,352,141
Global Commitment Fund	4,112,505	5,574,969	5,574,970	5,900,176
Interdepartmental Transfer	1,963,656	2,331,999	2,327,834	2,432,483
<hr/> TOTAL	<hr/> 24,043,871	<hr/> 26,109,838	<hr/> 25,901,133	<hr/> 26,977,298

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Advocacy & Indep Living Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	19,007,699	21,632,428	21,734,443	21,024,486
<hr/> TOTAL	<hr/> 19,007,699	<hr/> 21,632,428	<hr/> 21,734,443	<hr/> 21,024,486
FUND TYPE				
General Fund	9,076,027	10,520,276	10,357,776	9,788,299
Transportation Fund	422,692	0	0	0
Special Fund	238,850	50,000	70,716	0
Federal Revenue Fund	7,031,799	7,921,642	7,859,325	7,655,791
Global Commitment Fund	2,056,966	3,063,510	3,009,126	3,142,896
Interdepartmental Transfer	181,365	77,000	437,500	437,500
<hr/> TOTAL	<hr/> 19,007,699	<hr/> 21,632,428	<hr/> 21,734,443	<hr/> 21,024,486

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
DBVI Grants**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	1,309,344	1,417,110	1,486,457	1,486,457
<hr/> TOTAL	<hr/> 1,309,344	<hr/> 1,417,110	<hr/> 1,486,457	<hr/> 1,486,457
FUND TYPE				
General Fund	376,564	364,064	364,064	364,064
Special Fund	85,434	215,000	223,450	223,450
Federal Revenue Fund	659,846	588,046	648,943	648,943
Global Commitment Fund	187,500	250,000	250,000	250,000
<hr/> TOTAL	<hr/> 1,309,344	<hr/> 1,417,110	<hr/> 1,486,457	<hr/> 1,486,457

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vocational Rehab Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	5,907,768	5,736,907	5,963,471	5,921,471
<hr/> TOTAL	<hr/> 5,907,768	<hr/> 5,736,907	<hr/> 5,963,471	<hr/> 5,921,471
FUND TYPE				
General Fund	1,594,453	1,599,195	1,485,695	1,495,695
Federal Revenue Fund	4,093,934	3,688,325	3,976,389	4,132,389
Global Commitment Fund	19,994	0	0	0
Interdepartmental Transfer	199,387	449,387	501,387	293,387
<hr/> TOTAL	<hr/> 5,907,768	<hr/> 5,736,907	<hr/> 5,963,471	<hr/> 5,921,471

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Developmental Services Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	105,951,251	117,490,715	116,332,320	128,033,070
<hr/> TOTAL	<hr/> 105,951,251	<hr/> 117,490,715	<hr/> 116,332,320	<hr/> 128,033,070
FUND TYPE				
General Fund	10,400,000	281,964	162,964	162,964
Special Fund	334,715	185,463	185,463	185,463
Federal Revenue Fund	15,888,300	324,395	324,395	324,395
Global Commitment Fund	79,242,904	116,698,893	115,659,498	127,360,248
Interdepartmental Transfer	85,332	0	0	0
<hr/> TOTAL	<hr/> 105,951,251	<hr/> 117,490,715	<hr/> 116,332,320	<hr/> 128,033,070

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
TBI & Community Based Waiver

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	2,816,568	2,993,010	2,993,010	3,415,448
<hr/> TOTAL	<hr/> 2,816,568	<hr/> 2,993,010	<hr/> 2,993,010	<hr/> 3,415,448
FUND TYPE				
General Fund	247,303	0	0	0
Federal Revenue Fund	372,660	0	0	0
Global Commitment Fund	2,196,605	2,993,010	2,993,010	3,415,448
<hr/> TOTAL	<hr/> 2,816,568	<hr/> 2,993,010	<hr/> 2,993,010	<hr/> 3,415,448

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections

Department Mission Statement

The Vermont Department of Corrections supports safe communities by providing leadership in crime prevention, repairing the harm done, addressing the needs of crime victims, ensuring offender accountability for criminal acts, and managing the risk posed by offenders. The vision statement for the Department puts it more broadly: To be valued by the citizens of Vermont as a partner in the prevention, research, control, and treatment of criminal behavior.

Description of Appropriations, Divisions, & Programs

ADMINISTRATION

Corrections has five basic goals: to involve the community; to address the needs of victims; to restore the community; to ensure that offenders are held responsible; and to keep offenders safely in custody.

The administration of the Department consists of the commissioner and deputy commissioner and the supporting divisions of finance, information technology, planning and a legal division staffed by the attorney general.

PAROLE BOARD

The Parole Board is an autonomous body that is included in the Corrections appropriation only for administrative purposes. The board reviews recommendations made by the department to grant or revoke parole status. The Parole Board conducts statutory reviews of all inmates, 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. Students in the custody of the Vermont DOC are able to obtain a basic education and necessary job skills that will allow them to make a contribution to their communities upon release.

The Community High School of Vermont awarded 135 High School Diplomas and 29 G.E.D.s during FY2006.

CORRECTIONAL SERVICES

Correctional Services administers six Legal Sanctions for the courts:

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections

Probation: An offender found guilty of a crime upon verdict or plea, is released by the court without confinement, subject to the conditions and supervision by the Commissioner of Corrections. This is a contract between the offender and the court, to abide by conditions in return for the court not imposing the sentence. Violation of this sanction requires due process, with a court hearing, counsel, and proof beyond reasonable doubt. Within the probation sanction is the reparative probation program, which allows citizens on community panels to determine the 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 to by the Commissioner, under the supervision of the Parole Board. The offender is a step closer to incarceration: Violation occurs as a parole hearing, with lesser standards of proof and representation.

Pre-approved Furlough: The offender is sentenced to a term of confinement, but with prior approval of the Commissioner, for immediate 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 re-entry. This status is more restrictive than any other community based placement.

Parole: On completion of conditional reentry, or during the term of incarceration, on petition of the State or the inmate, the Parole Board may release the inmate on Parole, subject to the rules of the Board, supervised by Corrections.

The Programs: There are two broad sets of Correctional programs:

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

Risk Management Services accounts for the bulk of DOC program resources:

Central correctional facilities (Northern State [Newport], Northwest State [St. Albans], and Southern State [Springfield]) hold and treat violent and sexual offenders serving long sentences.

Regional correctional facilities in St. Johnsbury, South Burlington and Rutland, serve courts and law

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections

enforcement agencies by providing detention, classification and short sentence housing, though this distinction has become less defined as a result of increased incarceration.

Caledonia County Work Camp provides a less expensive means of incarceration for appropriate minimum security offenders working for the community.

Dale State Correctional facility and the Southeast State Correctional facility provide incarceration for women offenders.

Thirteen probation and parole offices manage offenders in the community who need supervision, treatment, surveillance, and custody.

Programs in facilities include sex offender treatment, the violent offender program, a federally funded substance abuse program, Community High School of Vermont, vocational training, and offender work programs. Programs in the community include domestic violence treatment, intensive substance abuse treatment, cognitive skills training and Community High School of Vermont, as well as sex offender treatment, violence treatment, women's programs and other community-based treatment. Offenders are entitled to standards of care which include nutrition, sanitation, recreation, education, religion, basic safety, medical, dental, and mental health care. More detailed data is presented in Facts and Figures, the Department's annual report on statistics and outcomes.

Reparative Services consists of 12 probation and parole offices that provide information to the courts at sentencing and eligibility determination for program placement, and assist community justice centers and reparative boards in creating appropriate reparative sanctions to low risk offenders. The services provided by this track include restitution and community service. Key outcomes for this track include community and victim reparation, and community involvement. There are currently some 13 community justice centers, which assist 65 reparative boards operating in 36 different Vermont communities. Reparative boards include more than 750 citizen volunteers, who have developed sanctions and restorative plans for 1,331 offenders under Corrections Probation supervision, and a large number of offenders diverted from prosecution to community justice centers last year. These offices also monitor probation conditions for some 8,400 offenders.

Public Safety: Despite an increase of population on furlough, escapes are down from 15.1% of the number furloughed to 14.1%, and new charges under supervision are down from 17% to 15%.

Recidivism: Three year followup recidivism for the 2003 cohort is 54%, the same as the previous year's releases.

Reparation to community: Offender work hours increased 7.5% to 414,000 person hours.

Community involvement: More than 1,400 Vermonters volunteer time and services to help inmates in prison, and through 13 community justice centers and some 75 reparative boards.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections**

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 in correctional facilities outside the state. The out of state population is currently managed by the out of state unit, located in St. Johnsbury. This office coordinates the classification and movement of appropriate offenders between Vermont DOC facilities and out of state facilities located in Kentucky, Oklahoma, Tennessee and elsewhere.

CORRECTION FACILITIES - RECREATION

The recreation fund is funded by the receipts from inmate commissaries and the inmate telephone system. The recreation fund is managed by both the Department of Corrections and inmate committees and is used mainly for inmate recreational opportunities. In addition, several of the inmate boards have decided to make substantive donations to victim activities. The recreation fund is also used to pay for inmate postage and to provide for support for reentry after release including housing.

VERMONT OFFENDER WORK PROGRAM (VOWP)

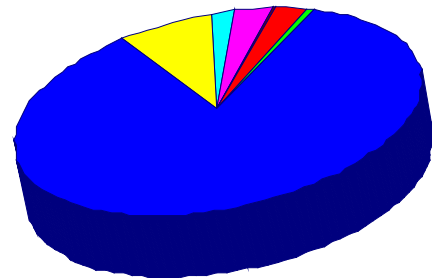
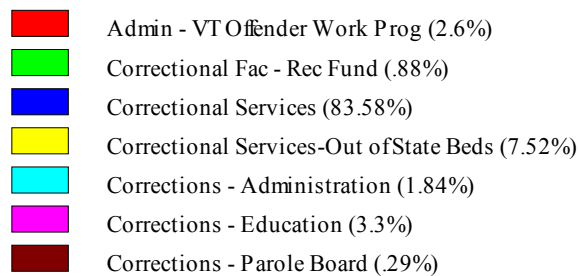
Vermont offender work program administers industrial and training programs in correctional facilities, including a print shop, a silk screen shop, a furniture manufacture and assembly shop, a license plate and sheet metal working shop, and smaller correctional industries. The program also works with the community work camp, providing many surrounding communities with work service crews performing a wide variety of reparative services.

The Vermont offender work program also works with the community service work crews composed of offenders on probation and intermediate sanctions that provide work service to communities across Vermont. Among many other projects, correctional community work service crews maintain all 110 fishing access areas managed by the Department of Fish and Wildlife, all the state parks, and several forest projects. Crews work for nearly every town in Vermont and many of the non-profit agencies ranging from food shelves to public libraries.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Corrections - Administration	33	28	27	2,511,402	2,381,328	2,417,084	2,357,187
Corrections - Parole Board	3	3	3	410,014	365,308	368,370	371,734
Corrections - Education	56	55	60	3,850,141	3,607,042	3,652,479	4,219,136
Correctional Services	1,049	1,055	1,045	102,017,292	99,812,932	102,117,381	106,955,275
Correctional Fac - Rec Fund	9	10	9	777,179	1,076,998	1,086,322	1,126,998
Correctional Services-Out of State	0	0	0	0	8,020,247	8,314,136	9,621,342
Beds	20	20	20	2,819,912	3,322,612	3,350,721	3,322,612
Admin - VT Offender Work Prog							
	1,170	1,171	1,164	112,385,940	118,586,467	121,306,493	127,974,284
TOTAL							
FUND TYPE				102,353,779	108,503,388	111,186,257	118,217,554
General Fund				1,158,038	0	0	0
Transportation Fund				991,267	1,637,417	1,646,465	1,687,417
Special Fund				2,094,124	1,894,710	1,894,710	686,861
Federal Revenue Fund				2,062,609	2,750,144	2,750,144	2,894,144
Global Commitment Fund				2,819,912	3,322,612	3,350,721	3,322,612
Internal Service Fund				906,211	478,196	478,196	1,165,696
Interdepartmental Transfer							
				112,385,940	118,586,467	121,306,493	127,974,284
TOTAL							



**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections - Administration**

Appropriation Key Budget Issues

VT DOC again faces a myriad of fiscal and programmatic challenges this year. These challenges include dealing with security, correctional officer turnover, offender safety issues, investigations, overcrowding, transport, and increasing demands from advocates representing both victims and offender supporters.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections - Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,131,147	2,065,241	2,100,997	2,041,100
Operating Expenses	380,255	316,087	316,087	316,087
<hr/> TOTAL	<hr/> 2,511,402	<hr/> 2,381,328	<hr/> 2,417,084	<hr/> 2,357,187
FUND TYPE				
General Fund	2,393,089	2,316,328	2,352,084	2,357,187
Federal Revenue Fund	118,313	65,000	65,000	0
<hr/> TOTAL	<hr/> 2,511,402	<hr/> 2,381,328	<hr/> 2,417,084	<hr/> 2,357,187

STATE OF VERMONT
FISCAL YEAR 2008 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. The parole board also reviews an increasing number of offenders on parole after serving sentences on supervised community sentence status. The statutory requirement for periodic review of inmates serving sentences in out of state facilities was reduced, reducing the budget pressure for parole board member trips out of state. The Board has recently rewritten the procedures manual, and is implementing a system of using actuarial risk indicators to help guide the release decision.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections - Parole Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	336,803	299,753	302,815	306,179
Operating Expenses	73,211	65,555	65,555	65,555
<hr/> TOTAL	<hr/> 410,014	<hr/> 365,308	<hr/> 368,370	<hr/> 371,734
FUND TYPE				
General Fund	410,014	365,308	368,370	371,734
<hr/> TOTAL	<hr/> 410,014	<hr/> 365,308	<hr/> 368,370	<hr/> 371,734

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections - Education

Appropriation Key Budget Issues

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Corrections - Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,319,302	3,263,380	3,308,817	3,875,474
Operating Expenses	530,839	343,662	343,662	343,662
<hr/> TOTAL	<hr/> 3,850,141	<hr/> 3,607,042	<hr/> 3,652,479	<hr/> 4,219,136
FUND TYPE				
General Fund	3,068,529	3,209,892	3,255,329	3,321,986
Interdepartmental Transfer	781,612	397,150	397,150	897,150
<hr/> TOTAL	<hr/> 3,850,141	<hr/> 3,607,042	<hr/> 3,652,479	<hr/> 4,219,136

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Correctional Services**

Appropriation Key Budget Issues

Budget issues in correctional services include increases for the annualization of pay act and the correctional officer pay upgrade, the re-bidding of the inmate health contract, fleet services, enhanced support for the Vermont Corrections Academy. Other key areas for concern include the offender substance abuse problems, the female population incarcerated in the State and limited prison space. VT DOC has frequently operated at or above capacity for female inmates.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Correctional Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	69,426,251	70,894,459	72,068,574	73,983,193
Operating Expenses	29,813,371	26,833,973	28,044,307	31,461,582
Grants	2,777,670	2,084,500	2,004,500	1,510,500
<hr/> TOTAL	<hr/> 102,017,292	<hr/> 99,812,932	<hr/> 102,117,381	<hr/> 106,955,275
FUND TYPE				
General Fund	96,482,147	94,516,613	96,821,062	102,470,305
Transportation Fund	1,158,038	0	0	0
Special Fund	214,088	635,419	635,419	635,419
Federal Revenue Fund	1,975,811	1,829,710	1,829,710	686,861
Global Commitment Fund	2,062,609	2,750,144	2,750,144	2,894,144
Interdepartmental Transfer	124,599	81,046	81,046	268,546
<hr/> TOTAL	<hr/> 102,017,292	<hr/> 99,812,932	<hr/> 102,117,381	<hr/> 106,955,275

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund**

Appropriation Key Budget Issues

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Correctional Fac - Rec Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	478,207	603,012	612,336	603,012
Operating Expenses	298,972	473,986	473,986	523,986
<hr/> TOTAL	<hr/> 777,179	<hr/> 1,076,998	<hr/> 1,086,322	<hr/> 1,126,998
FUND TYPE				
General Fund	0	75,000	75,276	75,000
Special Fund	777,179	1,001,998	1,011,046	1,051,998
<hr/> TOTAL	<hr/> 777,179	<hr/> 1,076,998	<hr/> 1,086,322	<hr/> 1,126,998

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds

Appropriation Key Budget Issues

As the population of incarcerated individuals in Vermont continues to grow, our ability to house all inmates in state operated facilities will persistently be surpassed. At present, approximately 520 male inmates are incarcerated outside the state in private facilities run by Corrections Corporation of America (CCA). Due to the classification restrictions on placing inmates in out of state facilities, we may have reached our available out of state bed capacity with CCA and are seeking additional beds from other vendors with less stringent placement criteria. Concurrently, we will consider new CCA facilities that may be developed in the northeast as they would provide shorter distances for inmate transport or offender visitation. In either case, these additional beds are likely to cost more than those beds secured through our agreements with CCA. The need for increasing space to house inmates will continue to exert upward pressure on the Vermont DOC budget.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Correctional Services-Out of State Beds

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	0	8,020,247	8,314,136	9,621,342
<hr/> TOTAL	<hr/> 0	<hr/> 8,020,247	<hr/> 8,314,136	<hr/> 9,621,342
FUND TYPE				
General Fund	0	8,020,247	8,314,136	9,621,342
<hr/> TOTAL	<hr/> 0	<hr/> 8,020,247	<hr/> 8,314,136	<hr/> 9,621,342

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

Appropriation Key Budget Issues

There are no key budget issues for the Vermont Offender Work Programs (VOWP). The VOWP is a self-funded operation, providing offender work and vocational training at no cost to the general fund.

Service Impacts

In addition to the programmatic value of preparing offenders for the work force, the VOWP adds value in several other ways. Virtually all VOWP expenses represent money put back into the economy that would not have been there otherwise. The majority of this money is spent in Vermont. All raw materials are purchased in the private sector and many services are as well. These purchases amounted to roughly \$1.1 million that was put back in the Vermont economy as a result of VOWP activities in FY 06. Wages to offenders and VOWP staff are also spent mostly in the Vermont economy. These amounted to approximately \$1.0 million last year.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Admin - VT Offender Work Prog

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,200,254	1,363,572	1,391,681	1,412,977
Operating Expenses	1,619,658	1,959,040	1,959,040	1,909,635
<hr/> TOTAL	<hr/> 2,819,912	<hr/> 3,322,612	<hr/> 3,350,721	<hr/> 3,322,612
FUND TYPE				
Internal Service Fund	2,819,912	3,322,612	3,350,721	3,322,612
<hr/> TOTAL	<hr/> 2,819,912	<hr/> 3,322,612	<hr/> 3,350,721	<hr/> 3,322,612

**STATE OF VERMONT
FISCAL YEAR 2008 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 184 bed skilled nursing facility with a 24 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.

Recognizing our role as fiduciary stewards of state funds and as caretakers of those who have given the most to our nation, 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 2008 as we continue to implement programmatic changes to improve the delivery of care to our residents:

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Veterans' Home**

- The development of a sub-acute wound care program.
- Cultural changes to include alternate pain relieving techniques and improve the dining experience for our residents.
- Explore the provision of care for those veterans with traumatic brain injury.

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 \$15.9 million of revenue in SFY '06 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 156 residents nursing and 4 domiciliary days. This represents 89 % occupancy of available beds.

PROGRAMS:

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

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

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

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

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

5) **SKILLED REHABILITATION** - The Vermont Veterans' Home has a professional team of occupational

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Veterans' Home

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Care and Support Services	219	219	225	14,597,099	16,051,290	16,581,621	16,426,467
<hr/> TOTAL	<hr/> 219	<hr/> 219	<hr/> 225	<hr/> 14,597,099	<hr/> 16,051,290	<hr/> 16,581,621	<hr/> 16,426,467
FUND TYPE							
General Fund				0	0	5,331	0
Special Fund				9,050,099	10,193,494	10,718,494	10,466,920
Federal Revenue Fund				4,800,000	4,944,749	4,944,749	5,046,500
Global Commitment Fund				747,000	913,047	913,047	913,047
<hr/> TOTAL				<hr/> 14,597,099	<hr/> 16,051,290	<hr/> 16,581,621	<hr/> 16,426,467

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Care and Support Services**

Appropriation Key Budget Issues

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 2008 BUDGET RECOMMENDATIONS
Care and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	11,610,206	12,927,871	13,033,202	13,342,317
Operating Expenses	2,986,893	3,123,419	3,548,419	3,084,150
<hr/> TOTAL	<hr/> 14,597,099	<hr/> 16,051,290	<hr/> 16,581,621	<hr/> 16,426,467
FUND TYPE				
General Fund	0	0	5,331	0
Special Fund	9,050,099	10,193,494	10,718,494	10,466,920
Federal Revenue Fund	4,800,000	4,944,749	4,944,749	5,046,500
Global Commitment Fund	747,000	913,047	913,047	913,047
<hr/> TOTAL	<hr/> 14,597,099	<hr/> 16,051,290	<hr/> 16,581,621	<hr/> 16,426,467

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Commission on Women

Department Mission Statement

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

Core Values: The Commission operates with these tenets in mind:

- *that all women and girls must have the opportunity and be encouraged to participate fully in society for the betterment of the lives of all.
- *that all women should be able to live with justice, equity, freedom, dignity, privacy, equality, economic self-sufficiency, mental and physical health, and well-being.

The Commission is comprised of 16 Commissioners, appointed by multiple appointing authorities, and drawn throughout the state and from diverse backgrounds. An Advisory Council, representing various organizations, provides information on the concerns of Vermont women and assists the Commission with the fulfillment of its responsibilities.

Description of Appropriations, Divisions, & Programs

The Commission is the only state entity singularly focused on women's economic and social well-being. The activities of the Commission are organized into three program areas: information and referral, public education, and public policy, and the Commission work is guided by a strategic plan, summarized below:

PRIORITY AREA #1: ECONOMIC EQUITY & SECURITY

- Goal: Women will have support to balance work and family life.
- Goal: Women and men will earn equal pay and a livable wage.
- Goal: Workplaces will be free of gender bias and harassment.

PRIORITY AREA #2: LEADERSHIP & PUBLIC LIFE

- Goal: Legislature will increase its knowledge of women's issues.
- Goal: Women will be influential leaders.
- Goal: Vermonters will value the contributions of women now and in the future by better understanding their past.

PRIORITY AREA #3: HEALTH, SAFETY, & CIVIL RIGHTS

- Goal: Women will live free of violence and have access to the health care they need.

PRIORITY AREA #4: EDUCATION AND HUMAN DEVELOPMENT

- Goal: Schools will be free of gender bias and harassment.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Commission on Women

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 2008 BUDGET RECOMMENDATIONS
Vermont Commission on Women

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Commission on Women	3	3	3	275,166	261,487	301,730	265,890
TOTAL	3	3	3	275,166	261,487	301,730	265,890
FUND TYPE							
General Fund				273,827	256,487	281,570	260,890
Special Fund				1,339	5,000	5,000	5,000
Interdepartmental Transfer				0	0	15,160	0
TOTAL				275,166	261,487	301,730	265,890

STATE OF VERMONT
FISCAL YEAR 2008 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. Twelve percent is for allocated expenses such as fee-for-space and VISION. The remaining ten 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 2008 BUDGET RECOMMENDATIONS
Vermont Commission on Women

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	214,613	201,837	237,579	207,262
Operating Expenses	60,553	59,650	64,151	58,628
<hr/> TOTAL	<hr/> 275,166	<hr/> 261,487	<hr/> 301,730	<hr/> 265,890
FUND TYPE				
General Fund	273,827	256,487	281,570	260,890
Special Fund	1,339	5,000	5,000	5,000
Interdepartmental Transfer	0	0	15,160	0
<hr/> TOTAL	<hr/> 275,166	<hr/> 261,487	<hr/> 301,730	<hr/> 265,890

STATE OF VERMONT
FISCAL YEAR 2008 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 2,642 volunteers who, in grant year 2005, gave 370,240 hours of service to over 687 community non-profit organizations. These organizations include schools, aging programs, cultural organizations, libraries, hospitals, social service agencies, health care organizations, and many others.

State funding has been provided since FY 77 under Act No. 185 of the 1977 Adjourned Session. The Act reads: "funds shall be administered by the Department of Aging and Disabilities and be disbursed by it to each local program to meet direct costs incurred by supporting volunteers such as insurance, travel, and meals".

State funds are awarded, based on an agreed-upon formula, to the following non-profit agencies who sponsor RSVP programs:

- United Way of Chittenden County, Grantee for Chittenden County RSVP
- Rutland Mental Health Services, Inc., Grantee for Addison and Rutland County RSVP
- Green Mt Chapter of American Red Cross, Grantee for Green Mountain RSVP serving Bennington, Windham, and Windsor Counties.
- Central VT Council on Aging, Grantee for RSVP for Central Vermont (Washington, Orange, Lamoille Counties) and Northeast Kingdom (Orleans, Essex & Caledonia Counties).

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Retired Senior Volunteer Program	0	0	0	131,096	131,096	131,096	131,096
TOTAL	0	0	0	131,096	131,096	131,096	131,096
FUND TYPE							
General Fund				131,096	131,096	131,096	131,096
TOTAL				131,096	131,096	131,096	131,096

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Retired Senior Volunteer Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
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 2008 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 Unemployment Insurance and Wages Division is also developing a cross-match program with the Social Security Administration to prevent identity theft and fraud.

The Department of Labor's total fiscal '08 request is approximately \$28.6 million. Seventy-two percent of the funding is federal with 11 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 14 employees. Its funding is 100 percent federal. There remains a threat of significant federal budget cuts to this activity.

Information generated by the Division is used by other state agencies particularly the Department of Economic Development and the Regional Development Corporations. We produce monthly reports disseminated to and use by a wide variety of Vermont businesses. The Division can produce certain specialized reports upon request.

Unemployment Insurance and Wages

The 85 employees of the Unemployment Insurance and Wages Division process claims for unemployment compensation, ensure employers are covered, and collect the necessary contributions. The division processes 350,000 weekly claims for unemployment benefits, resolves 16,000 disputed claims and processes 92,000 employer reports annually. Benefit payments in calendar year 2005 totaled

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Department of Labor

\$82 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 12,000+ inquiries from businesses and workers and pursues about 400 wage claims each year. The Wage and Hour program works closely with employers and employees to educate them of their rights and responsibilities under the Vermont employment laws as well as oversees the program to get mandatory postings out to Vermont employers. The division also provides information about wage and hour and child labor laws and resolves wage disputes. The 2.5 FTE wage and hour staff is supported with general funds.

The Division is also developing and implementing several improvements including:

- ☐ Automatic cross-match with the Social Security Administration files to reduce identity theft and UI fraud.
- ☐ Internet based registration program in cooperation with the Secretary of State and Tax Department.
- ☐ Totally immersed in developing processes, methods, and procedures to handle reporting and collection of contributions due on "uncovered" workers related to the 2006 Health Care Reform bill.
- ☐ Updating the computer system that accepts weekly unemployment claims. (enterprise project with DII, Tax, and DMV).
- ☐ Various Internet applications to assist claimants and employers with responding to department request and/or accessing/updating individual account information.
- ☐ Cross-match of state and national New Hire directory in order to identify potential fraud.

Workforce Development Council

The Workforce Development Council is designated as the State Workforce Investment Board under the Federal Workforce Investment Act, and under State law 10 VSA 541. The Council advises the Governor on the development and implementation of a comprehensive, flexible and responsive workforce education and training system. The Council, by law, has a business majority to help ensure that the workforce development efforts of the public members of the Council are consistent with business needs.

The Department serves as fiscal agent for the Council and staff are housed at our offices at 5 Green Mountain Drive. Limited funding is provided to the Council from the Department and the federal government.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Department of Labor

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 20,000 injury reports. Approximately 7,500 of the injuries involve lost work time of three or more days. 5,000 cases involve dispute resolution and 70 to 80 go to formal hearing. 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 2007, 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 61 investigations were conducted and 13 administrative citations and penalties were issued. This is an increase over the prior fiscal year when only 37 investigations were conducted and only 6 resulted in citations and penalties. It is important to note the Department does NOT set worker's compensation insurance rates. That function is performed by the Banking, Insurance, Securities and Health Care Administration.

The Vermont Occupational Safety and Health Administration (VOSHA) works to ensure that all persons are provided safe and healthy conditions at their workplace. Activities include inspecting workplaces for violations of VOSHA standards and imposing penalties when violations are not corrected. In addition compliance officers investigate serious workplace accidents. The VOSHA inspections at Vermont businesses are mandatory. The department also recognizes businesses for their efforts in workplace

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Department of Labor

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 Workforce Investment Act serves 1,300 disadvantaged youth, adults, and dislocated workers with case management and training assistance.
- ☐ The Apprenticeship program enables more than 900 incumbent workers to learn new skills through a combination of on-the-job training and classroom instruction. The apprenticeship program is supported with 70 percent general funds and 30 percent special funds. It should be noted enrollment in the Apprenticeship program is at an all time high since the program came to VDOL. Demand for these services is increasing.
- ☐ The Employment Service helps match employers and job seekers. Twelve thousand individuals, 76 percent of those exiting programs managed by the department, find employment after receiving services through this program.
- ☐ The Workforce Education and Training Fund has \$365,644 from the general fund to assist businesses develop and implement training to improve skills to assist unemployed and under-employed workers. The application process for this funding has recently been simplified. This remains a very popular program to help employees or potential employees to develop the skills needed by Vermont employers.
- ☐ The Reach-Up Program is administered by VDOL under an agreement with the Department for Children and Families, the division provides case management and employment services to more than 1,500 individuals on public assistance.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Department of Labor

- ☐ The Division also oversees discretionary grant programs that currently total approximately \$1,700,000.

The Division is working towards:

- Implementing a Demand-Driven System that will focus on and respond to employer needs.
- Finalizing implementation of a New Service Delivery system for Workforce Development.
- Administering the Interagency Committee within State Government to coordinate the State's response to workforce development needs.
- Maintaining a Seamless Continuum of Workforce Development and Training Services.
- Establishing a Career Development Website System, supported by VDOL and VSAC.
- Expanding the use of existing training resources to include Apprenticeship Programs, OJT, Workforce Education and Training Fund (WETF), and collaboration with all VDOL training partners.
- Developing, applying for, and administering federal discretionary grants.

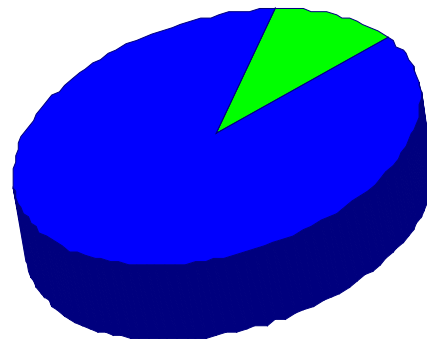
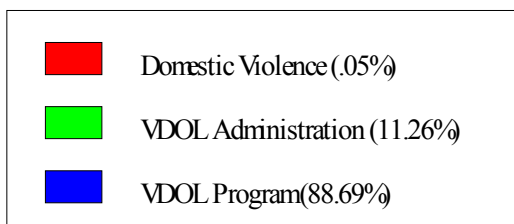
Administration

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Department of Labor

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
VDOL Program	0	276	276	0	24,961,229	25,932,248	25,435,575
VDOL Administration	0	40	40	0	3,300,893	3,545,281	3,227,777
Domestic Violence	0	0	0	7,672	10,000	10,000	15,000
TOTAL	0	316	316	7,672	28,272,122	29,487,529	28,678,352
FUND TYPE							
General Fund				0	2,310,220	3,279,270	2,334,195
Special Fund				7,672	2,916,651	3,163,008	3,306,291
Federal Revenue Fund				0	20,701,413	20,701,413	20,634,028
Interdepartmental Transfer				0	2,343,838	2,343,838	2,403,838
TOTAL				7,672	28,272,122	29,487,529	28,678,352



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
VDOL Program

Appropriation Key Budget Issues

The challenges discussed last year remain the same. Population growth for Vermont is slower than the national average. The existing workforce is aging which makes it more susceptible to workplace injury and the baby boom generation is approaching retirement. These demographic changes are creating difficulty finding skilled labor for many Vermont businesses. Skilled workers are leaving and there is difficulty finding suitable replacements. There is an increased demand for services to help locate and train workers needed to replace retiring specialized craft people. There are also increased requests for assistance in helping avoid workplace accidents and injuries.

While demand for services is strong and growing, federal support for many VDOL programs has declined and for other programs is relatively static. While the department has been successful in obtaining systems building and training pass-through grants, the support of basic workforce development services, labor statistics, and unemployment insurance has declined. Reduced resources for the on-going programs have been met with reduced staffing and reduced service hours in some geographic areas. It has also led to efficiencies such as a centralized, highly automated UI claim center, increased use of on-line services such as Vermont Joblink, and other automation projects.

Explanation of Significant Changes:

Special Funds - The Department of Labor was tasked to collect the employer health care premium contribution in Act 191. The increase in special funding reflects the cost associated with that activity. The employer health care contribution will be collected using the same forms and processes as unemployment insurance contributions recommended by the Act. The US Department of Labor will reduce its support of the unemployment insurance program to reflect the health care contributions share of the cost. The decline in federal funding may or may not occur in this fiscal year so the decline is not reflected in this request. However, the department cannot spend federal funds to support state activities such as the health care contribution collections.

Federal Funds - Congress has not resolved the US Department of Labor's budget for the current fiscal year. As this was being written the Congress is considering a continuing resolution which would maintain the FFY' 06 funding levels. There are also efforts to restore funding to FFY' 05 levels. In January, the new Congress will have to grapple with the appropriations for the current year which influences SFY '07 unemployment insurance funding and workforce development activity funding for SFY '08. The assumption in the budget request is that formula funds, which support staffing and programs, will remain level and all growth will be associated with one-time system building grants.

Interdepartmental Transfer- In anticipation of reduced federal support, dollar amounts spent on Agency of Human Services clients will decline. The Department will be working with AHS to understand the full impact of federal funding changes and on how to ensure that the programs are well coordinated and provide operational efficiencies while providing the appropriate level of services. This budget summary assumes level funding.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
VDOL Program**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	0	19,264,611	19,894,159	19,476,718
Operating Expenses	0	4,136,325	4,477,796	4,293,857
Grants	0	1,560,293	1,560,293	1,665,000
<hr/> TOTAL	<hr/> 0	<hr/> 24,961,229	<hr/> 25,932,248	<hr/> 25,435,575
FUND TYPE				
General Fund	0	2,119,812	2,893,745	2,111,711
Special Fund	0	2,529,209	2,726,295	2,896,844
Federal Revenue Fund	0	18,315,506	18,315,506	18,326,794
Interdepartmental Transfer	0	1,996,702	1,996,702	2,100,226
<hr/> TOTAL	<hr/> 0	<hr/> 24,961,229	<hr/> 25,932,248	<hr/> 25,435,575

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
VDOL Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	0	2,603,442	2,762,463	2,463,105
Operating Expenses	0	697,451	782,818	764,672
<hr/> TOTAL	<hr/> 0	<hr/> 3,300,893	<hr/> 3,545,281	<hr/> 3,227,777
FUND TYPE				
General Fund	0	190,408	385,525	222,484
Special Fund	0	377,442	426,713	394,447
Federal Revenue Fund	0	2,385,907	2,385,907	2,307,234
Interdepartmental Transfer	0	347,136	347,136	303,612
<hr/> TOTAL	<hr/> 0	<hr/> 3,300,893	<hr/> 3,545,281	<hr/> 3,227,777

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Domestic Violence

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	7,672	10,000	10,000	15,000
TOTAL	7,672	10,000	10,000	15,000
FUND TYPE				
Special Fund	7,672	10,000	10,000	15,000
TOTAL	7,672	10,000	10,000	15,000

STATE OF VERMONT
FISCAL YEAR 2008 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.

Tobacco: Tobacco Use Prevention funds administered by the Department of Education awarded directly to schools to conduct research-based tobacco prevention programs.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Education

Act 117: Responsible for strengthening regular education capacity to better meet the needs of all students outside of special education programs, addressing staff shortages in special education instruction and special education administration, developing a consistent approach to decision-making regarding special education eligibility, and enhancing prevention and intervention in the areas of early literacy and emotional and behavioral skills problems.

Adult Education and Literacy: Funding for the four community nonprofit organizations which deliver the statewide adult basic education program distributed through a county needs-based formula.

Small Schools Grant: Grant to assist small schools with high per pupil fixed costs. Available to schools with enrollment of less than 100 students or less than 20 students per grade.

Special Education Formula: State share of special education funding including a block grant, reimbursement for extraordinary expenses, and intensive reimbursement.

State Placed Students: Reimbursement to Local Education Agency's for non mainstream special education services and residential placements for students placed by the Department of Social and Rehabilitation Services or the Department of Mental Health in a school district outside of the parents' district of residence.

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

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

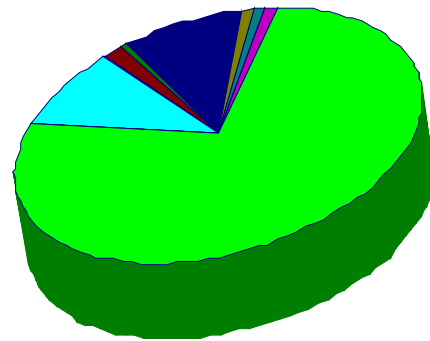
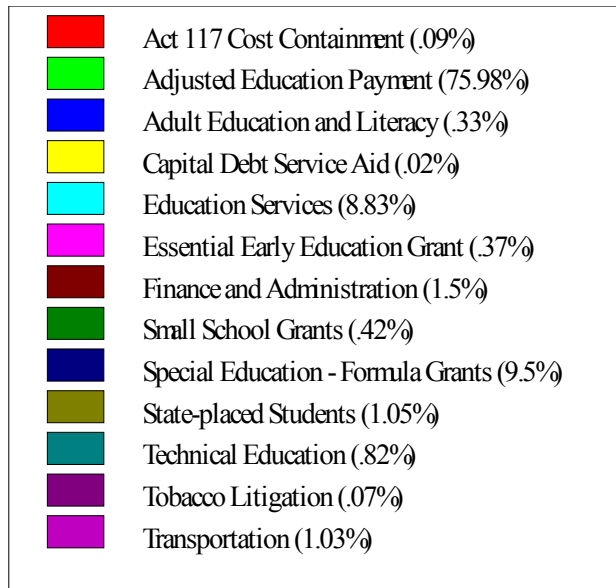
Education Grant: Funding for education spending under act 68 being implemented for the first time in FY 2005. The education spending amount makes up about 80 percent of school budgets statewide.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Education

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Finance and Administration	64	63	63	17,872,025	20,747,862	20,852,697	21,107,630
Education Services	133	134	133	119,350,367	127,625,769	126,226,612	124,262,589
Special Education - Formula Grants	0	0	0	116,093,224	125,280,000	125,306,776	133,794,159
State-placed Students	0	0	0	13,612,568	14,416,000	14,416,000	14,750,000
Adult Education and Literacy	0	0	0	3,849,706	3,701,017	4,037,173	4,593,059
Adjusted Education Payment	0	0	0	963,878,941	1,018,388,625	1,019,750,747	1,069,705,050
Transportation	0	0	0	13,491,269	13,978,220	13,978,220	14,453,479
Small School Grants	0	0	0	5,046,434	5,360,000	5,360,000	5,925,000
Capital Debt Service Aid	0	0	0	420,208	380,000	380,000	281,774
Tobacco Litigation	2	2	2	942,154	995,668	1,107,319	995,668
Essential Early Education Grant	0	0	0	4,313,496	4,838,045	4,838,045	5,199,124
Technical Education	0	0	0	9,647,642	10,598,329	10,598,329	11,612,818
Act 117 Cost Containment	14	14	15	1,067,039	1,238,768	1,238,768	1,282,705
TOTAL	213	213	213	1,269,585,073	1,347,548,303	1,348,090,686	1,407,963,055
FUND TYPE							
General Fund				13,147,517	13,842,960	14,383,188	13,866,668
Transportation Fund				561,018	127,483	127,483	127,483
Education Fund				1,126,630,627	1,193,009,219	1,194,398,117	1,256,491,404
Special Fund				16,838,580	19,286,713	19,294,153	19,233,189
Federal Revenue Fund				111,133,212	120,051,275	118,618,349	116,935,063
Global Commitment Fund				670,984	1,041,775	1,041,775	1,052,999
Interdepartmental Transfer				603,135	188,878	227,621	256,249
TOTAL				1,269,585,073	1,347,548,303	1,348,090,686	1,407,963,055

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Education**



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Finance and Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	4,583,342	4,619,254	4,859,794	4,930,371
Operating Expenses	1,201,626	1,623,008	1,487,303	1,671,659
Grants	12,087,057	14,505,600	14,505,600	14,505,600
<hr/> TOTAL	<hr/> 17,872,025	<hr/> 20,747,862	<hr/> 20,852,697	<hr/> 21,107,630
FUND TYPE				
General Fund	3,305,478	3,389,969	3,373,934	3,435,105
Special Fund	13,003,706	14,924,219	14,977,323	14,983,034
Federal Revenue Fund	806,071	1,614,782	1,682,548	1,859,375
Global Commitment Fund	547,829	811,775	811,775	822,999
Interdepartmental Transfer	208,941	7,117	7,117	7,117
<hr/> TOTAL	<hr/> 17,872,025	<hr/> 20,747,862	<hr/> 20,852,697	<hr/> 21,107,630

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Education Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	11,127,991	13,438,400	12,601,711	12,540,453
Operating Expenses	1,811,894	2,026,972	1,809,885	1,962,260
Grants	106,410,482	112,160,397	111,815,016	109,759,876
<hr/> TOTAL	<hr/> 119,350,367	<hr/> 127,625,769	<hr/> 126,226,612	<hr/> 124,262,589
FUND TYPE				
General Fund	7,124,641	7,735,593	7,854,530	7,714,165
Transportation Fund	561,018	127,483	127,483	127,483
Special Fund	1,825,680	2,128,058	1,970,743	1,971,782
Federal Revenue Fund	109,444,833	117,452,874	116,053,352	114,200,027
Interdepartmental Transfer	394,195	181,761	220,504	249,132
<hr/> TOTAL	<hr/> 119,350,367	<hr/> 127,625,769	<hr/> 126,226,612	<hr/> 124,262,589

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Special Education - Formula Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	116,093,224	125,280,000	125,306,776	133,794,159
<hr/> TOTAL	<hr/> 116,093,224	<hr/> 125,280,000	<hr/> 125,306,776	<hr/> 133,794,159
FUND TYPE				
Education Fund	115,970,069	125,050,000	125,076,776	133,564,159
Global Commitment Fund	123,155	230,000	230,000	230,000
<hr/> TOTAL	<hr/> 116,093,224	<hr/> 125,280,000	<hr/> 125,306,776	<hr/> 133,794,159

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State-placed Students

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	13,612,568	14,416,000	14,416,000	14,750,000
<hr/> TOTAL	<hr/> 13,612,568	<hr/> 14,416,000	<hr/> 14,416,000	<hr/> 14,750,000
FUND TYPE				
Education Fund	13,612,568	14,416,000	14,416,000	14,750,000
<hr/> TOTAL	<hr/> 13,612,568	<hr/> 14,416,000	<hr/> 14,416,000	<hr/> 14,750,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Adult Education and Literacy

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	3,849,706	3,701,017	4,037,173	4,593,059
<hr/> TOTAL	<hr/> 3,849,706	<hr/> 3,701,017	<hr/> 4,037,173	<hr/> 4,593,059
FUND TYPE				
General Fund	2,717,398	2,717,398	3,154,724	2,717,398
Education Fund	250,000	0	0	1,000,000
Federal Revenue Fund	882,308	983,619	882,449	875,661
<hr/> TOTAL	<hr/> 3,849,706	<hr/> 3,701,017	<hr/> 4,037,173	<hr/> 4,593,059

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Adjusted Education Payment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	963,878,941	1,018,388,625	1,019,750,747	1,069,705,050
TOTAL	963,878,941	1,018,388,625	1,019,750,747	1,069,705,050
FUND TYPE				
Education Fund	963,878,941	1,018,388,625	1,019,750,747	1,069,705,050
TOTAL	963,878,941	1,018,388,625	1,019,750,747	1,069,705,050

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Transportation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	13,491,269	13,978,220	13,978,220	14,453,479
TOTAL	13,491,269	13,978,220	13,978,220	14,453,479
FUND TYPE				
Education Fund	13,491,269	13,978,220	13,978,220	14,453,479
TOTAL	13,491,269	13,978,220	13,978,220	14,453,479

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Small School Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	5,046,434	5,360,000	5,360,000	5,925,000
<hr/> TOTAL	<hr/> 5,046,434	<hr/> 5,360,000	<hr/> 5,360,000	<hr/> 5,925,000
FUND TYPE				
Education Fund	5,046,434	5,360,000	5,360,000	5,925,000
<hr/> TOTAL	<hr/> 5,046,434	<hr/> 5,360,000	<hr/> 5,360,000	<hr/> 5,925,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Capital Debt Service Aid

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	420,208	380,000	380,000	281,774
TOTAL	420,208	380,000	380,000	281,774
FUND TYPE				
Education Fund	420,208	380,000	380,000	281,774
TOTAL	420,208	380,000	380,000	281,774

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tobacco Litigation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	186,208	130,133	141,822	145,112
Operating Expenses	41,513	17,752	23,752	18,119
Grants	714,433	847,783	941,745	832,437
<hr/> TOTAL	<hr/> 942,154	<hr/> 995,668	<hr/> 1,107,319	<hr/> 995,668
 FUND TYPE				
Special Fund	942,154	995,668	1,107,319	995,668
<hr/> TOTAL	<hr/> 942,154	<hr/> 995,668	<hr/> 1,107,319	<hr/> 995,668

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Essential Early Education Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	4,313,496	4,838,045	4,838,045	5,199,124
TOTAL	4,313,496	4,838,045	4,838,045	5,199,124
FUND TYPE				
Education Fund	4,313,496	4,838,045	4,838,045	5,199,124
TOTAL	4,313,496	4,838,045	4,838,045	5,199,124

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Technical Education

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	9,647,642	10,598,329	10,598,329	11,612,818
TOTAL	9,647,642	10,598,329	10,598,329	11,612,818
FUND TYPE				
Education Fund	9,647,642	10,598,329	10,598,329	11,612,818
TOTAL	9,647,642	10,598,329	10,598,329	11,612,818

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Act 117 Cost Containment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	889,385	1,030,687	1,030,687	1,070,190
Operating Expenses	94,604	117,081	117,081	121,515
Grants	83,050	91,000	91,000	91,000
<hr/> TOTAL	<hr/> 1,067,039	<hr/> 1,238,768	<hr/> 1,238,768	<hr/> 1,282,705
FUND TYPE				
Special Fund	1,067,040	1,238,768	1,238,768	1,282,705
Interdepartmental Transfer	(1)	0	0	0
<hr/> TOTAL	<hr/> 1,067,039	<hr/> 1,238,768	<hr/> 1,238,768	<hr/> 1,282,705

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
General Fund Approp to Ed Fund	0	0	0	0	268,720,000	268,720,000	277,211,552
<u>TOTAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>268,720,000</u>	<u>268,720,000</u>	<u>277,211,552</u>
FUND TYPE							
General Fund				0	268,720,000	268,720,000	277,211,552
<u>TOTAL</u>				<u>0</u>	<u>268,720,000</u>	<u>268,720,000</u>	<u>277,211,552</u>

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
General Fund Approp to Ed Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	0	268,720,000	268,720,000	277,211,552
TOTAL	0	268,720,000	268,720,000	277,211,552
FUND TYPE				
General Fund	0	268,720,000	268,720,000	277,211,552
TOTAL	0	268,720,000	268,720,000	277,211,552

STATE OF VERMONT
FISCAL YEAR 2008 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 10,696 active members, 2,777 inactive members, 759 vested terminated members and approximately 4,879 retirees and beneficiaries.

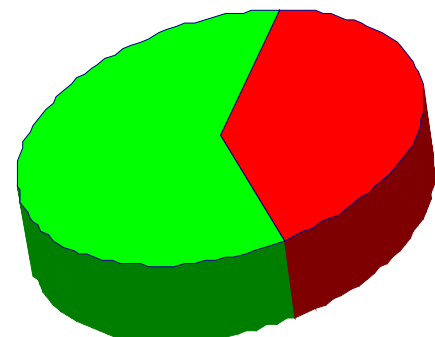
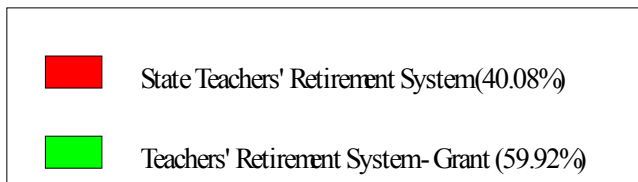
Administration of the system involves the management of the assets of the retirement fund as well as the administration of the benefits and recordkeeping for the membership. The value of the fund was about \$1,430 million as of June 30, 2006, compared with about \$1,334 million as of June 30, 2005. The system paid \$66.776 million in retirement benefits during fiscal year 2006.

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 2008 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Teachers' Retirement System - Grant	0	0	0	24,446,282	24,446,729	29,446,729	32,549,097
State Teachers' Retirement System	0	0	0	17,663,191	20,544,360	20,544,360	21,772,624
TOTAL	0	0	0	42,109,473	44,991,089	49,991,089	54,321,721
FUND TYPE							
General Fund				24,446,282	24,446,729	29,446,729	32,549,097
Pension Trust Fund				17,663,191	20,544,360	20,544,360	21,772,624
TOTAL				42,109,473	44,991,089	49,991,089	54,321,721



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Teachers' Retirement System - Grant

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	24,446,282	24,446,729	29,446,729	32,549,097
TOTAL	24,446,282	24,446,729	29,446,729	32,549,097
FUND TYPE				
General Fund	24,446,282	24,446,729	29,446,729	32,549,097
TOTAL	24,446,282	24,446,729	29,446,729	32,549,097

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State Teachers' Retirement System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	16,792,713	19,745,437	19,745,437	20,887,841
Operating Expenses	870,478	798,923	798,923	884,783
<hr/> TOTAL	<hr/> 17,663,191	<hr/> 20,544,360	<hr/> 20,544,360	<hr/> 21,772,624
FUND TYPE				
Pension Trust Fund	17,663,191	20,544,360	20,544,360	21,772,624
<hr/> TOTAL	<hr/> 17,663,191	<hr/> 20,544,360	<hr/> 20,544,360	<hr/> 21,772,624

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Reappraisal and Listing Payments	0	0	0	3,152,637	3,213,378	3,213,378	3,228,945
TOTAL	0	0	0	3,152,637	3,213,378	3,213,378	3,228,945
FUND TYPE							
Education Fund				3,152,637	3,213,378	3,213,378	3,228,945
TOTAL				3,152,637	3,213,378	3,213,378	3,228,945

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Reappraisal and Listing Payments

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	43,660	0	0	0
Operating Expenses	17,354	0	0	0
Grants	3,091,623	3,213,378	3,213,378	3,228,945
<hr/> TOTAL	<hr/> 3,152,637	<hr/> 3,213,378	<hr/> 3,213,378	<hr/> 3,228,945
FUND TYPE				
Education Fund	3,152,637	3,213,378	3,213,378	3,228,945
<hr/> TOTAL	<hr/> 3,152,637	<hr/> 3,213,378	<hr/> 3,213,378	<hr/> 3,228,945

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Property Tax Assistance

Department Mission Statement

Created by Act 60, The Equal Educational Opportunity Act of 1997, this successor to the Property Tax Rebate Program relieves the property tax burden of Vermont residents by ensuring that property taxes or rent attributable to property taxes does not exceed a prescribed percentage of a resident's household income. This initiative extends property tax relief to nearly 115,000 homeowners and renters.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Property Tax Assistance

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Property Tax Assistance	0	0	0	121,497,601	118,450,000	113,250,000	143,395,514
<hr/> TOTAL	<hr/> 0	<hr/> 0	<hr/> 0	<hr/> 121,497,601	<hr/> 118,450,000	<hr/> 113,250,000	<hr/> 143,395,514
FUND TYPE							
General Fund				11,388,056	2,250,000	2,250,000	8,783,290
Transportation Fund				2,728,220	0	0	0
Education Fund				107,381,325	116,200,000	111,000,000	134,612,224
<hr/> TOTAL				<hr/> 121,497,601	<hr/> 118,450,000	<hr/> 113,250,000	<hr/> 143,395,514

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Property Tax Assistance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	121,497,601	118,450,000	113,250,000	143,395,514
<hr/> TOTAL	<hr/> 121,497,601	<hr/> 118,450,000	<hr/> 113,250,000	<hr/> 143,395,514
FUND TYPE				
General Fund	11,388,056	2,250,000	2,250,000	8,783,290
Transportation Fund	2,728,220	0	0	0
Education Fund	107,381,325	116,200,000	111,000,000	134,612,224
<hr/> TOTAL	<hr/> 121,497,601	<hr/> 118,450,000	<hr/> 113,250,000	<hr/> 143,395,514

STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
University of Vermont

OUTCOMES

Currently, the purpose of the state appropriation is to:

- ☐ Support the College of Medicine's education of medical students, and the medical profession; Fund the teaching, research, and public service activities of Extension, the Agricultural Experiment Station, and the related agricultural services;
- ☐ Subsidize tuition rates for Vermonters, but at a level that does not cover costs; and,
- ☐ Provide matching funds for the VT Experimental Program to Stimulate Competitive Research (EPSCoR).

Increased funding for the University of Vermont's state appropriation will allow the university to continue to provide these services.

The University stresses the importance of educating individuals providing the State with strong leadership, good citizens, entrepreneurship, and social responsibility. In addition to high quality education, the University of Vermont is a distinguished, comprehensive research institution of nationally renown reputation-a critical driver for enhancing the State's economy, health, and well-being. The newly-educated professionals entering the workforce, research dollars generated, the businesses created, and the hundreds of millions of dollars brought into Vermont from other states and countries by the University of Vermont are essential to Vermont's future vitality.

The University of Vermont: Educating Vermonters

- ☐ Vermonters comprise 42% (Fall 2006 4,935 students) of the University's student body.
- ☐ The University is attracting academically stronger Vermont students.
- ☐ The University supports Vermonters through academic scholarships including: Vermont Scholarships for students in the top tier of their high school classes; Green and Gold Scholarships for the top student in each Vermont high school; and, Vermont Merit Scholarships for high-achieving Vermonters who qualify as National Merit Scholars.
- ☐ The University is committed to access for financially needy Vermonters. It is estimated that about 70% of Vermont undergraduates will receive some form of financial aid this year. In addition to state and federal support, over \$9.5 million in financial aid from the University's own funds went to Vermonters in FY 2006. Starting in FY 2008, the University will award financial aid from the Next Generation scholarship.
- ☐ The University provides continuing education to more than 8,000 individuals from Vermont and beyond.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
University of Vermont

The University of Vermont: A Research Enterprise to the State

- ☐ In FY 2006, UVM was granted \$123.7 million in grants and contracts.
- ☐ Over 90% of University research funding comes from out-of-state sources.
- ☐ University spin-off companies include Bio-Tek Instruments, Ergomedics, HaematologicTechnologies, Green Mountain Antibodies, and MicroStrain.
- ☐ The Vermont Center for Emerging Technologies (VCET), a business development program located at the University, links new, high-technology companies to University laboratory facilities and equipment, private investment capital resources, and a network of faculty, staff, and student interns. VCET will be part of the Vermont Innovation Alliance (VIA), a complementary program to create infrastructure to facilitate innovation and support new businesses throughout the state.
- ☐ One million (\$1M) in State funds received in FY 2007 has been invested in agriculture and environmental innovations, advanced engineering and technology, and education and public knowledge.
- ☐ The Vermont Business Center, a partnership between the School of Business Administration and Continuing Education, provides executive and professional education for Vermont employers, and the Center's Family Business Initiative offers support to small businesses.
- ☐ The University supports Vermont agriculture through research-based programs such as the Proctor Maple Laboratory and the Center for Sustainable Agriculture.

The University of Vermont: Service to Vermont

- ☐ UVM students perform more than 110,000 hours of community and internship service annually.
- ☐ Medical, nursing, and allied health students provide health care services to help meet community needs. Graduates and residents trained in UVM/Fletcher Allen programs account for over a third (35%) of the physicians practicing in Vermont.
- ☐ Education and information are provided through collaborative community projects and more than 400 significant educational programs. University's Agricultural Extension programs make over 96,000 Vermont contacts, including 24,000 youth annually through workshops and consultations.
- ☐ The University's George Bishop Lane Series, among Vermont's premier presents of performing arts, entertained over 10,000 patrons last year.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
University of Vermont

The University of Vermont: A Major Vermont Industry

- ☐ More than 27,000 alumni -- 31% of all UVM graduates -- reside in Vermont and contribute to their communities.
- ☐ The University of Vermont is the fourth largest employer in the state. Over 3,600 employees will receive wages and benefits of almost \$287 million this year.
- ☐ The direct economic impact of University, faculty, staff, student, and visitor spending in Vermont is estimated to be \$325 million/year. Using a conservative multiplier of 2.5, the University's total economic benefit to Vermont is estimated to be \$810 million dollars annually.

The competition for high quality students is intense. In order to remain competitive, the University must make additional strategic investments to:

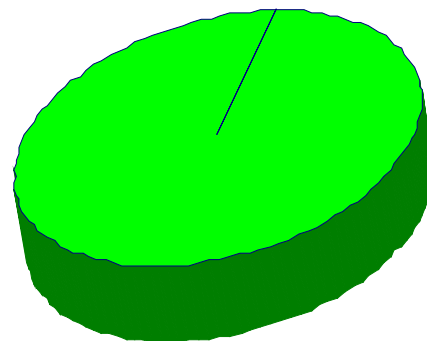
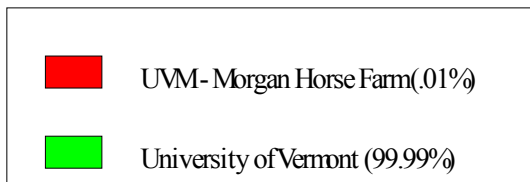
- Nurture and promote a reputation for academic excellence,
- Recruit and retain high quality faculty and staff,
- Construct and maintain excellent facilities,
- Invest in state-of-the art technology, and
- Provide adequate financial aid for students who need it.

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
University of Vermont

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
University of Vermont	0	0	0	39,271,166	40,842,201	40,842,201	42,025,455
UVM - Morgan Horse Farm	0	0	0	5,000	5,200	5,200	5,200
TOTAL	0	0	0	39,276,166	40,847,401	40,847,401	42,030,655
FUND TYPE							
General Fund				36,478,096	36,976,719	36,976,719	38,159,973
Global Commitment Fund				2,798,070	3,870,682	3,870,682	3,870,682
TOTAL				39,276,166	40,847,401	40,847,401	42,030,655



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
University of Vermont

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	39,271,166	40,842,201	40,842,201	42,025,455
TOTAL	39,271,166	40,842,201	40,842,201	42,025,455
FUND TYPE				
General Fund	36,473,096	36,971,519	36,971,519	38,154,773
Global Commitment Fund	2,798,070	3,870,682	3,870,682	3,870,682
TOTAL	39,271,166	40,842,201	40,842,201	42,025,455

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	5,000	5,200	5,200	5,200
TOTAL	5,000	5,200	5,200	5,200
FUND TYPE				
General Fund	5,000	5,200	5,200	5,200
TOTAL	5,000	5,200	5,200	5,200

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Public Television**

Department Mission Statement

Vermont's statewide public television network is guided by the intention to educate, inform, entertain and inspire Vermonters to be lifelong learners and be engaged in their community by fostering:

- Understanding of one another and various points of view
- Lifelong learning
- Children's readiness to learn
- Personal enrichment through arts, culture and entertainment
- Appreciation and respect for the environment and working landscape
- Involvement and participation in community and civic affairs

Vermont Public Television is an independent, locally owned broadcaster whose bottom line is community service. As such it has a responsibility to be different from commercial broadcasters in listening to and addressing the needs, interests and values of Vermonters. VPT serves the youngest, the oldest and everyone in between through national PBS broadcasts & local programs and is an essential part of life in Vermont.

Description of Appropriations, Divisions, & Programs

State support is 10% of VPT's revenue and is critical to everything VPT does. The annual state appropriation provides VPT an essential base of support and ensures that Vermonters of all ages, income levels and backgrounds have access to quality television. It demonstrates to individual and business financiers the state's confidence in VPT. In addition, the state appropriation is the largest single piece of local support used by VPT to leverage federal matching dollars (which are about 16% of operating revenue). For every dollar VPT receives from the state, it raises about \$9 from non-state sources, including hundreds of businesses and about 25,600 member households. Thanks in great part to state funding, VPT finished building its network of four digital transmitters in September 2006, meeting the federal mandate to broadcast in digital and ensuring that Vermonters will have VPT for generations to come.

Programming and Services That Educate:

VPT helps prepare children to learn and stay engaged as they grow. Commercial-free PBS programs inspire children to ask questions, solve problems, read books, understand others, explore science and appreciate nature. VPT's Student Press Conference With the Governor brings teens to the studio for workshops and a firsthand experience with journalism.

Year after year, educators name PBS their number one video resource. VPT's programs and services help parents and teachers provide the quality education Vermont's children deserve.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Public Television**

PBS Ready to Learn is public television's contribution toward the goal of ensuring that all children begin school ready to learn. VPT sponsors Vermont's participation in this national project by airing a daily schedule of non-violent, commercial-free educational programming for preschoolers. VPT also provides Ready to Learn workshops around the state to parents, childcare providers and early childhood educators on a variety of topics, including literacy, temperament and media awareness.

Programming and Services That Promote Lifelong Learning:

VPT gives lifelong learners inspiration and information to explore history, arts, culture and science. VPT's production staff regularly travel the state and light up the studios to produce programming that reveals Vermont to Vermonters -- and to viewers in neighboring New York, New Hampshire and Canada.

In the 2006-2007 season, VPT will continue a special two-year focus of national and local programming about issues of health, having identified this as a prime statewide concern. PBS programs and local programs like Vermont Vital Signs, produced with Fletcher Allen Health Care, and Health Minutes, produced with Rutland Regional Medical Center, are part of this initiative.

Programming and Services That Promote Community Engagement:

VPT gives Vermonters information and encouragement to participate in national and local civic affairs, with news, analysis and public affairs programming like the NewsHour With Jim Lehrer and Frontline from PBS. In its own productions like Vermont This Week and Call the Governor, VPT addresses issues that matter to Vermonters, giving them information that helps them be active citizens. Many of the public affairs programs are call-in shows, allowing viewers to speak directly to the state's leaders. VPT furthers understanding of various points of view with its diversity of voices and opinions.

VPT's newest local series is Public Square, with a monthly focus on an issue of concern to Vermonters. Subject matter for Public Square is largely driven by VPT's yearly community listening sessions, in which Vermonters tell us what issues concern them the most. These sessions spark a variety of programming and outreach collaborations with a range of community organizations. Public Square combines the talents of its production and community outreach staff with the power of a broadcast network that connects viewers statewide.

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

PBS programs like Nature and Nova have helped generations of viewers appreciate the natural world. VPT's popular Outdoor Journal celebrates the state's traditions of recreation and conservation. The series has been honored with two Emmy nominations, several Outdoor Writers Assn. of America awards and, in 2006, four Telly Awards

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Public Television**

Other VPT Services

VPT supports the community with public service information on air and online. VPT & You spots are monthly announcements with helpful information for viewers on such subjects as agriculture, fuel economy, mentoring and health information. VPT also sponsors two Red Cross blood drives at the studio each year. VPT offers such public safety information as weather advisories, school closings and emergency information and is an Amber Alert station. Vermont Public Television makes space available at its transmission sites to public service and safety organizations, including the NOAA weather service, FBI, FAA, Vermont Dept. of Public Safety and numerous ham radio groups.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Public Television

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Public Television	0	0	0	573,832	596,785	596,785	596,785
TOTAL	0	0	0	573,832	596,785	596,785	596,785
FUND TYPE							
General Fund				573,832	596,785	596,785	596,785
TOTAL				573,832	596,785	596,785	596,785

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Public Television

Appropriation Key Budget Issues

The cost to run Vermont Public Television this year will be about \$6 million. VPT makes careful use of its annual state appropriation, which was \$596,785 in state fiscal year 2007, but still struggles to sustain the programs and services Vermonters depend on.

Vermont Public Television's resources have been stretched thin for years, with reductions in staff and unfilled positions, and VPT cannot raise the price of its broadcast programming & educational services. Although the VPT staff works hard to raise contributions from the community, the primary source of revenue, viewers' contributions have not kept pace with the rising cost of operations.

Many of VPT's operating costs are rising beyond the rate of inflation. On top of such pressures as health insurance, VPT's national programming costs will increase by 7% this year. The electric utility charges are expected to increase by 15%, largely because of the requirement for VPT to operate all four of its new digital transmitters alongside its older analog facilities until 2009.

Federal law also requires VPT to caption all local programming for the hearing-impaired, a valuable service that adds about \$15,000 to the annual production budget. These are significant budget pressures on the already expensive business of television.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Public Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	573,832	596,785	596,785	596,785
TOTAL	573,832	596,785	596,785	596,785
FUND TYPE				
General Fund	573,832	596,785	596,785	596,785
TOTAL	573,832	596,785	596,785	596,785

**STATE OF VERMONT
FISCAL YEAR 2008 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 has no campus in lieu of providing delivery of education at twelve leased and owned sites around the state. Overseeing the VSC System is a single 15-member Board, comprised of nine Governor-appointed Trustees serving 6-year terms, four legislatively-elected Trustees serving 4-year terms, one student-elected Trustee serving a 1-year term, and the Governor.

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

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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont State Colleges

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

In fact activities of the VSC extend far beyond the five colleges, Practical Nursing, and VMEC plus separately appropriated Vermont Interactive Television--to include endeavors of the Vermont Small Business Development Center, customized business & industry programs, student apprenticeships, workforce training delivered to major employers including IBM, General Dynamics, General Electric, Central Vermont Hospital, as well as National Life, and many more. All told the VSC addresses an extensive range of Vermont needs through over 60 different sites Statewide, with every Vermonter being within 25 miles or less from some VSC location. An appreciable indicator of VSC impact upon Vermont is that during the past year VSC services benefited around 200,000 Vermonters, or nearly one out of every three residents of the State. Furthermore as the fifth largest employer in Vermont the VSC, including all its ancillary programs, provides over 2,200 jobs for Vermonters, whose employment contributes greatly to the economy of communities across the State.

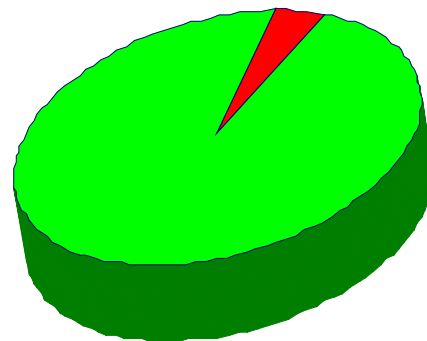
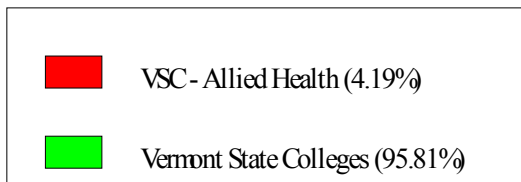
Specific to higher education, colleges within the VSC are this year enrolling record numbers that for the overall System total 12,092 students of which fully 83% are Vermonters--the latter derived from the fact that more than half of all Vermont residents attending college in state do so at one of the VSC institutions. Additionally notable is the sizable portion of VSC students who are the first generation in their families to go to college, though regrettable is that the majority of all VSC students require some extent of financial aid to afford VSC's close to highest in the nation public college tuitions and fees. Finally more than 44% of those in the VSC are considered "non-traditional" students aged 25 or older, with many of these adult learners pursuing college education while maintaining full-time jobs to support their families.

The range of academic services within the VSC includes credit and non-credit bearing, on-site as well as distance learning, remedial coursework, certificate training, plus associates, bachelors, and masters degree programs. Consistent with its mission the VSC does strive to provide professional and career-oriented education supported by an appropriate foundation in the liberal arts. Examples of the many VSC offerings contributing to meaningful employment are teacher education, criminal justice, social work, nursing, dental hygiene and allied health care, communications, meteorology, computer information systems, accounting, business management, hospitality and tourism management, construction management, engineering technology, agricultural technology, veterinary technology, and biotechnology.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont State Colleges

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont State Colleges	0	0	0	22,432,878	23,330,193	23,330,193	24,076,759
VSC - Allied Health	0	0	0	993,527	1,033,268	1,033,268	1,053,798
TOTAL	0	0	0	23,426,405	24,363,461	24,363,461	25,130,557
FUND TYPE							
General Fund				23,143,250	23,971,763	23,971,763	24,738,859
Global Commitment Fund				283,155	391,698	391,698	391,698
TOTAL				23,426,405	24,363,461	24,363,461	25,130,557



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont State Colleges

Appropriation Key Budget Issues

During the forty five years since VSC came into being the proportion of State funding for the System's general operating budget has consistently declined, from originally around two-thirds down to just under 55% in 1980 to less than one-fourth presently. In fact, the VSC now receives less appropriation per Vermont FTE in 2006 than it did in 1986 - these are pure dollars, not adjusted for inflation.

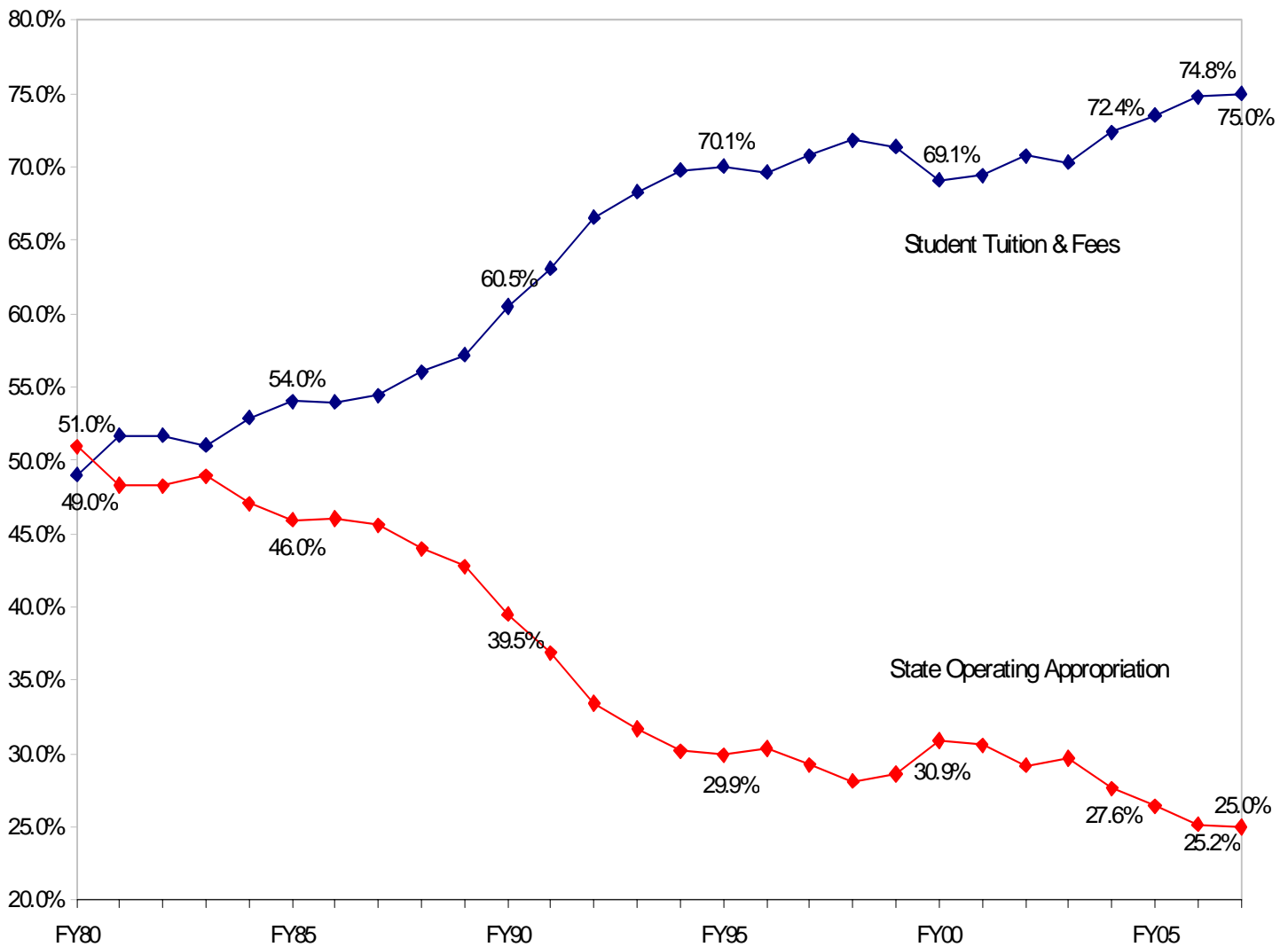
To help offset reduced State support the VSC has made concerted efforts toward cost containment. This poses a constant challenge to VSC in maintaining the quality of education needed to prepare students for good jobs in 21st century Vermont and elsewhere.

Thankfully cost containment along with enrollment growth has enabled the VSC's annual tuition rate increases to, since the mid 1990's, average among the lowest for public colleges in the northeast. Still Vermont's 50th in the nation in % of state budget allocated to higher education, 49th in funding per capita and 49th in funding per \$1,000 of AGI perpetuates the VSC's nearly highest in the nation tuitions and fee--contributing directly to some VSC graduates being harnessed with student loan indebtedness over \$15,000.

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

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont State Colleges**

VSC General Operating Budget Support 1980-2007



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont State Colleges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	22,432,878	23,330,193	23,330,193	24,076,759
TOTAL	22,432,878	23,330,193	23,330,193	24,076,759
FUND TYPE				
General Fund	22,432,878	23,330,193	23,330,193	24,076,759
TOTAL	22,432,878	23,330,193	23,330,193	24,076,759

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
VSC - Allied Health

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	993,527	1,033,268	1,033,268	1,053,798
<hr/> TOTAL	<hr/> 993,527	<hr/> 1,033,268	<hr/> 1,033,268	<hr/> 1,053,798
FUND TYPE				
General Fund	710,372	641,570	641,570	662,100
Global Commitment Fund	283,155	391,698	391,698	391,698
<hr/> TOTAL	<hr/> 993,527	<hr/> 1,033,268	<hr/> 1,033,268	<hr/> 1,053,798

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Interactive Television

Department Mission Statement

Vermont Interactive Television's mission is to support the economic health and development of the state and its citizens by providing the technical infrastructure and operational expertise necessary to deliver education, training and information equally to all areas of the state. In addition VIT provides worldwide videoconferencing that is part of the economic development infrastructure supporting Vermont business.

Policies for development and use of the network are based on the fundamental principle that VIT should serve the education, training, and information needs of Vermont's people, communities, and workplaces. Decisions on network expansion and program offerings will be based on significant impact, while decisions on allocation of network time will be based on the following programming priorities:

1. Courses that are part of established degree or certificate programs,
2. Training and skill-building courses designed to improve the quality of the Vermont workforce,
3. Courses or programs supporting continuing education needs of various professions in the state,
4. Training and information programs necessary for effective functioning of government agencies, non-profit organizations, and business.

Description of Appropriations, Divisions, & Programs

VIT evolved out of joint efforts involving the Vermont State Colleges (particularly Vermont Technical College), the Governor's Office, and the Vermont Telecommunications Commission. In 1986 the latter endorsed a report entitled "An Educational Telecommunications Transmission Network for Vermont", recommending that:

- 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.

VIT will soon begin its third decade of service to Vermonters, making it possible for hundreds of organizations to provide education, training, and information to people in all areas of the state. VIT currently operates 15 sites in Vermont (Bennington, Brattleboro, Castleton, Johnson, Lyndon, Middlebury, **Montpelier**, Newport, Randolph Center, Rutland, Springfield, St. Albans, Waterbury, White River Junction & Williston), and in addition to statewide services offers worldwide videoconferencing (both ISDN and videoconferencing over internet protocol video over IP) from all sites. VIT also has satellite downlinking and video streaming capabilities, a direct connection to UVM's Distance Learning Network, connections to CCV's internet protocol based network, a working relationship with K-12 Interactive Learning Network of Vermont, and consulting services. VIT recently designed and installed in-house videoconferencing systems for the Department of Corrections and the Vermont Criminal Justice Training Council.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Interactive Television

VIT serves Education, Nonprofit, Government and Business categories. This past year, VIT focused much of its work on the Government sector for two main reasons:

1. Education, Nonprofit and Business sectors are already using VIT extensively for workforce retraining, continuing education, meetings, candidate interviews, legal depositions and more. VIT makes it possible for education and workforce development programs to be offered all over the state so that it is cost effective for the organizations and so that citizens in all communities can have convenient access to education and training. 60% of VIT's use comes from the VSC and UVM, making it possible for them to meet their mission of delivering programs statewide. VIT offers worldwide videoconferencing services, making it possible for Vermont's small and medium sized businesses to easily communicate with clients and partners anywhere in the world, staying competitive in the world of international trade.

Government has used VIT for public hearings, but overall VIT has been underutilized by State Agencies. As a result, the Agency of Administration has strongly encouraged all State Agencies to convert in-person meetings to Vermont Interactive Television meetings, whenever possible. VIT worked closely with agencies over the past year and as a result the total # of hours scheduled by agencies increased from 133 in FY05 to 299.5 in FY06. In response to repeated agency requests, and with the support of the Vermont State Legislature and the Office of the Governor, VIT opened a Montpelier VIT site at the Vermont Department of Labor in December. The total number of hours scheduled by agencies is expected to increase significantly with the addition of this Montpelier site.

Funding and Governance Partnership

The General Assembly has supported VIT with annual operating appropriations beginning FY1989, as well as with several capital appropriations throughout the years to partially fund addition of new sites and needed replacement/upgrade to system equipment and infrastructure. Intent has continually been that VIT funding be separately appropriated and budgeted from the Vermont State Colleges, but that the VSC and its Board provide financial as well as managerial oversight to take advantage of existing administrative efficiencies. All VIT staff members are employees of the Vermont State Colleges. To further assure operational and policy guidance, the Governor established the VIT Coordinating Council--an eight-member group comprised of representatives from education, government, and business that meets on a bi-monthly basis.

Federal funding approximating \$1.5 million over four years was provided to VIT through the U.S. Department of Agriculture, as a match to State capital appropriation for new sites and development of technical infrastructure. Federal funding was also used to partially cover operational expenses during the period of FY1992 - FY1996, and a grant from the U.S. Department of Commerce in 1998 funded VIT efforts to explore ways Vermont organizations involved in distance learning and telemedicine could productively work together.

Community funding: All VIT sites are hosted without charge by an institution or business in each VIT

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Interactive Television

community. This in-kind contribution is valued annually at approximately \$375,000 and is critical to VIT's ongoing operations.

Specialized grants and private sector contributions have made it possible for VIT to acquire the equipment necessary to provide closed-captioning services, to upgrade its scheduling and invoicing hardware and software, and to support the relocation of sites in Caledonia and Windham Counties.

Sales and services make up the final component of VIT funding. For FY2008 VIT expects to bring in an estimated \$278,733 in service fees, derived from rates charged to clients who rent time on the system as well as from consulting services.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Interactive Television

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Interactive Television	0	0	0	815,331	847,944	847,944	847,944
TOTAL	0	0	0	815,331	847,944	847,944	847,944
FUND TYPE							
General Fund				815,331	847,944	847,944	847,944
TOTAL				815,331	847,944	847,944	847,944

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Interactive Television

Appropriation Key Budget Issues

The “VIT state agency initiative” has been a moderate success. More agencies are now booking meetings via VIT. Future VIT usage still has the potential to save the State millions in travel reimbursement and lost productivity. In order to make this initiative a complete success, continued support from the Legislature and state agencies is necessary. Until now, agencies repeatedly noted that the biggest obstacle to VIT use was the absence of a Montpelier studio. VIT’s Montpelier site is now available. With this in mind, VIT has established the following strategic priorities:

- a) Market the VIT-Montpelier site to Montpelier area businesses, organizations and state agencies
- b) Continue to work intensively with state agencies to help them convert in- person meetings to VIT meetings
- d) Post VIT’s system availability on the VIT website for client referral
- e) Strengthen and maintain strategic alliances
- f) Maintain technical excellence of the VIT system, and complete major technical upgrade to the system
- g) Maintain and improve operational excellence and financial stability
- h) Develop a marketing and public relations plan to further all strategic goals

VIT continues to serve a broad cross-section of Vermont's institutions and organizations, including higher education, non-profits, State agencies, and businesses. Programs range in content from public hearings to workforce training, to graduate programs, to updates on State and federal legislation and regulations for State employees, to international videoconferencing. Last year’s figures provide some dimension to evolving use of VIT over the last eighteen years:

Total online hours- 15,572

Total participants (turnstile count)- 31,369

Total clients served this past year- 500+

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Interactive Television

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	815,331	847,944	847,944	847,944
TOTAL	815,331	847,944	847,944	847,944
FUND TYPE				
General Fund	815,331	847,944	847,944	847,944
TOTAL	815,331	847,944	847,944	847,944

**STATE OF VERMONT
FISCAL YEAR 2008 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, scholarships, and work opportunities for qualified Vermonters, (4) early intervention and outreach to needy students, and (5) the Vermont Higher Education Investment Plan.

VSAC is unique in that all of its programs and services are available from a one-stop agency. VSAC also acts as the financial aid office for eight Vermont postsecondary institutions and provides complete service of student loans from origination through repayment. VSAC supports social initiatives and addresses workforce development needs by collaborating with the Agency of Human Services and the Department of Labor, in addition to working with many other public and private organizations.

Description of Appropriations, Divisions, & Programs

Grant Program Descriptions

One-hundred percent of the Vermont state appropriation plus any accrued interest earned goes to Vermont students based on financial need. The grant programs include Incentive Grants for full-time students, Part-Time Grants for students taking fewer than 12 credits per semester, Non-Degree Grants for students taking individual courses to improve employability, and Student Employment Grants for students in rural areas without employment options.

Vermont Incentive Grants

Incentive Grants are the major source of need-based assistance to full-time Vermont students. They are available to residents who attend an approved postsecondary education institution and have not already received a bachelor's degree. Vermont residents enrolled at the University of Vermont College of Medicine or an approved school of veterinary medicine are also eligible.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

FULL-TIME GRANT PROGRAM:	FY96	FY98	FY00	FY02	FY04	FY06	Change: FY96-FY06	
							#	%
Number of Applicants	15,740	16,055	16,260	16,242	17,793	16,172	432	2.7%
Number of Recipients	9,449	9,312	9,078	8,961	10,054	9,097	-352	-3.7%
Amount Awarded	\$10,583,802	\$10,891,823	\$12,379,526	\$14,219,107	\$15,945,062	\$16,534,123	\$5,950,321	56.2%
Average Grant	\$1,120	\$1,170	\$1,364	\$1,587	\$1,586	\$1,818	\$698	62.3%

**STATE OF VERMONT
FISCAL YEAR 2008 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:	FY96	FY98	FY00	FY02	FY04	FY06	Change: FY96-FY06	
							#	%
Number of Applicants	5,110	4,935	4,593	4,382	4,846	4,340	-770	-15.1%
Number of Recipients	2,864	2,646	2,364	2,108	2,408	2,073	-791	-27.6%
Amount Awarded	\$1,010,575	\$931,459	\$958,392	\$987,122	\$1,025,923	\$1,050,240	\$39,665	3.9%
Average Grant	\$353	\$352	\$405	\$468	\$426	\$507	\$154	43.7%

Vermont Non-Degree Grants

Non-Degree Grants are available to Vermonters for non-degree courses that will improve an individual's employability or encourage further study, and which will not necessarily lead to a degree, certificate, or diploma. Non-Degree Grants are need-based and are a major source of financial aid for Vermonters seeking to acquire, keep, or expand their employment skills.

Non-Degree Grants are used at many 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:	FY96	FY98	FY00	FY02	FY04	FY06	Change: FY96-FY06	
							#	%
Number of Applicants	2,109	2,230	1,679	1,551	1,792	1,752	-357	-16.9%
Number of Recipients	1,263	1,333	936	932	962	884	-379	-30.0%
Amount Awarded	\$431,692	\$501,493	\$412,143	\$663,459	\$720,909	\$724,632	\$292,940	67.9%
Average Grant	\$342	\$376	\$440	\$712	\$749	\$820	\$478	139.9%

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

Student Employment Program

This program provides matching funds for a limited number of community service jobs in nonprofit agencies and municipalities throughout the state.

	FY96	FY98	FY00	FY02	FY04	FY06	Change: FY96–FY06	
							#	%
Employed Students	140	179	187	159	150	137	-3	-2.1%
Aid to Students								
Employer's Contribution	\$165,901	\$196,367	\$197,065	\$203,067	\$202,173	\$308,102	\$142,201	85.7%
VSAC's Contribution	\$105,255	\$119,345	\$138,489	\$136,755	\$121,655	\$117,988	\$12,733	12.1%
Total Aid/Compensation	\$271,156	\$315,712	\$335,554	\$339,822	\$323,828	\$426,090	\$154,934	57.1%

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vt Student Assistance Corp	0	0	0	17,771,050	18,481,892	18,481,892	19,073,312
TOTAL	0	0	0	17,771,050	18,481,892	18,481,892	19,073,312
FUND TYPE							
General Fund				17,771,050	18,481,892	18,481,892	19,073,312
TOTAL				17,771,050	18,481,892	18,481,892	19,073,312

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt Student Assistance Corp**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	17,771,050	18,481,892	18,481,892	19,073,312
TOTAL	17,771,050	18,481,892	18,481,892	19,073,312
FUND TYPE				
General Fund	17,771,050	18,481,892	18,481,892	19,073,312
TOTAL	17,771,050	18,481,892	18,481,892	19,073,312

**STATE OF VERMONT
FISCAL YEAR 2008 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 2008 BUDGET RECOMMENDATIONS
NE Higher Education Compact

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
NE Higher Education Compact	0	0	0	80,000	80,000	80,000	80,000
TOTAL	0	0	0	80,000	80,000	80,000	80,000
FUND TYPE							
General Fund				80,000	80,000	80,000	80,000
TOTAL				80,000	80,000	80,000	80,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
NE Higher Education Compact

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	80,000	80,000	80,000	80,000
TOTAL	80,000	80,000	80,000	80,000
FUND TYPE				
General Fund	80,000	80,000	80,000	80,000
TOTAL	80,000	80,000	80,000	80,000

STATE OF VERMONT
FISCAL YEAR 2008 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 agency programs, financial management, personnel management, information system management, legal services, and enforcement of laws and regulations related to agency programs, other than Fish and Wildlife laws and regulations.

Clean and Clear Action Plan

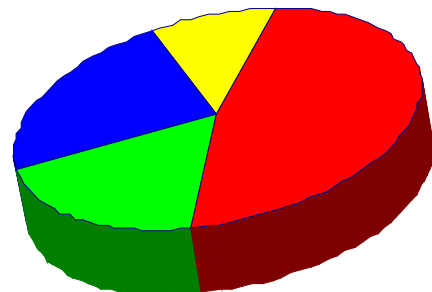
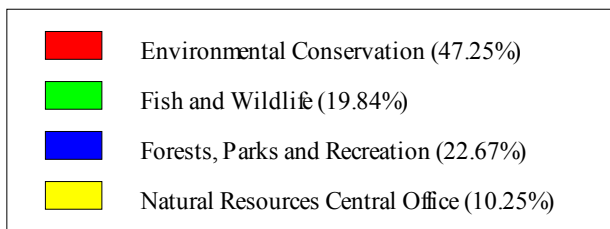
In 2004, the State of Vermont adopted an aggressive plan for reducing pollution and protecting Vermont's waters, statewide, including controlling algae-feeding phosphorus discharges to Lake Champlain. For FY08, the Governor's proposed budget provides a continuing commitment for the Clean and Clear Action Plan programs in the Agency of Natural Resources, and recommends further enhancement of those programs.

The capital budget also includes funding for wastewater treatment, wetlands protection and grants for stream stability, which complement the proposed general fund budget.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agency of Natural Resources

AGENCY SUMMARY BY DEPARTMENT

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Natural Resources Central Office	59	61	61	7,879,027	8,065,291	8,455,667	8,277,325
Fish and Wildlife	131	134	134	14,695,521	14,598,296	15,757,600	16,028,149
Forests, Parks and Recreation	121	121	120	20,071,979	18,343,229	19,700,787	18,310,586
Environmental Conservation	298	306	311	33,000,687	36,620,251	38,067,512	38,167,969
TOTAL	609	622	626	75,647,214	77,627,067	81,981,566	80,784,029
FUND TYPE							
General Fund				20,536,157	23,943,500	26,200,675	24,605,063
Transportation Fund				1,480,932	0	99,294	0
Fish & Wildlife Fund				12,301,005	12,481,014	13,433,547	13,878,959
Special Fund				22,137,699	25,358,603	25,358,603	26,322,502
Federal Revenue Fund				16,646,352	13,315,451	14,356,451	13,659,970
Interdepartmental Transfer				2,545,069	2,528,499	2,532,996	2,317,535
TOTAL				75,647,214	77,627,067	81,981,566	80,784,029



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Department Mission Statement

The mission of the Agency of Natural Resources Central Office is to provide both leadership for agency programs and the support that those programs need to accomplish their missions.

Description of Appropriations, Divisions, & Programs

The major components of the ANR Administration, Management and Planning appropriation are:

Secretary's Office - The Secretary's Office is responsible for the overall leadership and management of the Agency, oversight of legal services throughout the Agency, and coordination of Agency public information and education.

Legal Division - The Legal Division provides legal assistance and counsel to the Agency's three departments. These responsibilities include drafting and reviewing policies and permits, rule making and providing general advice on Agency matters. Agency attorneys also represent the Agency in Act 250 proceedings and litigation before the Environmental Court and other administrative bodies. A separate legal and investigative unit provides the enforcement function for the Agency.

Policy Research and Planning Division - Members of the Policy Research and Planning Division coordinate policy development and compliance, and coordinate policy positions in relation to other state agencies, federal agencies and outside stakeholders. Staff members also organize and direct the Agency's comprehensive strategic planning process, coordinate other Agency planning activities and provide a liaison with the Lake Champlain Basin Program (LCBP).

Environmental Litigation Group - The Environmental Litigation Group represents the Agency in proceedings before the Environmental Court, the Public Service Board, and the Natural Resources Board. These proceedings may include: (1) Appeals of Agency actions such as the issuance or denial of permits, (2) Appeals of Act 250 permits to the Environmental Court from Environmental Commissions, and (3) the review of proposed projects seeking a certificate of public good before the Public Service Board.

Division of Regulatory Management and Act 250 Review - Members of this Division manage the Agency's review of Act 250 applications and coordinate staff review teams for Act 250 and, along with the Environmental Litigation Group, coordinate staff review of other regulatory processes, including Public Service Board and federal EIS processes. The attorneys represent the Agency in Act 250 proceedings and in other forums, including the Environmental Court and the Public Service Board. The Division publishes a weekly list of Act 250, Environmental Court and Public Service Board applications and maintains a data base of Act 250 records. The Division provides case management for large, complex projects in both pre application work and throughout the regulatory process.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Enforcement Division - The Enforcement Division is responsible for the enforcement of all laws and regulations administered by the Agency, except for those programs managed by the Department of Fish and Wildlife. Division activities include civil and criminal investigations; prosecution of administrative enforcement cases before the Environmental Court, and screening and referrals of criminal and civil cases (as appropriate) to the state's attorneys and the Attorney General.

Management Services Division - The Management Services Division is responsible for providing financial management services for the Agency and its departments, preparation and management of the Agency budget, coordination with the Agency of Administration on finance and office operations, management of Agency offices and other facilities, and logistical support of the Agency's six regional offices.

Human Resources Division - The Human Resources Division provides personnel management services for the entire Agency, including recruiting, training, employee recognition and discipline, classification, employee orientation, employee assistance, performance evaluation, employee records, and coordination with the state Department of Human Resources.

Information Technology Division - The Information Technology Division is responsible for providing direct information technology services to the entire Agency and to the Agency and Act 250 regional offices, and the development and implementation of the Agency's Information Technology Plan.

Regional Offices - The ANR Central Office appropriation includes funding to support office operations of the Agency's six regional offices, five of which are shared by staff from the Act 250 program.

Other Central Office appropriations include:

A pass-through appropriation for the Connecticut River Joint Commission, which coordinates with Vermont citizens, municipalities and the State of New Hampshire on issues related to the management and protection of the Connecticut River.

A pass-through appropriation for support of the Lake Champlain Citizen's Advisory Committee, which provides citizen input to the General Assembly, the Lake Champlain Basin Program, and the Agency on issues related to the management and protection of Lake Champlain.

An appropriation for payment in lieu of property taxes on lands owned by the Agency.

A pass-through appropriation to the Green Up Day Committee for implementation of the Green Up Day Program.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Natural Resources Central Office

Department Key Budget Issues

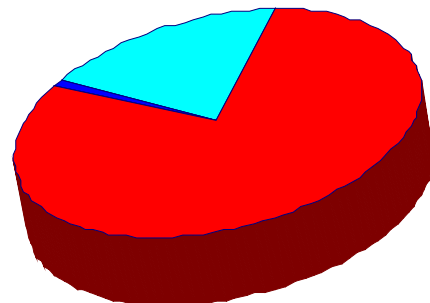
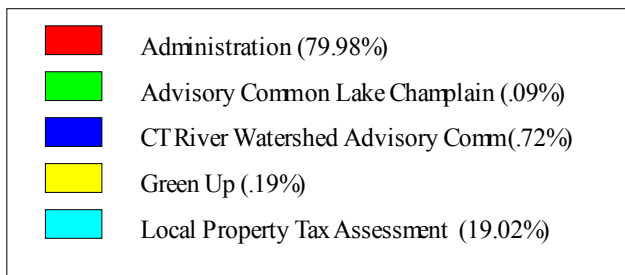
The Administration budget continues to support the Clean and Clear strategic initiative.

The Administration budget includes continuing the “ReThinking ANR” initiative which shapes for the future the Agency mission, goals, performance outcomes and operations, emphasizing workforce planning and development and agency-wide continuous process improvement.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Natural Resources Central Office

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Administration	59	61	61	6,278,458	6,428,293	6,802,892	6,620,218
CT River Watershed Advisory Comm	0	0	0	38,000	38,000	41,800	60,000
Advisory Comm on Lake Champlain	0	0	0	6,859	7,500	8,991	7,500
Local Property Tax Assessment	0	0	0	1,538,514	1,574,000	1,584,486	1,574,000
Green Up	0	0	0	17,196	17,498	17,498	15,607
TOTAL	59	61	61	7,879,027	8,065,291	8,455,667	8,277,325
FUND TYPE							
General Fund				5,747,528	6,113,284	6,503,660	6,291,613
Transportation Fund				212,816	0	0	0
Special Fund				1,048,705	1,079,756	1,079,756	1,106,461
Federal Revenue Fund				434,572	434,000	434,000	441,000
Interdepartmental Transfer				435,406	438,251	438,251	438,251
TOTAL				7,879,027	8,065,291	8,455,667	8,277,325



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	4,401,343	4,620,324	4,928,970	4,759,758
Operating Expenses	1,769,065	1,776,469	1,842,422	1,828,960
Grants	108,050	31,500	31,500	31,500
<hr/> TOTAL	<hr/> 6,278,458	<hr/> 6,428,293	<hr/> 6,802,892	<hr/> 6,620,218
FUND TYPE				
General Fund	4,647,325	4,748,336	5,122,935	4,906,556
Special Fund	1,038,155	1,069,206	1,069,206	1,095,911
Federal Revenue Fund	419,072	434,000	434,000	441,000
Interdepartmental Transfer	173,906	176,751	176,751	176,751
<hr/> TOTAL	<hr/> 6,278,458	<hr/> 6,428,293	<hr/> 6,802,892	<hr/> 6,620,218

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
CT River Watershed Advisory Comm**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	38,000	38,000	41,800	60,000
TOTAL	38,000	38,000	41,800	60,000
FUND TYPE				
General Fund	22,500	38,000	41,800	60,000
Federal Revenue Fund	15,500	0	0	0
TOTAL	38,000	38,000	41,800	60,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Advisory Comm on Lake Champlain

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,075	3,600	5,091	3,600
Operating Expenses	4,784	3,900	3,900	3,900
<hr/> TOTAL	<hr/> 6,859	<hr/> 7,500	<hr/> 8,991	<hr/> 7,500
FUND TYPE				
General Fund	6,859	7,500	8,991	7,500
<hr/> TOTAL	<hr/> 6,859	<hr/> 7,500	<hr/> 8,991	<hr/> 7,500

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Local Property Tax Assessment

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	1,538,514	1,574,000	1,584,486	1,574,000
<hr/> TOTAL	<hr/> 1,538,514	<hr/> 1,574,000	<hr/> 1,584,486	<hr/> 1,574,000
FUND TYPE				
General Fund	1,064,198	1,312,500	1,322,986	1,312,500
Transportation Fund	212,816	0	0	0
Interdepartmental Transfer	261,500	261,500	261,500	261,500
<hr/> TOTAL	<hr/> 1,538,514	<hr/> 1,574,000	<hr/> 1,584,486	<hr/> 1,574,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Green Up

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	6,576	6,948	6,948	5,057
Grants	10,620	10,550	10,550	10,550
<hr/> TOTAL	<hr/> 17,196	<hr/> 17,498	<hr/> 17,498	<hr/> 15,607
FUND TYPE				
General Fund	6,646	6,948	6,948	5,057
Special Fund	10,550	10,550	10,550	10,550
<hr/> TOTAL	<hr/> 17,196	<hr/> 17,498	<hr/> 17,498	<hr/> 15,607

STATE OF VERMONT
FISCAL YEAR 2008 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. In order to accomplish this mission, the integrity, diversity, and vitality of all natural systems must be protected.

Description of Appropriations, Divisions, & Programs

The Support & Field Services appropriation provides the funding for the Department's core services. These core services include: conserving, restoring and enhancing fish and wildlife habitat, wetlands and natural communities; inventorying, monitoring and managing game species to ensure sustainable population levels are maintained; inventorying, monitoring, and managing species that are not hunted and developing recovery initiatives for species that are threatened or endangered; promoting and providing a diversity of hunting and angling opportunities; promoting and facilitating land management planning and stewardship in Vermont; managing wildlife habitat on 82 Wildlife Management Areas, maintaining public access to water bodies on over 180 Access Areas, providing viewing and photography opportunities of fish and wildlife; ensure safe practices for those participating in fish- and wildlife-based recreational activities; maintaining full response to requests from citizens and agencies regarding threats to human life or safety; limiting the number of human injuries and fatalities that result from encounters with wildlife (i.e. moose and deer car collisions); informing and educating the public; and performing basic research.

The Watershed Improvement appropriation provides the funding to support watershed education efforts and projects that protect, restore, or enhance Vermont's watershed resources.

Key Divisions within the Department are as follows:

Administration Division - The Administration Division provides policy, legal, planning, personnel, and financial management leadership for the Department. It oversees the production, distribution, and sales of all hunting and fishing licenses and over fifteen types of other permits related to resource protection. It also is responsible for the management of substantial federal grant dollars, ensuring all reporting requirements are met annually.

Fisheries Division - The Fisheries Division is responsible for the conservation and management of all fish and fish habitats throughout Vermont. Staff members are engaged in a wide variety of activities, including: monitoring populations of sport fish species and their habitats; cooperating in the research, management, and restoration of fish communities in the Lake Champlain and Connecticut River Basins; rearing and stocking more than 9 million sport fish annually for recreational and restoration purposes; evaluating current and preparing new fishing harvest regulation recommendations for lake trout, brook trout, perch, northern pike, walleye, bass, and other species; participating in the protection of critical aquatic habitat through regulatory processes such as Act 250 and technical assistance; and preparing educational materials.

Law Enforcement Division - The Law Enforcement Division is an integral part of fish and wildlife

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Fish and Wildlife

management. Its primary duty is to enforce Vermont's fish and wildlife laws and regulations. Fish and Wildlife species are held in the Public Trust and this Division enforces laws related to the protection of these resources for the benefit of all Vermonters. The Division provides responses to citizen requests in the for Department involving fish and wildlife resources, conflicts, search and rescue and many other additional law enforcement assistance to citizens and other law enforcement agencies.

Outreach Division - The Outreach Division is responsible for all major outreach and formal educational programs of the Fish and Wildlife Department. Programs are designed to improve the public's knowledge and appreciation of Vermont's fish and wildlife resources and their habitats as well as related laws, issues and management programs. Division staff supports the Department's mission by providing professional communications and education to the state's inhabitants and visitors alike. These efforts are a means to create awareness and achieve voluntary compliance with state laws, regulations and programs and encourage support for fish, wildlife and habitat conservation and protection programs.

Wildlife Division - The Wildlife Division is responsible for the conservation and management of all wildlife, plants, and their habitat throughout Vermont. Division staff are engaged in a variety of activities such as: conducting research in support of management actions and decisions; monitoring populations of rare, threatened and endangered plant and animal species; preparing harvest recommendations for wildlife species with open regulated hunting or trapping seasons; participating in the protection of critical wildlife habitat through regulatory processes such as Act 250; land acquisition and management of 131,000 acres on the Department's 82 Wildlife Management Areas, monitoring wildlife diseases and the importation of wildlife into Vermont; and, technical assistance, planning and outreach to wildlife observers, landowners, hunters, school children, and natural resources professionals regarding wildlife in Vermont.

Department Key Budget Issues

Revenues from hunting, fishing and trapping license sales, which are the Department's primary source of state revenue, continued to decline in FY 06 (down 3% from the previous year). In the FY 08 budget request the Department is anticipating license revenues will remain level with current 07 estimates. Decline in license revenues, coupled with continued increases in base costs and demands for services, remains a significant fiscal and administrative challenge.

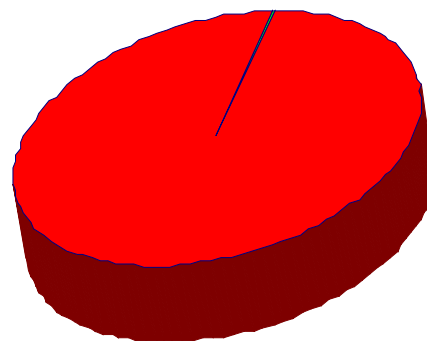
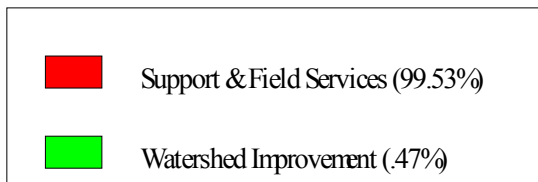
The Department's FY 08 Budget Request is contingent on the Fee Bill being passed. This Budget Request includes approximately \$200,000 of revenues that would be earned with the passage of the Fee Bill.

In FY 08 the Department is planning to fill all but three authorized positions. By maximizing the use of federal funds and reducing the use of temporary staff, the cost for any filled position will be minimal. Backfilling authorized staff positions will enable the department to better serve the public and fulfill its mandated mission.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Fish and Wildlife

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Support & Field Services	131	134	134	14,648,871	14,523,296	15,682,600	15,953,149
Watershed Improvement	0	0	0	46,650	75,000	75,000	75,000
TOTAL	131	134	134	14,695,521	14,598,296	15,757,600	16,028,149
FUND TYPE							
General Fund				1,933,809	2,099,779	2,302,053	2,131,687
Transportation Fund				368,256	0	0	0
Fish & Wildlife Fund				12,301,005	12,481,014	13,433,547	13,878,959
Special Fund				1,792	0	0	0
Interdepartmental Transfer				90,659	17,503	22,000	17,503
TOTAL				14,695,521	14,598,296	15,757,600	16,028,149



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Support & Field Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	9,981,333	9,847,289	10,785,662	10,890,281
Operating Expenses	4,327,042	4,229,867	4,406,442	4,316,728
Grants	340,496	446,140	490,496	746,140
<hr/> TOTAL	<hr/> 14,648,871	<hr/> 14,523,296	<hr/> 15,682,600	<hr/> 15,953,149
FUND TYPE				
General Fund	1,933,809	2,099,779	2,302,053	2,131,687
Transportation Fund	368,256	0	0	0
Fish & Wildlife Fund	12,254,355	12,406,014	13,358,547	13,803,959
Special Fund	1,792	0	0	0
Interdepartmental Transfer	90,659	17,503	22,000	17,503
<hr/> TOTAL	<hr/> 14,648,871	<hr/> 14,523,296	<hr/> 15,682,600	<hr/> 15,953,149

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Watershed Improvement

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	165	0	0	0
Grants	46,485	75,000	75,000	75,000
<hr/> TOTAL	<hr/> 46,650	<hr/> 75,000	<hr/> 75,000	<hr/> 75,000
FUND TYPE				
Fish & Wildlife Fund	46,650	75,000	75,000	75,000
<hr/> TOTAL	<hr/> 46,650	<hr/> 75,000	<hr/> 75,000	<hr/> 75,000

STATE OF VERMONT
FISCAL YEAR 2008 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 78% of the state. These forests provide the important economic resource base supporting a diverse forest products industry through sustainable timber management, the basis for biological diversity, natural communities, wildlife habitats, scenic landscapes, tourism and recreation. The Division has responsibility for administration and oversight of the 1.5 million acres of private land enrolled in the current use tax program for forest land, stewardship activities on over 342,000 acres of state-owned land, assisting municipalities in the management of urban trees and municipal forests, forest health monitoring, assisting the wood using industry and the administration of forestry regulatory programs.

State Parks - The State Park Division is responsible for planning for the construction, maintenance and operation of the state park system and the protection of the natural resources in the system. The State Park system includes 52 developed parks.

Land Administration - This Division has Agency-wide responsibility for the administration and real estate activity of all state-owned lands managed by the three ANR departments (approximately 342,000 acres). The Division has responsibility for maintenance of ANR property records and maps; administration of leases, licenses and special use permits; carrying out ANR land acquisition and transactions; assistance with long-range management planning; statewide comprehensive outdoor recreation planning; survey and mapping of ANR lands, and coordinating wetland restoration activities through the Clean & Clear Initiative.

Vermont Youth Conservation Corps - Administration of pass through monies from state parks, AOT, trail funds, general funds and donations. This program educates youth in good conservation ethics through meaningful employment in natural resource related projects.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation**

Forest Highway Maintenance - This program uses state funds to repair and maintain the ANR forest highway network consisting of approximately 600 miles of roads.

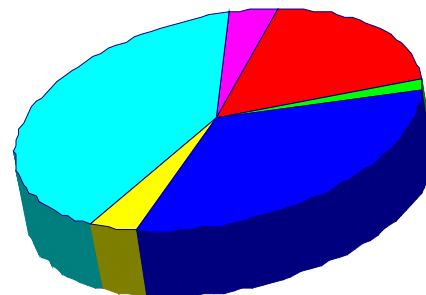
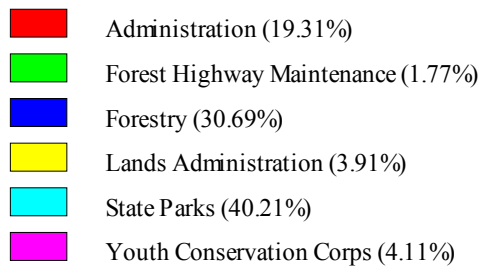
Department Key Budget Issues

The FY08 budget appropriation for the Department of Forests, Parks & Recreation will allow for the continuation of ongoing operations and base programs.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Forests, Parks and Recreation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration	12	12	13	4,065,198	3,694,231	3,711,177	3,536,112
Forestry	67	67	66	5,207,699	5,437,734	5,532,254	5,619,399
State Parks	35	35	35	6,772,253	7,074,387	7,114,855	7,362,163
Lands Administration	7	7	6	2,594,696	764,531	1,833,887	716,818
Youth Conservation Corps	0	0	0	740,992	848,368	848,368	752,116
Forest Highway Maintenance	0	0	0	691,141	523,978	660,246	323,978
TOTAL	121	121	120	20,071,979	18,343,229	19,700,787	18,310,586
FUND TYPE							
General Fund				5,637,057	6,775,662	6,992,926	6,974,533
Transportation Fund				712,641	0	99,294	0
Special Fund				8,251,424	8,505,768	8,505,768	8,675,053
Federal Revenue Fund				5,009,716	2,549,000	3,590,000	2,349,000
Interdepartmental Transfer				461,141	512,799	512,799	312,000
TOTAL				20,071,979	18,343,229	19,700,787	18,310,586



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	958,359	873,790	889,998	1,002,905
Operating Expenses	710,097	604,341	605,079	703,107
Grants	2,396,742	2,216,100	2,216,100	1,830,100
<hr/> TOTAL	<hr/> 4,065,198	<hr/> 3,694,231	<hr/> 3,711,177	<hr/> 3,536,112
FUND TYPE				
General Fund	1,001,145	1,023,231	1,040,177	1,225,112
Special Fund	1,351,878	1,466,000	1,466,000	1,406,000
Federal Revenue Fund	1,712,175	1,205,000	1,205,000	905,000
<hr/> TOTAL	<hr/> 4,065,198	<hr/> 3,694,231	<hr/> 3,711,177	<hr/> 3,536,112

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Forestry

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	4,258,632	4,533,422	4,627,942	4,638,283
Operating Expenses	553,972	616,312	616,312	668,116
Grants	395,095	288,000	288,000	313,000
<hr/> TOTAL	<hr/> 5,207,699	<hr/> 5,437,734	<hr/> 5,532,254	<hr/> 5,619,399
FUND TYPE				
General Fund	3,512,860	3,644,935	3,739,455	3,932,399
Transportation Fund	21,500	0	0	0
Special Fund	300,681	360,000	360,000	360,000
Federal Revenue Fund	1,158,657	1,200,000	1,200,000	1,300,000
Interdepartmental Transfer	214,001	232,799	232,799	27,000
<hr/> TOTAL	<hr/> 5,207,699	<hr/> 5,437,734	<hr/> 5,532,254	<hr/> 5,619,399

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
State Parks

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	4,661,707	4,870,037	4,910,505	5,131,552
Operating Expenses	2,103,428	2,199,350	2,199,350	2,230,611
Grants	7,118	5,000	5,000	0
<hr/> TOTAL	<hr/> 6,772,253	<hr/> 7,074,387	<hr/> 7,114,855	<hr/> 7,362,163
 FUND TYPE				
General Fund	659,124	993,987	1,034,455	956,226
Special Fund	6,113,129	6,080,400	6,080,400	6,405,937
<hr/> TOTAL	<hr/> 6,772,253	<hr/> 7,074,387	<hr/> 7,114,855	<hr/> 7,362,163

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Lands Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	472,750	533,420	544,481	486,557
Operating Expenses	2,115,968	231,111	1,289,406	230,261
Grants	5,978	0	0	0
TOTAL	2,594,696	764,531	1,833,887	716,818
FUND TYPE				
General Fund	463,928	539,531	567,887	486,818
Special Fund	2,791	145,000	145,000	145,000
Federal Revenue Fund	2,064,084	50,000	1,091,000	50,000
Interdepartmental Transfer	63,893	30,000	30,000	35,000
TOTAL	2,594,696	764,531	1,833,887	716,818

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Youth Conservation Corps

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	282,536	388,775	388,775	292,523
Operating Expenses	9,850	9,593	9,593	9,593
Grants	448,606	450,000	450,000	450,000
<hr/> TOTAL	<hr/> 740,992	<hr/> 848,368	<hr/> 848,368	<hr/> 752,116
FUND TYPE				
General Fund	0	50,000	50,000	50,000
Special Fund	482,945	454,368	454,368	358,116
Federal Revenue Fund	74,800	94,000	94,000	94,000
Interdepartmental Transfer	183,247	250,000	250,000	250,000
<hr/> TOTAL	<hr/> 740,992	<hr/> 848,368	<hr/> 848,368	<hr/> 752,116

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Forest Highway Maintenance

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	386,012	222,978	222,978	222,978
Operating Expenses	296,529	301,000	437,268	101,000
Grants	8,600	0	0	0
<hr/> TOTAL	<hr/> 691,141	<hr/> 523,978	<hr/> 660,246	<hr/> 323,978
FUND TYPE				
General Fund	0	523,978	560,952	323,978
Transportation Fund	691,141	0	99,294	0
<hr/> TOTAL	<hr/> 691,141	<hr/> 523,978	<hr/> 660,246	<hr/> 323,978

STATE OF VERMONT
FISCAL YEAR 2008 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 the protection of public health and the environment. The department meets this challenge through: (1) public education and technical assistance; (2) financial assistance in the form of grants and loans; (3) permits for activities that require specific conditions, compliance inspections and enforcement to ensure public health and the environment are protected in a fair, effective manner; and (4) monitoring the environment and completing projects such as aquatic weed harvesting and riverbank restoration. DEC believes that people must be treated fairly, honestly and openly; that programs must be efficient and cost-effective; that DEC must lead by example; that actions must be timely; and that the department must show respect for both Vermont's citizens and natural resources.

The department administers various regulatory programs, mandated by the state and /or federal governments, which oversee the discharge of pollutants in the air, water and soil. In most instances, the policy decision was made over three decades ago that DEC should accept the federal delegations of the environmental regulatory program from the U.S. Environmental Protection Agency (EPA), so Vermonters could deal with the permit process locally rather than with EPA in Boston.

The department has four appropriations. Three appropriations cover the majority of the Department's work in eight divisions. Descriptions of each division are located below under their appropriation. The fourth appropriation is the Connecticut Valley Flood Control Compact.

Management and Support Services Appropriation

Commissioner's Office

The Commissioner's Office provides leadership, management, business, policy and planning services for all departmental divisions and programs. The Commissioner's Office includes the Environmental Assistance Office.

The Environmental Assistance Office (EAO) assists the public and DEC through research, assistance, and information. This office administers programs providing permitting assistance, compliance assistance, business assistance and recognition, pollution prevention planning and assistance, department-level continuous quality improvement for permitting and compliance, department-level

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Environmental Conservation

information system design and oversight, coordination of departmental public communications, mercury education and reduction, geologic research and mapping, low level radioactive waste oversight, and scientific studies management. Permit specialists provide assistance and identify needed permits for each applicant. Compliance specialists provide assistance to small businesses and municipalities to help them understand and comply with environmental requirements.

The Geological Survey is part of the EAO and conducts mapping, research and provides aid and advice about the state's geology, mineral resources and topography. Current emphasis is on bedrock and surficial mapping, applied studies, digital map products, data distribution, and education. Geological information plays a significant role in locating groundwater supplies, arranging waste disposal, understanding the movement of contaminants, and addressing natural hazards such as landslides, radioactivity, erosion, and earthquakes. Geological research helps locate the source of groundwater and earth materials upon which ecosystems are rooted and provides valuable information about the soil that supports agricultural production. The extraction of mineral resources includes dimension stone, crushed rock, and sand and gravel. Public service maps derived from the base geology relate to protecting the public health and safety and promoting the general welfare. The survey also includes the Radioactive Waste Management Program.

Reginald A. LaRosa Environmental Laboratory

The R. A. LaRosa Laboratory provides analytical services to the science-based programs of the Department of Environmental Conservation, the Department of Forest, Parks and Recreation, other units of Vermont state government, neighboring states environmental programs, and federal agencies needing environmental analysis. These analytical services provide scientific information regarding the health of natural resources, threats to human health and the environment, and the presence, discharges or emissions of contaminants into the environment. Data generated by the DEC Laboratory is an essential component of fact-based decisions making by DEC

Air and Waste Management Appropriation

Air Pollution Control Division

The Air Pollution Control Division administers a statewide program of air pollution prevention, abatement, and control, with the goal of protecting public health and the environment. Additionally, the division has been actively involved at the national level in efforts to document the impact of Midwestern power plants on the environment of Vermont and other eastern states. The division has been active in the development a Northeastern states and Eastern Canadian climate action plan as well as a "cap and trade" program for carbon dioxide emissions within seven states in the Northeast. The division approaches the challenges of air quality management through risk assessment and risk management. The Planning and Technical Services Sections identify and assess risk: the Field Services, Engineering Services, and Mobile Source Control Sections implement risk management decisions.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Environmental Conservation

Waste Management

Through a combination of assistance, planning, regulation, permitting, and inspections, the Waste Management Division oversees the management of solid and hazardous wastes to protect the public health and the environment. Hazardous and solid waste programs are managed to meet Vermont environmental law and regulatory standards and U.S. Environmental Protection Agency standards for the Resource Conservation Recovery Act. The division also oversees the investigation and remediation of sites contaminated by hazardous wastes from petroleum, chemical, and industrial release. The Petroleum Clean-up Fund is managed to remediate sites contaminated by petroleum. The Redevelopment of Contaminated Properties Program promotes and assists in the clean-up and reuse of contaminated properties. The division maintains a 24-hour Spill Response Team to provide assistance in the control and clean-up of spills.

STATE OF VERMONT
FISCAL YEAR 2008 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 and Stormwater Programs. It issues Conditional Use Permits for allowed activities in state protected wetlands. It issues permits for Erosion Prevention and Sediment Control (land disturbances greater than one acre), Multi-Sector Industrial Stormwater Permits and Operational Stormwater Permits. The Division also issues permits for aquatic nuisance control, lakeshore encroachment, mineral prospecting and stream alteration. The Division's work is carried out to assure compliance with the State's Water Quality Standards. The Division issues grants and provides technical assistance for local nonpoint source pollution management activities in lake and river watersheds. Finally, the division administers aquatic nuisance management, river management and flood hazard mitigation programs, and sponsors Project WET (Water Education for Teachers).

Wastewater Management Division

The Wastewater Management Division staff administers the federally delegated permitting programs for municipal and industrial discharges and underground injection control systems. It also administers the permitting programs for indirect discharges and residuals management. These programs regulate the pollutants contained in the approximately 150 million gallons of wastewater being discharged to

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Environmental Conservation

Vermont waters each day. In addition to permitting, these programs conduct inspections, compliance review, enforcement, and technical assistance (with particular attention to small communities). The Division also oversees the wastewater operator certification program.

The Division administers the wastewater system and potable water supply rules from its five regional offices. These rules regulate soil-based wastewater systems with a design capacity of less than 6,500 gallons per day as well as all connections to the municipal water and wastewater systems. The program currently most single family residences, commercial development, public buildings, mobile home parks, and campgrounds and has been issuing approximately 3,000 permits annually. Beginning on July 1, 2007, the program's jurisdiction will expand to cover all single family residences resulting in an anticipated increase in the number of permits to 6,000 per year. This division also licenses the designers of the systems it permits.

Water Supply Division

The Water Supply Division is responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through sanitary surveys, technical assistance, operator certification, compliance tracking for nearly 100 contaminants, a low interest loan program and permitting of all aspects of source water development, construction and operation. The division also oversees the state's groundwater protection and well driller's regulatory programs.

Water Quality Division

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STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Environmental Conservation

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) general fund budget reflects an increase in funds for the Clean and Clear Action Plan, permit fund increases reflecting expected changes in activity, expanded jurisdiction and rates proposed through the Fee Bill and savings required to meet fiscal targets. The proposed budget enables the DEC to maintain essential base programs in addition to funding the Clean and Clear Action Plan. The department relies on revenues from over one hundred individual sources to make up its budget. These funding sources are primarily federal funds, general funds, and fees from different types of permits and registrations.

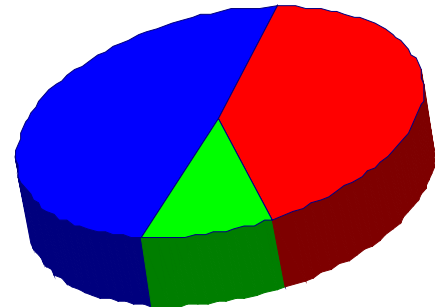
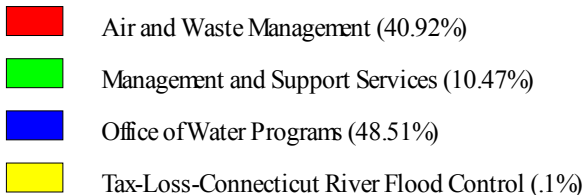
The Clean & Clear Action Plan includes aggressive strategies to clean up waters throughout Vermont and to accelerate to the extent possible the deadlines established in the Phosphorus Total Maximum Daily Load (TMDL) for Lake Champlain. Two new positions in the Office of Water will help the Clean and Clear Action Plan through increased permitting of industrial stormwater discharges and implementation of new state and federal rules pertaining to Confined Animal Feeding Operations (CAFOs).

Two and one-half new positions are funded through fee revenue increases resulting from the universal jurisdiction over onsite wastewater disposal systems and private water supplies as of July 1, 2007. The positions will help manage an expected doubling of permit volume as of that date. An additional new position is created to assist in the federally-mandated inspection of registered fuel storage tanks.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Environmental Conservation

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Management and Support Services	41	41	40	3,702,057	3,902,437	3,927,296	3,994,428
Air and Waste Management	83	86	86	12,804,754	14,942,226	15,545,050	15,616,652
Office of Water Programs	174	179	185	16,462,646	17,735,588	18,555,166	18,516,889
Tax-Loss-Connecticut River Flood Control	0	0	0	31,230	40,000	40,000	40,000
	<u>298</u>	<u>306</u>	<u>311</u>	<u>33,000,687</u>	<u>36,620,251</u>	<u>38,067,512</u>	<u>38,167,969</u>
TOTAL							
FUND TYPE				7,217,763	8,954,775	10,402,036	9,207,230
General Fund				187,219	0	0	0
Transportation Fund				12,835,778	15,773,079	15,773,079	16,540,988
Special Fund				11,202,064	10,332,451	10,332,451	10,869,970
Federal Revenue Fund				1,557,863	1,559,946	1,559,946	1,549,781
Interdepartmental Transfer							
				<u>33,000,687</u>	<u>36,620,251</u>	<u>38,067,512</u>	<u>38,167,969</u>
TOTAL							



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Management and Support Services

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,882,253	2,931,319	2,946,178	3,024,560
Operating Expenses	723,024	887,118	897,118	890,844
Grants	96,780	84,000	84,000	79,024
<hr/> TOTAL	<hr/> 3,702,057	<hr/> 3,902,437	<hr/> 3,927,296	<hr/> 3,994,428
FUND TYPE				
General Fund	1,244,975	1,310,330	1,335,189	1,181,587
Special Fund	721,451	679,476	679,476	790,540
Federal Revenue Fund	679,176	993,471	993,471	1,111,505
Interdepartmental Transfer	1,056,455	919,160	919,160	910,796
<hr/> TOTAL	<hr/> 3,702,057	<hr/> 3,902,437	<hr/> 3,927,296	<hr/> 3,994,428

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Air and Waste Management

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	6,612,522	7,056,543	7,659,367	7,788,764
Operating Expenses	5,383,139	6,176,683	6,176,683	6,123,303
Grants	809,093	1,709,000	1,709,000	1,704,585
<hr/> TOTAL	<hr/> 12,804,754	<hr/> 14,942,226	<hr/> 15,545,050	<hr/> 15,616,652
FUND TYPE				
General Fund	571,614	815,555	1,418,379	1,107,695
Special Fund	8,424,344	11,137,141	11,137,141	11,180,272
Federal Revenue Fund	3,689,896	2,815,544	2,815,544	3,154,700
Interdepartmental Transfer	118,900	173,986	173,986	173,985
<hr/> TOTAL	<hr/> 12,804,754	<hr/> 14,942,226	<hr/> 15,545,050	<hr/> 15,616,652

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Office of Water Programs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	12,687,326	12,629,486	13,423,064	13,398,869
Operating Expenses	2,020,151	2,235,066	2,261,066	2,169,397
Grants	1,755,169	2,871,036	2,871,036	2,948,623
<hr/> TOTAL	<hr/> 16,462,646	<hr/> 17,735,588	<hr/> 18,555,166	<hr/> 18,516,889
FUND TYPE				
General Fund	5,401,174	6,828,890	7,648,468	6,917,948
Transportation Fund	187,219	0	0	0
Special Fund	3,658,753	3,916,462	3,916,462	4,530,176
Federal Revenue Fund	6,832,992	6,523,436	6,523,436	6,603,765
Interdepartmental Transfer	382,508	466,800	466,800	465,000
<hr/> TOTAL	<hr/> 16,462,646	<hr/> 17,735,588	<hr/> 18,555,166	<hr/> 18,516,889

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tax-Loss-Connecticut River Flood Control

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	31,230	40,000	40,000	40,000
TOTAL	31,230	40,000	40,000	40,000
FUND TYPE				
Special Fund	31,230	40,000	40,000	40,000
TOTAL	31,230	40,000	40,000	40,000

STATE OF VERMONT
FISCAL YEAR 2008 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 subdivisions and developments in Vermont.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Natural Resources Board

The key budget issue facing the new Natural Resources Board in FY 2008 is the continuing challenge of maintaining a level of service commensurate with the services previously provided by the Environmental Board and the Water Resources Board, absent the appellate functions which transferred to the Environmental Court on February 1, 2005. Due to the restructuring, personal service and operational expenses have decreased by 9%, resulting in a savings of approximately \$260,000 in general and special funds in FY 2006. General funds decreased by nearly 12% while the need for special funds decreased slightly in FY 2006 and in FY 2007. This decrease in general and special funds is directly attributable to the dissolution of the Environmental Board, the Waste Facility Panel and the Water Resources Board. In FY 2007, the Natural Resource Board was funded 38% with general funds and 62% with special funds. For FY 2008, the NRB will receive level general funding while the special fund appropriation will increase by approximately 5%.

Description of Appropriations, Divisions, & Programs

Coming into existence on February 1, 2005, the Natural Resources Board is comprised of nine members appointed by the Governor including a full time Chair of the Board. The Board consists of two separate panels; the Land Use Panel and the Water Resources Panel with distinct functions and responsibilities. Both Panels will be chaired by the Chair of the Board. On a statewide basis, the Land Use Panel oversees and administers the Act 250 process served by nine district environmental commissions. Each commission is comprised of three members with up to four alternates also appointed by the Governor. The Chair of the Board, as a full time salaried employee, has responsibility for the administration of the entire Act 250 program and all substantive and procedural rulemaking of the Natural Resources Board.

Created in 1970, the District Environmental Commissions provide a public regulatory, quasi-judicial process (Act 250) for reviewing and managing the environmental and fiscal consequences of major subdivisions and developments in Vermont.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Natural Resources Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Natural Resources Board	31	31	31	2,623,243	2,748,609	2,748,609	2,832,039
<hr/> TOTAL	<hr/> 31	<hr/> 31	<hr/> 31	<hr/> 2,623,243	<hr/> 2,748,609	<hr/> 2,748,609	<hr/> 2,832,039
FUND TYPE							
General Fund				977,194	1,058,883	1,058,883	1,057,827
Special Fund				1,646,049	1,689,726	1,689,726	1,774,212
<hr/> TOTAL				<hr/> 2,623,243	<hr/> 2,748,609	<hr/> 2,748,609	<hr/> 2,832,039

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Natural Resources Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,172,229	2,304,259	2,304,259	2,400,747
Operating Expenses	449,543	444,350	444,350	431,292
Grants	1,471	0	0	0
<hr/> TOTAL	<hr/> 2,623,243	<hr/> 2,748,609	<hr/> 2,748,609	<hr/> 2,832,039
FUND TYPE				
General Fund	977,194	1,058,883	1,058,883	1,057,827
Special Fund	1,646,049	1,689,726	1,689,726	1,774,212
<hr/> TOTAL	<hr/> 2,623,243	<hr/> 2,748,609	<hr/> 2,748,609	<hr/> 2,832,039

STATE OF VERMONT
FISCAL YEAR 2008 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 Administration and the Departments of Housing and Community Affairs, Economic Development, and Tourism and Marketing. Vermont Life Magazine is part of the Department of Tourism and Marketing, and the Division for Historic Preservation is part of the Department of Housing and Community Affairs.

Administration

Administration consists of the Office of the Agency Secretary, Deputy Secretary, Communications, IT Services, Administrative Services, and Legal Counsel. Together they provide managerial direction, coordination, and support services to the agency. Administration 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. The department also funds and supports regional economic development efforts through the Regional Development Corporations and general business development through other partners.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

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.

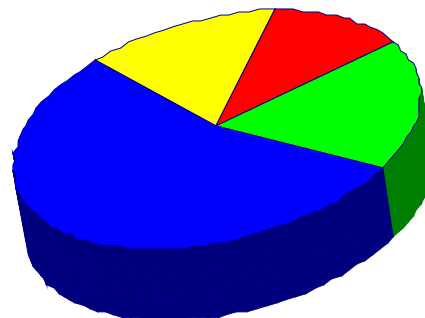
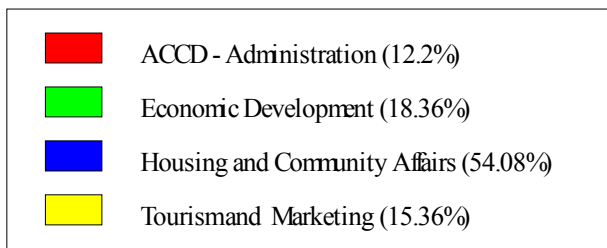
The department also supports and/or funds statewide initiatives including 5-1-1 travel information, Low Powered FM Radio (LPFM), VT/NH/ME Tri-State organization (TRIO), Discover New England (DNE), travel and trade shows and familiarization trips. Informative and effective communication with the industry 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 2008 BUDGET RECOMMENDATIONS
Agency of Commerce and Comm Dev

AGENCY SUMMARY BY DEPARTMENT

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
ACCD - Administration	17	19	23	1,967,903	2,193,745	2,454,625	3,942,409
Housing and Community Affairs	39	38	33	15,942,065	17,335,003	17,573,516	17,478,814
Economic Development	22	21	21	5,691,454	5,903,939	7,334,759	5,933,689
Tourism and Marketing	27	26	24	5,467,142	5,196,056	6,294,399	4,964,020
TOTAL	105	104	101	29,068,564	30,628,743	33,657,299	32,318,932
FUND TYPE							
General Fund				13,593,406	13,713,956	16,312,176	14,158,602
Special Fund				5,294,572	5,591,794	5,655,019	5,769,817
Federal Revenue Fund				9,331,263	9,655,790	9,913,593	10,564,658
Enterprise Fund				778,883	849,556	920,276	789,893
Interdepartmental Transfer				70,440	817,647	856,235	1,035,962
TOTAL				29,068,564	30,628,743	33,657,299	32,318,932



**STATE OF VERMONT
FISCAL YEAR 2008 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

Administration is responsible for serving the members of the agency in the areas of human resources, IT, legal, and administrative support, management and supervisory training, and the prioritization of agency initiatives. The Office of the Chief Marketing Officer for the State of Vermont adds the responsibility of supporting state-wide marketing coordination.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
ACCD - Administration

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Administration	17	19	23	1,967,903	2,193,745	2,454,625	3,942,409
<hr/> TOTAL	<hr/> 17	<hr/> 19	<hr/> 23	<hr/> 1,967,903	<hr/> 2,193,745	<hr/> 2,454,625	<hr/> 3,942,409
FUND TYPE							
General Fund				1,967,903	2,193,745	2,254,625	2,874,982
Federal Revenue Fund				0	0	200,000	800,000
Interdepartmental Transfer				0	0	0	267,427
<hr/> TOTAL				<hr/> 1,967,903	<hr/> 2,193,745	<hr/> 2,454,625	<hr/> 3,942,409

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

Appropriation Key Budget Issues

The Administration's budget challenges center on the gradual reorganization of the agency to address the Strategic Enterprise Initiative goals of reduction of duplication and optimization of consolidated services and functions throughout the agency. Therefore, some services are being consolidated into Administration, such as administrative, Web support and grants management. No new net costs to the Agency will result.

The Chief Marketing Officer(CMO) FY08 program budget includes a proposal for cost sharing by agencies/departments/offices to allow for the coordination of commonly purchased marketing services. These services will be delivered through added internal capabilities (within the CMO's office) and negotiation of contracts where professional services can be shared by departments. Cost share amounts for state entities are based on an assessment of historical expenses and budget, volume of marketing activity performed, and identified need for support and services.

The Governor is initiating a multi-year market development program designed to increase Vermont's visibility as a domicile for the emerging Environmental Engineering sector. \$300,000 will be provided to ACCD to work with a newly created Environmental Engineering Advisory Committee that will conduct market research, develop appropriate marketing materials and make direct appeals to engineering firms to locate in Vermont.

ACCD will also make an investment in the Vermont Software Developers Association in the amount of \$50,000 to support organizational and operational activities designed to build a public-private partnership to support the growth of this industry in Vermont.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,190,165	1,369,681	1,440,911	2,113,879
Operating Expenses	541,538	524,064	513,714	782,330
Grants	236,200	300,000	500,000	1,046,200
<hr/> TOTAL	<hr/> 1,967,903	<hr/> 2,193,745	<hr/> 2,454,625	<hr/> 3,942,409
FUND TYPE				
General Fund	1,967,903	2,193,745	2,254,625	2,874,982
Federal Revenue Fund	0	0	200,000	800,000
Interdepartmental Transfer	0	0	0	267,427
<hr/> TOTAL	<hr/> 1,967,903	<hr/> 2,193,745	<hr/> 2,454,625	<hr/> 3,942,409

STATE OF VERMONT
FISCAL YEAR 2008 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; state housing policy, including the Mobile Home Park Program; the identification and protection of historic resources, including incentive programs; and the State-owned historic sites where history comes alive for students and families.

Applications from municipalities to the Vermont Community Development Program (VCDP) greatly outstrip the available grant resources each year. VCDP has been funded at a level of \$7.5M annually through the Federal Community Development Block Grant Program. Grants are made directly to municipalities for vital community development projects, such as affordable housing, economic development, and public facilities such as daycare centers.

The lack of housing stock in many regions of the state has led to escalating home prices and rents. A Vermont family must earn approximately \$15.00 an hour to afford a typical two-bedroom apartment. The statewide Housing and Homeless Needs Assessment, completed in June of 2005 as part of the Consolidated Plan, showed a serious shortage of both rental and ownership units in the region over the next ten years. The Housing Division is working diligently to steer all available resources to address the state's housing crisis. Additionally, the division administers the state's Mobile Home Park Program. In July 2004, the Department completed the process of an overall update of its Housing Division Rules that deal with mobile home parks. The Department is planning some additional minor changes to the Mobile Home Rules this year dealing specifically with road upgrades in parks. The Governor appointed a special committee in July 2004 to look at many of the problems that affect mobile home parks, their owners, and the tenants. Out of this committee work, a bill was passed last session that makes it easier for mobile home park tenants to form cooperatives to buy their parks. There will be additional legislation proposed this session to further the committee's recommendations.

The Vermont Downtown Program (VDP) supports community efforts to strengthen downtowns and village centers through training and technical assistance. There are incentives for both the public and private sector within the designated area, including tax credits for historic building rehabilitations and code improvements, transportation-related public improvements, and priority consideration for other State programs. Long-vacant upper floors in many downtowns are now being rehabilitated for housing and offices, storefronts and facades are being improved, and buildings are becoming more accessible and safe through code improvements. Tax credit rehabilitations are beginning to develop in the village

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Housing and Community Affairs

centers which can have a big impact where there is otherwise little commercial activity. There are 22 Designated Downtowns, and Village Center designations have grown from 34 in 2005 to 72 in 2006.

In 2006, legislation creating the Growth Centers Program was enacted, charging the Department to staff an appointed Growth Center Planning Coordination Group and an expanded Downtown Board. The Board is charged with designating Growth Centers according to criteria that differs from the downtown and village center criteria. The Department has contracted with consultants to develop the required planning manual and implementation checklist. A series of well-attended meetings and a public hearing on the drafts have been held.

The Planning Division provides technical assistance to local and regional officials on smart growth planning tools, primarily via coordination of the Vermont Land Use Education & Training Collaborative which manages the Vermont Planning Information Center website at VPIC.info, administration of 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 of volunteer decision-makers at its local meetings to improve local capacity.

The Planning Division also administers the Municipal Planning Grant Program and state funding for the 11 Regional Planning Commissions (RPCs). The FY07 Municipal Planning Grants went to 92 Vermont towns. This is a competitive and popular program. In addition, the Division was charged with distributing \$100,000 in grants to municipalities to research “ancient roads”, a part of legislation aimed at clearing real estate title problems that have emerged. That amount was sufficient to provide grants for 22 of the 68 applications received.

In 2006, the Division gained an EPA grant to fund creation of a publication and conference aimed at “Improving Wastewater Treatment Options for Vermont’s Villages”. The Division also created a simple brochure to help municipalities weigh the pros and cons of gaining delegation of the state water and wastewater treatment permitting programs. Both projects have been done in conjunction with the Vermont Department of Environmental Conservation.

The Planning Division was charged in 2006 with providing a legislative report on municipal regulation of amateur radio towers, which required research and a public hearing.

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, 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

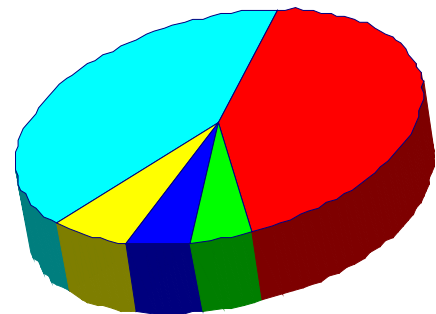
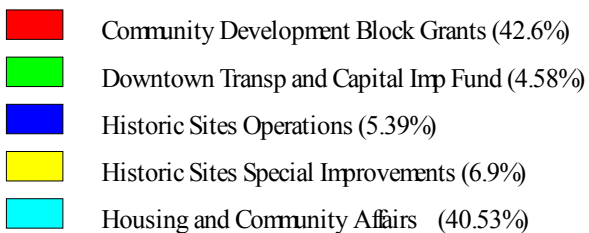
STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Housing and Community Affairs

the sites' budget. The Division also owns several bridges, underwater shipwrecks, an iron blast furnace, and a variety of historic houses and taverns, all representing Vermont's rich history.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Housing and Community Affairs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Housing and Community Affairs	33	32	27	6,689,293	7,033,687	7,266,270	7,084,309
Historic Sites Operations	5	5	5	865,749	900,012	905,942	941,610
Historic Sites Special Improvements	0	0	0	81,338	1,154,774	1,154,774	1,206,365
Community Development Block Grants	0	0	0	7,737,616	7,446,530	7,446,530	7,446,530
Downtown Transp and Capital Imp Fund	1	1	1	568,069	800,000	800,000	800,000
	<u>39</u>	<u>38</u>	<u>33</u>	<u>15,942,065</u>	<u>17,335,003</u>	<u>17,573,516</u>	<u>17,478,814</u>
TOTAL							
FUND TYPE				1,955,555	1,993,567	2,103,464	1,932,624
General Fund				4,769,520	5,066,469	5,098,694	5,211,467
Special Fund				9,153,567	9,457,320	9,515,123	9,566,188
Federal Revenue Fund				63,423	817,647	856,235	768,535
Interdepartmental Transfer							
				<u>15,942,065</u>	<u>17,335,003</u>	<u>17,573,516</u>	<u>17,478,814</u>
TOTAL							



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Housing and Community Affairs

Appropriation Key Budget Issues

The Department of Housing and Community Affairs is very dependent on federal funds. With the federal budget constraints over the last few years, there has been a decline in these funds. Federal money now covers 50% of the Historic Preservation budget, down from 60%.

Growth Centers is a new program with complex issues that will require professional planning expertise that is resident in the Department, but stretched.

The Department is working with other agencies to provide services that can help generate revenue for the Department. One example is its efforts to help the Human Rights Commission (HRC) with reducing housing discrimination. The Department has the staff and the expertise to help develop a public information campaign, perform outreach to landlords and tenants, and update materials to try to solve this problem. The HRC is reimbursing the Department with federal HUD monies for its efforts.

While visitors remain pleased with their experience at the State historic sites, attendance has been declining yearly for the past decade. The weather of the past two seasons has compounded the problem of dwindling visits. The basic costs of maintenance, insurance, utilities, and staffing do not decrease. With fewer visitations, there is less income, which puts pressure on the General Fund portion of the budget. The Division continues to take steps to improve visibility and visitation. Before the season started, “brown” signs on I-89 were installed to direct travelers to the Justin Morrill Homestead in Strafford and the historic sites and museums of Windsor, including the State’s Old Constitution House. Ticket sharing amongst the other museums and a state park in the east central part of the state has had some success. Tourism and Marketing promotes the sites with brochures and on the Vacation Vermont website, and most notably, with the Governor’s public service announcements throughout the 2006 season. In the long range, the Division is working to improve the visitor “experience” with new technology and family activities.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Housing and Community Affairs

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,437,765	2,479,313	2,542,855	2,307,833
Operating Expenses	214,579	347,147	458,874	361,339
Grants	4,036,949	4,207,227	4,264,541	4,415,137
<hr/> TOTAL	<hr/> 6,689,293	<hr/> 7,033,687	<hr/> 7,266,270	<hr/> 7,084,309
FUND TYPE				
General Fund	1,466,383	1,509,648	1,584,134	1,390,297
Special Fund	3,768,448	3,844,469	3,891,676	3,991,815
Federal Revenue Fund	1,415,634	1,614,570	1,672,373	1,646,697
Interdepartmental Transfer	38,828	65,000	118,087	55,500
<hr/> TOTAL	<hr/> 6,689,293	<hr/> 7,033,687	<hr/> 7,266,270	<hr/> 7,084,309

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Historic Sites Operations

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	568,078	615,472	621,402	636,402
Operating Expenses	297,671	284,540	284,540	305,208
<hr/> TOTAL	<hr/> 865,749	<hr/> 900,012	<hr/> 905,942	<hr/> 941,610
FUND TYPE				
General Fund	489,172	483,919	519,330	542,327
Special Fund	376,577	372,000	357,018	369,652
Interdepartmental Transfer	0	44,093	29,594	29,631
<hr/> TOTAL	<hr/> 865,749	<hr/> 900,012	<hr/> 905,942	<hr/> 941,610

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Historic Sites Special Improvements

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	40,066	129,160	129,160	427,660
Operating Expenses	41,272	1,025,614	1,025,614	778,705
<hr/> TOTAL	<hr/> 81,338	<hr/> 1,154,774	<hr/> 1,154,774	<hr/> 1,206,365
FUND TYPE				
Special Fund	56,426	50,000	50,000	50,000
Federal Revenue Fund	317	396,220	396,220	472,961
Interdepartmental Transfer	24,595	708,554	708,554	683,404
<hr/> TOTAL	<hr/> 81,338	<hr/> 1,154,774	<hr/> 1,154,774	<hr/> 1,206,365

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Community Development Block Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	7,737,616	7,446,530	7,446,530	7,446,530
<hr/> TOTAL	<hr/> 7,737,616	<hr/> 7,446,530	<hr/> 7,446,530	<hr/> 7,446,530
FUND TYPE				
Federal Revenue Fund	7,737,616	7,446,530	7,446,530	7,446,530
<hr/> TOTAL	<hr/> 7,737,616	<hr/> 7,446,530	<hr/> 7,446,530	<hr/> 7,446,530

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Downtown Transp and Capital Imp Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	24,824	40,000	40,000	40,000
Operating Expenses	13	0	0	0
Grants	543,232	760,000	760,000	760,000
<hr/> TOTAL	<hr/> 568,069	<hr/> 800,000	<hr/> 800,000	<hr/> 800,000
 FUND TYPE				
Special Fund	568,069	800,000	800,000	800,000
<hr/> TOTAL	<hr/> 568,069	<hr/> 800,000	<hr/> 800,000	<hr/> 800,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Economic Development

Department Mission Statement

DED's mission is to lead a statewide coordinated effort to foster the growth of higher quality jobs that will develop a more vital and diverse economy through supporting existing businesses and entrepreneurship, coupled with attracting new businesses to the state.

Description of Appropriations, Divisions, & Programs

Retention and Expansion: DED's retention and expansion team assists new and expanding companies that operate in Vermont with facility site relocation and/or expansion support, financing and marketing information, entrepreneurship, state permits and regulation information, and workforce training initiatives, by means of direct client interaction and through partnering with the Regional Development Corporations (RDC).

In 2006 DED's Economic Development Specialists averaged 8 business visitations per week, and made contact with 95 out-of-state business owners. In 2007 it's expected the ED specialists will average over 12 business visits per week, with a similar number of contacts with out-of-state business owners.

These efforts also include DED's natural products initiatives, Brownfields redevelopment which is dedicated to cleaning up vacant contaminated sites and implement reuse initiatives, and other types of permit assistance support.

Requests for permit assistance increased in 2006, with the majority coming via internet requests, which increased by 100% over the same period a year ago.

Government Marketing Assistance Center (GMAC): GMAC assists, educates, and establishes contract bid opportunities for Vermont businesses and manufacturing firms with federal, state, and local government entities. GMAC maintains a Vermont Business networking electronic bulletin board to promote bid opportunity information and to provide an informational resources avenue. GMAC also maintains the State of Vermont Online Government Bid Board Website.

In calendar year 2005, GMAC served 225 full service clients, 1,500 Vermont Bid Board clients, and over 15,000 Vermont businesses listed on the Vermont Business Registry, an on-line searchable database for those who wish to purchase Vermont goods and services. Additionally, GMAC assisted in awarding \$63,138,012 in 429 contracts to Vermont companies, and received a "Best Project of the Year" award from the Association of Procurement Technical Centers for its National Guard Partnership Project.

Vermont Training Program (VTP): VTP promotes industrial expansion and encourages the creation and retention of jobs in manufacturing by providing training contracts to new and existing businesses, thereby increasing the skills of the Vermont workforce, wages, and Vermonters' standard of living.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Economic Development

In FY 2006, the VTP completed 52 training contracts with Vermont companies, resulting in an accumulative cost of \$1,345,294. Types of training provided included on-the-job training, classroom training, ISO-9000 training, and lean manufacturing. The VTP provided training support to 4,005 Vermont workers, resulting in an average wage of \$12.87, under this program. Every dollar invested in the VTP yields \$2.52 in revenues to Vermont's economy.

International Trade: The Vermont Global Trade Partnership (VGTP) provides international trade assistance, educational support, and informational services to Vermont businesses to help them expand their markets abroad. The partnership includes representatives from the twelve RDCs, Vermont Chamber of Commerce, Lake Champlain Regional Chamber of Commerce, Champlain College, Marlboro College, the U.S. Department of Commerce, and Vermont's Congressional delegation. The Vermont World Trade Office board of directors acts as strategic advisors to the VGTP.

Since March of 2005 the VGTP has sponsored 24 educational and outreach programs, serving over 450 participants throughout Vermont. VGTP has also organized and supported six trade missions and an incoming buyer's delegation, and has completed over 450 international market research, technical assistance and referral requests for Vermont businesses and start-ups.

Entrepreneurship: DED develops and supports a focused approach that optimizes the utilization of Vermont's resources in its efforts to grow and retain highly successful start-up businesses - both technology-based as well as general business - through coherent and inter-related strategies for incubation and access to risk capital.

Recruitment: The Recruitment Program initiative is to attract business to relocate and/or expand to Vermont by means of using specialized marketing strategies to reach specific industries/businesses in a geographic region generally bounded by a line from Virginia to Ohio, (which skirts the Canadian border), east to Maine and then south down the east coast. Opportunities outside the target geographic market area are provided support and assistance as they arise, however they are not general the focus of the targeted marketing effort. The program is divided into two parts: 1) broad market awareness with general recruiting, and 2) identifying and leveraging industry clusters that maximize connections and assets in Vermont.

In the past few months, working in cooperation with other state agencies as well as Regional Development Corporations and other economic development partners, DED has assisted in recruiting at least eight new businesses to Vermont (including Biocardel, Plasan USA, Via Cheese, TSL USA, Dale of Norway, PIE, Multivet, and Sentinent Corporation). In addition, the recruitment division, along with the retention and expansion team, continues to meet with several other companies that are considering relocating operations to Vermont.

The recruitment division has also worked with Applied Geographics to develop a web-based geographic information system (GIS) to help manage the inventory of commercial and industrial real estate

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Economic Development

properties in Vermont, enabling internal and external businesses to quickly determine the availability of suitable space, as well as demographic information. It is anticipated this site will go live in early 2007.

Financial Services (Captive Insurance): Financial Services Program promotes Vermont's leading position as a U.S. captive domicile, and seeks out new and diversified opportunities within the financial services field. In 2005, 37 new captives established a presence in Vermont, bringing the total number of captives domiciled here to 754, with annual premium taxes collected totaling \$22,741,090.

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 division that is administered by a nine-member board appointed by the governor and 24 regional (non-voting) representatives designated by the RDCs and the Regional Planning Commissions. Since 1998, VEPC has administered the Economic Advancement Tax Incentive program, which offers tax incentives for companies seeking to locate or expand in Vermont. Beginning in January 2007, VEPC will administer the newly created VT Employment Growth Incentive program.

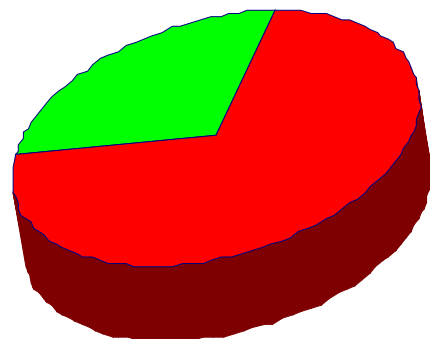
Through 2005, incentives with a net value of \$110.4 million have been authorized for 148 projects. Through the 2004 tax year a total of \$25 million in income tax credits, sales and use exemptions, and property tax reductions and exemptions have been exercised. In return, Vermont has retained nearly 10,000 jobs, added 1,646 new jobs with an average salary of \$45,185 and over \$587 million in new capital, research and development, workforce training, and high technology investments.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Economic Development

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Economic Development	21	20	20	4,117,002	4,262,139	4,827,503	4,290,495
Vermont Training Program	1	1	1	1,574,452	1,641,800	2,507,256	1,643,194
TOTAL	22	21	21	5,691,454	5,903,939	7,334,759	5,933,689
FUND TYPE							
General Fund				4,984,689	5,180,144	6,585,964	5,182,869
Special Fund				522,052	525,325	550,325	552,350
Federal Revenue Fund				177,696	198,470	198,470	198,470
Interdepartmental Transfer				7,017	0	0	0
TOTAL				5,691,454	5,903,939	7,334,759	5,933,689

■	Economic Development	(72.31%)
■	Vermont Training Program	(27.69%)



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Economic Development

Appropriation Key Budget Issues

Regional Development Corporations (RDC): RDCs are a direct link between DED and the community. Our Retention and Expansion team works closely with the RDCs to establish and maintain a regular and structured business visitation and support program with the limited resources available to them. In FY2008 DED is again seeking one-time funding of \$75,000 for RDCs, plus add an additional \$72,000 to RDC base funding.

Vermont Training Program(VTP): The Vermont Training Program goals are job creation and job retention. In FY 06 VTP completed 52 training contracts which served over 4,000 Vermont workers. In order to continue the success of this program in FY 08, DED is seeking one-time funding of \$400,000 to level fund its operations at FY 07 levels.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Economic Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,686,416	1,936,584	2,396,727	1,934,901
Operating Expenses	705,381	650,206	632,345	639,216
Grants	1,725,205	1,675,349	1,798,431	1,716,378
<hr/> TOTAL	<hr/> 4,117,002	<hr/> 4,262,139	<hr/> 4,827,503	<hr/> 4,290,495
FUND TYPE				
General Fund	3,442,168	3,573,344	4,113,708	3,574,675
Special Fund	490,121	490,325	515,325	517,350
Federal Revenue Fund	177,696	198,470	198,470	198,470
Interdepartmental Transfer	7,017	0	0	0
<hr/> TOTAL	<hr/> 4,117,002	<hr/> 4,262,139	<hr/> 4,827,503	<hr/> 4,290,495

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Training Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	110,229	134,375	135,533	136,477
Operating Expenses	21,768	20,636	20,636	19,928
Grants	1,442,455	1,486,789	2,351,087	1,486,789
<hr/> TOTAL	<hr/> 1,574,452	<hr/> 1,641,800	<hr/> 2,507,256	<hr/> 1,643,194
FUND TYPE				
General Fund	1,542,521	1,606,800	2,472,256	1,608,194
Special Fund	31,931	35,000	35,000	35,000
<hr/> TOTAL	<hr/> 1,574,452	<hr/> 1,641,800	<hr/> 2,507,256	<hr/> 1,643,194

STATE OF VERMONT
FISCAL YEAR 2008 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, and Philadelphia, as well as important secondary national and international markets.

VDTM is capitalizing on a significant new trend; more Vermonters are discovering the wealth of tourism and recreation opportunities in their own backyard. The success of our in-state tourism campaign demonstrates that this is a market with considerable growth potential. Historic Sites and state parks have seen increases in Vermont residents' visitation.

Research: A benchmark study to measure the impact of travel and tourism on the Vermont economy during 2003 was completed during FY 2005 by Economic & Policy Resources, Inc., under contract to VDTM. The benchmarks, which are reconciled with independent economic measures, estimated that during 2003, \$1.46 billion in direct spending by visitors making 12.8 million person trips to Vermont generated \$181.7 million in revenue to the State of Vermont. The just completed 2005 benchmark study shows a positive annual growth rate of 2.3 percent in person trips to Vermont over 2003 and direct spending increasing to \$1.57 billion. Component studies have focused on lodging establishments, Vermonters as visitors, second-home owners, and travel and tourism employees and proprietors.

Advertising: The Fiscal 2007 media strategy includes a proven combination of television, magazine, newspaper, radio and online advertising. Advertisements are placed in publications that attract readers interested in outdoor recreation, cultural heritage, unique lodging, fine dining and the Vermont experience. The call to action on all advertising campaigns and printed materials directs consumers to VermontVacation.com and 1-800-VERMONT.

To stretch media dollars, the Department reviews last-minute opportunities with potential to deliver a strong message to key markets. This allows Tourism to take advantage of low cost remnants in magazines and newspapers that target core demographics. Its partnership with Cabot Creamery and the Vermont Ski Area Association and pooling of marketing dollars allows the Department to purchase more television spots than its budget alone would allow.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tourism and Marketing

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 aggressively markets to international consumers primarily through Discover New England. VDTM has in-country representation in France and Canada, as well as in Germany, the U.K. and Japan. These contractors focus on public relations opportunities, familiarization trips, and selling Vermont as a premier vacation destination. Other efforts to attract international travelers include trade shows, sales missions, and the Internet. The Department has pages on VermontVacation.com translated into German, French, U.K. English, Spanish and Japanese which complement lure pieces in the same languages.

Web/Technology: With over 300 pages of content, VermontVacation.com continues to be a significant resource for prospective visitors and the Vermont tourism industry. VDTM implemented a pay-per-click campaign in FY 06 that has driven a total of 132,787 visitors to the site during the past calendar year. Traffic remains very strong and has increased by double-digit percentages each year since 2000. In calendar year 2006, VermontVacation.com recorded more than 14.2 million page views, up from 7.6 million in 2005, an increase of 86 percent. The Department is encouraging more return visits to the site by implementing interest-based, direct marketing strategies.

The Vermont Vacation Planner is the state's most comprehensive listing of lodging, dining, attractions, events, recreation and VT products/shopping. It is the most used portion of VermontVacation.com, with an average of 85,000 searches for information each month. The event listings are also distributed and used by other web sites, magazines, newspapers, radio and television in Vermont and throughout the Northeast. The site has seen remarkable growth over the past five years, with page views increasing 294% and unique visitors increasing 229% over the period. The newly developed itinerary planner continues to make VT a national leader in state website development.

A recently initiated pay-per-click (PPC) online advertising campaign promotes the ease and convenience of planning a stay in Vermont and will continue into FY 2008. With PPC search marketing, advertisers pay a set amount each time their ad is clicked. The return on investment for PPC is nearly double the return from traditional direct mail campaigns. A new eScapes direct e-mail marketing campaign further supports the overall web marketing effort with interest-specific seasonal promotions. Prospective travelers visiting VermontVacation.com "opt in" to receive quarterly e-newsletters highlighting the best of Vermont and targeting their chosen interests. The eScapes are fully interactive, enabling recipients to navigate through topics of interest, plan vacations, or request additional information.

VDTM will continue to lead the nation in web based traveler information as the department moves forward on generating specific consumer interest and providing information directly to the consumer

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tourism and Marketing

through RSS feeds, pod casts and other new technologies.

Public Relations: Media relations translate into millions of dollars in advertising value 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 by contracting with a Canadian public relations firm to expand editorial coverage of Vermont, especially in Quebec and Ontario. A public relations consultant is working with the Department to increase Vermont's outreach to the national media on specific topics. We continue to populate VermontPressroom.com with story ideas and market its resources to journalists. We are attending more press events and meetings with journalists in major media markets.

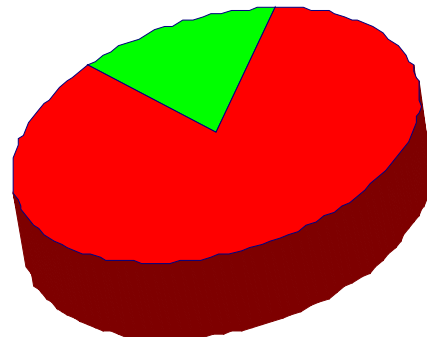
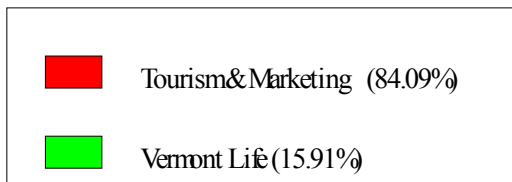
Cultural Heritage: In 2005, Vermont launched it's first-ever celebration of culture and heritage. In 2006 the program was expanded to include Independence Day activities. The goal is to showcase Vermont's rich cultural heritage through a broad range of events and experiences. During the summer of 2006, 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.

VDTM continues to look forward to other significant historical events that will provide educational and promotional opportunity. In 2009 the 400th Commemoration of Samuel de Champlain's exploration of Lake Champlain, in 2010 the 150th anniversary of President Lincoln and the Civil War and the 200th anniversary of the War of 1812 are all being researched and planned for.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tourism and Marketing

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Tourism & Marketing	15	13	13	4,688,259	4,346,500	5,374,123	4,174,127
Vermont Life	12	13	11	778,883	849,556	920,276	789,893
TOTAL	27	26	24	5,467,142	5,196,056	6,294,399	4,964,020
FUND TYPE							
General Fund				4,685,259	4,346,500	5,368,123	4,168,127
Special Fund				3,000	0	6,000	6,000
Enterprise Fund				778,883	849,556	920,276	789,893
TOTAL				5,467,142	5,196,056	6,294,399	4,964,020



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tourism & Marketing

Appropriation Key Budget Issues

Statewide Tourism Marketing Campaign: These dollars are available to forge new partnerships in Tourism's core market; the metro areas of NY, Boston and Philadelphia. Vermont is being vastly outspent in these markets by its competitors. However, there is an excellent return on the dollars Vermont currently spends in these markets and Vermont will continue promoting the Vermont Brand. Tourism buys media at a fraction of the going rate and receives far more than the dollars spent as compared to its competitive neighbors. Vermont continues to increase market share and revenues and consistently surpass national tourism averages.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Tourism & Marketing

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,940,789	1,717,814	1,911,810	1,635,474
Operating Expenses	2,429,330	2,486,686	2,967,249	2,171,653
Grants	318,140	142,000	495,064	367,000
<hr/> TOTAL	<hr/> 4,688,259	<hr/> 4,346,500	<hr/> 5,374,123	<hr/> 4,174,127
FUND TYPE				
General Fund	4,685,259	4,346,500	5,368,123	4,168,127
Special Fund	3,000	0	6,000	6,000
<hr/> TOTAL	<hr/> 4,688,259	<hr/> 4,346,500	<hr/> 5,374,123	<hr/> 4,174,127

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Life

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	696,040	736,256	806,976	693,124
Operating Expenses	82,843	113,300	113,300	96,769
<hr/> TOTAL	<hr/> 778,883	<hr/> 849,556	<hr/> 920,276	<hr/> 789,893
FUND TYPE				
Enterprise Fund	778,883	849,556	920,276	789,893
<hr/> TOTAL	<hr/> 778,883	<hr/> 849,556	<hr/> 920,276	<hr/> 789,893

STATE OF VERMONT
FISCAL YEAR 2008 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. This mission is fulfilled by promoting excellence in the creation and presentation of the arts, supporting arts education, and strengthening Vermont communities through the arts.

The Vermont Council on the Arts, Inc. d/b/a the Vermont Arts Council was organized as a 501(c)(3) public benefit corporation in 1964 to promote and support quality art activities and opportunities for all Vermonters and visitors to the state. In 1965, Congress passed PL 89-209 creating the National Council on the Arts and Humanities with funding for the states in both of these disciplines. The Vermont legislature authorized the Arts Council (Act 170 of 1965), as the agency to represent Vermont in state and federal arts programs, for the purpose of "increasing the opportunities for Vermont's citizens and visitors to view, enjoy and participate" in the arts.

Description of Appropriations, Divisions, & Programs

The 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 the Council's collaborative activities are:

- ☐ Administering the Local Arts Partnership Initiative which provides multi-year, operating support 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;
- ☐ 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;

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

- ☐ 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;
- ☐ Collaborating with the Agency of Transportation, the Department of Tourism and Marketing, and the Agency of Commerce and Community Development to create and maintain an online interactive statewide Arts and Cultural Events calendar that offers our site visitors a comprehensive picture of cultural activities around the state, while making it easier for artists and presenters to promote their events;
- ☐ Coordinating the "Art in State Buildings" program to commission art works to enhance new and renovated public buildings in partnership with the Department of Buildings and General Services;
- ☐ Administering the "Cultural Facilities" grant program that enables local organizations to expand their cultural offerings in their communities in partnership with the Agency of Commerce and Community Development, Division of Historic Preservation, the Vt. Historical Society, and the Vt. Museum and Gallery Alliance and others.
- ☐ Coordinating a research project that explores how three community-based approaches to arts education affect school, teacher, and student performance. The project will increase our knowledge of effective strategies for strengthening the use of high-quality arts in the pursuit of increased student performance in all academic subjects, and provide an affordable model that may be duplicated in communities across the state.

The major objectives the Council is pursuing to achieve its goals are:

1) To stabilize the cultural infrastructure of the state by

- ☐ *Increasing grant funds* to organizations, including schools, that present quality arts programs in order to increase their organizational capacity
- ☐ *Strengthening local partnerships* that include artists and arts organizations as key community and economic development resources
- ☐ *Maintaining and improving the physical condition of Vermont's cultural facilities* in collaboration with other statewide agencies/organizations so that those facilities may increase the variety and quality of their offerings
- ☐ *Upgrading access to cultural facilities*, both physically and programmatically, to increase audiences' enjoyment of their Vermont cultural experience

2) To recognize/reward exemplary creative work by individuals or organizations that work alone or in collaboration with others

3) To strengthen and develop services that support those working in arts education or in the local communities they serve by

- ☐ *Identifying collaborative opportunities with organizations and agencies that foster life-long learning in the arts, or that result in more arts integrated curricula*
- ☐ *Developing an effective public awareness plan to increase private sector support*

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

- ☐ *Developing an effective advocacy plan consistent with and complementary to the New England Council's Creative Economy Initiative that communicates the central role of the arts in community life.*

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Council on the Arts	0	0	0	539,618	529,618	529,618	534,618
TOTAL	0	0	0	539,618	529,618	529,618	534,618
FUND TYPE							
General Fund				494,618	529,618	529,618	534,618
Special Fund				45,000	0	0	0
TOTAL				539,618	529,618	529,618	534,618

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Council on the Arts**

Appropriation Key Budget Issues

Of critical importance in FY2008 will be to increase the capacity of Vermont's cultural organizations, which collectively serve as the skeleton on whose shoulders Vermont's "Creative Economy" rests. The recommendations from the 2005 Vermont Council on Rural Development's report "Advancing Vermont's Creative Economy," will continue to serve as our roadmap for increasing the amount of state support that gets passed through the Council in the form of competitive grants to local arts organizations who are carrying on the work of the Creative Economy in their local communities. The Arts Council will continue to work with our partners in the Humanities, Preservation, and Historical Society fields to determine how best to invest in Vermont's creative sector in ways that increase employment, build the Vermont "brand," and develop healthy, vibrant communities throughout the state.

Perhaps as significant is the increasing number of constituent organizations who will need guidance and support as they come to terms with the economic realities of their situation and look at responsible ways to merge, downsize, or (in some extreme cases) simply close their doors. Our field has very little management experience in these areas, and providing oversight and assistance whenever possible is an appropriate role for the Arts Council.

The Council will continue to provide services with respect to grants, information management, marketing, public relations, and technical assistance. In the area of Arts Education the Council is devoting considerable resources to the Arts Integration initiative which, community by community, will help all Vermonters develop a critical understanding of the importance of exposure to and learning in the arts for our student populations. The Council will also continue to partner with VTrans and ACCD to build the newest generations of VBAN, the Travel Planner, and the Vermont Arts Calendar.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Council on the Arts

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	539,618	529,618	529,618	534,618
TOTAL	539,618	529,618	529,618	534,618
FUND TYPE				
General Fund	494,618	529,618	529,618	534,618
Special Fund	45,000	0	0	0
TOTAL	539,618	529,618	529,618	534,618

STATE OF VERMONT
FISCAL YEAR 2008 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

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, 2005 - August 31, 2006), the VSO presented 36 major programs in 22 Vermont towns plus Lebanon, NH. The orchestral offerings included two major statewide tours-the foliage season Made in Vermont Music Festival (nine concerts), and the nine-concert Summer Festival-along with the Masterworks series (six concerts), three Holiday Pops concerts, three 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 2005/2006 season boasted strong numbers of schools and communities served through the VSO's *SymphonyKids* statewide educational programs: 167 events were presented, involving 25,824 Vermont schoolchildren from 158 schools in 131 towns. 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 guest artists, composers, and other musical personalities supplement these mainstays.

The VSO presented a total of 262 concerts and programs during its 2005/2006 season, reaching nearly 58,000 people statewide. 229 of the events were offered free of charge to audience members.

The VSO looks to further fulfill of its statewide mission by taking Masterworks concerts presented at the Flynn Center in Burlington to other communities where appropriate concert venues are available. This

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Vermont Symphony Orchestra

has occurred twice each year since the 2002/2003 season, with annual presentations at two recently-revived facilities: the Latchis Theatre in Brattleboro and Rutland's Paramount Theatre. (During 2005/2006, a Paramount Theatre presentation was not possible due to scheduling conflicts with artists.) The VSO hopes to build on these successful outreach initiatives and increase the number of full-orchestra performances in other communities around the state in future seasons.

Market

The Vermont Symphony Orchestra was organized nearly 72 years ago to serve all of the communities of Vermont. As the name implies, it is a state orchestra that provides services and programs throughout Vermont. Out of hundreds of professional U.S. orchestras, only several hold this statewide distinction, but among those few, the VSO is unmatched in the size and proportion of rural communities it annually serves, making it a unique American institution.

The significance of Vermont's rural setting is essential to understanding the VSO's market, challenges, and successes. According to 2005 census data, the average U.S. orchestra in the VSO's budget class serves a metropolitan area population of 456,383 people. The VSO market of 623,000 constitutes 37% more than the average; however, this market covers an entire state, one with great economic and demographic diversity as well as geographic features that isolate areas of the state from each other. There is no statistical data available on the number of communities served each year by other orchestras of similar budget size to the VSO, presumably because they each serve one principal community. By contrast, the VSO serves many communities.

Since 1939, the Vermont legislature has recognized the VSO's unique mission by annually granting a direct appropriation, making it the oldest state-supported orchestra in the country. The most important component of the market that compels the Orchestra's existence is the 60,000± individuals who use VSO programs, more than forty percent of whom are children. The in-school presentations and children's concerts add to each school district's ability to enrich the education of its students. A recent study from the National Center for Education Statistics 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. These studies support prior opinion: children who learn to appreciate music and art early in life retain that appreciation and equate it with an appreciation for other important cultural components and, in turn, help to improve society. It is the VSO's goal to reach an ever-increasing audience each year, in as many communities as possible.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Symphony Orchestra	0	0	0	126,960	118,780	118,780	122,343
TOTAL	0	0	0	126,960	118,780	118,780	122,343
FUND TYPE							
General Fund				126,960	118,780	118,780	122,343
TOTAL				126,960	118,780	118,780	122,343

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FISCAL YEAR 2008 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.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

	Actual <u>FY04</u>	Actual <u>FY05</u>	Actual <u>FY06</u>	Estimated <u>FY07</u>	Estimated <u>FY08</u>
Ticket Sales	\$386,847	\$380,795	\$367,666	\$418,548	\$406,000
Attendance	66,030	57,793	57,635	64,500	61,000

Ticket sales and attendance figures vary based on the number of presentations. The Orchestral Youth Concert tour, which takes place biannually, can account for a 5,000 fluctuation in attendance by itself. The dramatic FY04 attendance spike is due to expanded *SymphonyKids* presentations made possible through an unusually large amount of designated underwriting.

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>FY04</u>	Actual <u>FY05</u>	Actual <u>FY06</u>	Estimated <u>FY07</u>	Estimated <u>FY08</u>
Number of Programs	35	47	36	48	37
Number of Communities	25	21	22	24	23

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>FY04</u>	Actual <u>FY05</u>	Actual <u>FY06</u>	Estimated <u>FY07</u>	Estimated <u>FY08</u>
Individual Gifts	\$265,279	\$287,776	\$289,824	\$317,525	\$339,752
Business Support	\$172,590	\$179,949	\$189,050	\$213,100	\$229,083

Even with difficult economic times, the VSO has been able to maintain a slow but steady increase in business and individual support.

Broadening community support is also measured in terms of volunteer participation and non-cash giving. The number of active volunteers has grown to well over 400, while the value of in-kind

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Vermont Symphony Orchestra

contributions averages \$196,000 annually.

Overall, the funding trend from the National Endowment for the Arts and the Vermont Arts Council has remained relatively stable, although the VSO sustained a 63% reduction in NEA support for FY06. (NEA staff revealed that no deficiencies were found in the VSO's application to warrant the decrease.) 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.

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 24 months, the VSO enjoyed six 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 four years and increasingly active governing and regional boards have played a role in the financial turnaround of the organization.

Since FY01, the VSO has reduced its accumulated operating deficit by 62%, from (\$585,964) to (\$225,025)> (preliminary FY06 year-end result). Its external debt was eliminated during FY03 when the Orchestra paid back its line of credit completely for the first time since July 2000. The FY07 budget was crafted under the same principles as have been employed since FY02: conservative (in most cases, zero-based) revenue projections, tight expense controls, and elimination of unnecessarily risky activities. The VSO's Governing Board of Directors and its five 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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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Symphony Orchestra

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	126,960	118,780	118,780	122,343
TOTAL	126,960	118,780	118,780	122,343
FUND TYPE				
General Fund	126,960	118,780	118,780	122,343
TOTAL	126,960	118,780	118,780	122,343

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Historical Society

Department Mission Statement

Mission: The Vermont Historical Society engages both Vermonters and “Vermonters at heart” in the exploration of our state’s rich heritage. The VHS purpose is to reach a broad audience through outstanding collections, statewide outreach and dynamic programming, believing that an understanding of the past changes lives and builds better communities.

Vision: The Vermont Historical Society will set the standard for statewide work in Vermont history. The VHS will reach more people through expanded outreach, leadership in Vermont history education, accessible collections, and participation in public policy discussion. VHS 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:

- ☐ The VHS believes in exploring Vermont’s past in ways that are dynamic, engaging and inclusive. *Therefore, VHS will be the statewide leader in Vermont history in the areas of K-12 education, public programming, publishing, and in local historical society field services.*
- ☐ The VHS believes that museum and library collections are a keystone to citizens shared identity and as keeper of many of Vermont’s historical treasures it is the Society’s duty to be good stewards so that future generations can be enriched by these memories. *Therefore, VHS will strengthen and protect the collections under our care and enhance their accessibility.*
- ☐ The VHS believes that the Vermont History Center is an important hub for collecting,

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Historical Society

preserving and sharing Vermont's history throughout the state. *Therefore, VHS will complete the renovation of the Vermont History Center, expanding space for collections, exhibitions, and programming.*

The strategic plan will identify specific action steps for each of these goals, with timetables, budgets and staff assignments to ensure their completion.

On an annual basis, VHS's audiences have been: its donors/members (3,500); library patrons, 50% of whom are genealogists (3,000-4,000); informational/ research inquiries (11,500 via telephone, e-mail, letter); museum visitors, including school groups (11,000-13,000); museum/book store customers (booklist circulation: 3,400, excluding donors/members); local historical societies (8,500+); program attendees (1,500-1,800); staff speaking engagements (1,500-1,750 people); heritage tourism initiatives (7,000+); teachers/school librarians/homeschoolers mailing list (1,900); school outreach programs-history kits, lending library, etc. (3,500), and virtual visitors (approximately 2.5 million "hits" per year on our website). Via 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 FY06 the Society reached out to Vermonters through a variety of special events and presentations, including:

- ☐ A motor coach tour of Addison County historic places (September)
- ☐ A series of Family Fun Workshops for children at the "Freedom and Unity" exhibit in the Pavilion Building (November-March)
- ☐ Publication with the Agency of Transportation of *Crossings: A History of Bridge Building in Vermont* (January)
- ☐ More than 30 staff lectures on various aspects of Vermont history, in towns throughout the state.
- ☐ "The North and the South: A Woman's Perspective," by Anna Whooley, at the State House for Farmers' Night (February)
- ☐ Vermont History Day (April), featuring the work of some 300 Vermont students
- ☐ The seventh annual Vermont History Expo (June), in Tunbridge, which drew an audience of 6,000 visitors. An award-winning model for state history festivals nationally, Expo 2006 featured displays

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Vermont Historical Society

by more than 100 local historical societies and museums in Vermont

- Continuation of the Community History Partnership, which in FY06 teamed up historical organizations and schools in 14 Vermont towns for work on local heritage projects. Like Vermont History Expo, CHP is building a success story that will serve as a national model for other state historical societies to adapt and emulate.

As in the past, the Society continued to produce its quarterly newsletter, *InContext*, 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. That our website hits have gone from 45,000 two years ago to 2.5 million this year is an indication of how popular the Society's electronic information on Vermont's heritage has become.

FY2006 ended with a balanced VHS budget. New money received from private-sector sources for the Society FY2006 operating budget totaled \$668,699. Over the past five years (FY2002 through FY2006), the total development effort has more than doubled the Society's private-sector income from unrestricted and restricted sources. In FY06 the Society also completed its first-ever \$1 million gift from a private-sector donor.

During FY2006 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 FY06 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.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Historical Society**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Historical Society	0	0	0	630,653	733,393	733,393	849,673
TOTAL	0	0	0	630,653	733,393	733,393	849,673
FUND TYPE							
General Fund				630,653	733,393	733,393	849,673
TOTAL				630,653	733,393	733,393	849,673

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Historical Society**

Appropriation Key Budget Issues

The proposed targets in general support and rental appropriation for the Pavilion space demonstrate both the high esteem in which the Douglas administration and the legislature hold VHS and state government's deep appreciation of the value of history to all Vermonters. In recent years the VHS has opened the Vermont History Center, renovated and reopened the Pavilion space, increased our outreach and education activities, and added innovative new programs like the Vermont History Expo and the Community History Project. The Society embarked on these projects confident that their success would add significant value to our service to Vermont, and VHS appreciates government's confirmation of the positive impact those initiatives have had on our state. With the public/private partnership between the Society and state government now more than 150 years old, the commitment of the administration and the legislature to maintaining a workable balance in that partnership is gratifying. The Society hopes that the dramatic increase in our private-sector support since FY2000 demonstrates that VHS is fulfilling our part of the bargain in securing the funds needed to keep our programs, services, activities, and facilities intact and thriving.

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FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Historical Society

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	630,653	733,393	733,393	849,673
TOTAL	630,653	733,393	733,393	849,673
FUND TYPE				
General Fund	630,653	733,393	733,393	849,673
TOTAL	630,653	733,393	733,393	849,673

STATE OF VERMONT
FISCAL YEAR 2008 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 \$3 for every dollar appropriated; 2) affordable housing is critical to economic growth and attracting future employees, and housing construction is one of the most effective generator of jobs; 3) the working landscape is among Vermont's primary economic assets - investment in conservation supports travel, tourism and recreation; investment in agriculture promotes inter-generational transfers, expansion, efficiency and diversification.

Description of Appropriations, Divisions, & Programs

The vast majority of the Board's funds are used to provide grants and/or loans to eligible projects. In housing activities the Board generally provides funds for acquisition and rehabilitation and development of housing properties. For conservation activities the Board generally provides grants to assist in the purchase of an interest in real estate (an easement or purchase of land in fee). The programs are enhanced by matching federal funds administered by VHCB including the HOME Program, HUD Economic Development Initiative/Special Projects Grants, Lead Paint Hazard Reduction Program, Housing for Persons with HIV/AIDS, Farm Preservation Program, and an AmeriCorps program, all of which supplement the VHCB funds in projects.

The VHCB works toward the goal of creating and preserving affordable housing by providing funds for projects with mechanisms which assure perpetual affordability, that serve the most economically

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Vt Housing and Conservation Board

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 \$14.8 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 separately presented component unit.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vt Housing and Conservation Board	0	0	0	28,582,363	24,551,195	24,551,195	25,087,472
TOTAL	0	0	0	28,582,363	24,551,195	24,551,195	25,087,472
FUND TYPE							
Special Fund				19,192,510	14,630,883	14,630,883	15,383,258
Federal Revenue Fund				9,389,853	9,920,312	9,920,312	9,704,214
TOTAL				28,582,363	24,551,195	24,551,195	25,087,472

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

Appropriation Key Budget Issues

Property Transfer Tax - The VHCB annual State appropriation comes mainly from Property Transfer Tax receipts. The budget recommendation is \$14,383,258 for VHCB's portion of the Property Transfer Tax, a 4.5 percent increase over the base level in FY07.

The demand for VHCB funds continues to be greater than the resources available.

Leverage and Match

VHCB and its grantees raise more than \$3 for each dollar appropriated by utilizing federal and private sources. This ability to leverage is a critical component in the success of the endeavors the Board supports. As an example, Vermont almost tripled available capital for housing when congress established a small state minimum for the Low Income Housing Tax Credit program in 2001. However, the Tax Credit program provides only 50-60% of the capital needed to build housing. Effectively utilizing this capital requires a state match, particularly outside the Chittenden MSA.

The Farmland Preservation Program provides its grants on a one-to-one match basis. The FY 2008 grant for Vermont should be approximately \$3 million.

Finally, VHCB has been awarded a variety of federal grants such as the Lead Paint Hazard Reduction award, Economic Development Initiative, an AmeriCorps and a Rural Business Enterprise grant.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vt Housing and Conservation Board

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	28,582,363	24,551,195	24,551,195	25,087,472
<hr/> TOTAL	<hr/> 28,582,363	<hr/> 24,551,195	<hr/> 24,551,195	<hr/> 25,087,472
FUND TYPE				
Special Fund	19,192,510	14,630,883	14,630,883	15,383,258
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**STATE OF VERMONT
FISCAL YEAR 2008 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.

Description of Appropriations, Divisions, & Programs

The VHC believes that engagement with the world of ideas, in interaction with others, contributes uniquely to richer lives, stronger communities, a more humane society, and a better world. Because the 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.

The State of Vermont's allocation to VHC is essential to pursuing our mission by complementing federal funds and enabling us to leverage dramatically the state's allocation with private donations. These funds pay for the critical programs that contribute toward a literate and engaged citizenry.

In 2006 VHC sponsored over 1,250 programs; they occurred in 127 Vermont towns, including communities in every county. Program successes in 2006 were many. They included:

1. VHC provided readers at all levels of ability with new skills, new books, and new incentive to read. VHC did so through 40 *Connections* programs in prisons and Adult Education and Literacy centers, and through 10 theme-based week-long humanities summer camps for at-risk middle-school students. This was done in partnership with the Department of Education, the Department of Health, Department of Corrections, Adult Essential Skills Centers, local parent-child centers, and other service providers. These programs serve low-income adults and families struggling with literacy. They foster a deeper appreciation for reading, ideas, and increase participants' abilities and insights in order to facilitate their personal and economic well-being.

The Department of Correction's Community High School of Vermont (CHSVT) was accredited for the first time this fall, and the Education Director of the CHSVT has stated that without a doubt the instructional services that VHC provided to students was a key ingredient in CHSVT becoming accredited.

Maggie Eaton, teacher and Humanities Camp director at U-32, speaks to the power of VHC humanities camps for at-risk middle-schoolers: "Humanities Camp is a powerful intervention for such children. The richness of discourse, activities, and exposure to universal ideas and themes touch these children deeply. For many, this is their first and only experience of being a member of a respectful environment that values them as a person. In the past year, we have seen children prosper and flourish from this experience. Because of these camps, in the senior class this year, again we see

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Vermont Humanities Council

a number of Humanities Camp alumni becoming the first person in their family to attend college.”

2. In more than 173 training sessions, our *Never Too Early* (NTE) program furnished 550 different child care providers and 350 different parents with books and multiple-session trainings on how to stimulate the love of reading in young children. The goal of NTE is to develop the professional expertise of child care providers and to help inform parents so that children in their care gain pre-literacy skills and learn and grow to become active participants in a literate society. NTE seeks to provide high-quality children’s books and effective ways to share them with children. NTE emphasizes the importance of lifelong learning and professional development, and fosters care providers’ knowledge, skills, and confidence. NTE programs help parents become more aware of their role as their children’s first teachers and encourage them to read with their children daily.
3. VHC’s state-wide one-book community program, Vermont Reads, engaged students and adults (confident and fragile readers alike) in reading and discussing *As Long As There Are Mountains*, by Vermont author Natalie Kinsey-Warnock and in participating in events related to that young-adult novel. Not only did 64 towns (schools, libraries, after school programs, and scores of other groups) participate, but adult literacy students at AEL centers and prisons also took part, including a facility-wide program for staff and inmates at one state correctional facility. A day of special events at Billings Farm kicked off several hundred public programs statewide; approximately 9,000 Vermonters took part in those events, and an estimated 30,000 people heard the VPR broadcast of the book and interview with the author. The book deals with preserving the family dairy farm and how the beauty of Vermont is fundamental to the very identity of a child growing up on a farm in the Northeast Kingdom in 1956 - and today.
4. The Council's grants program and literacy-based mini-grants provided over \$113,000 to schools, museums, historical and community literacy organizations, adult basic education centers, and other service organizations. These grants supported no fewer than 320 events and helped build community capacity for education, literacy, and citizen participation.
5. Townspeople in 88 Vermont towns gathered to hear over 183 free public lectures or living history performances in libraries, schools, museums, and other community centers. These include programs of the VHC Speakers Bureau, a VHC-sponsored Farmers’ Night presentation by “Abraham Lincoln,” and talks that are part of VHC’s six “First Wednesdays” series - held monthly, October through May, in the public libraries of Montpelier, St. Johnsbury, Middlebury, Brattleboro, Burlington, and Newport. They promoted life-long learning, reading, and vital libraries, fostered community building, and contributed to Vermont’s “creative economy,” cultural tourism, and our state’s attractive quality of life.
6. Townspeople in 60 Vermont towns gathered in libraries and other community centers to discuss, with the guidance of a humanities scholar-discussion leader, fiction and nonfiction book series. VHC sponsored 215 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

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Humanities Council

happening in the facilities of key town organizations such as libraries, museums, community centers, and schools.

7. “Literature & Medicine: Humanities at the Heart of Healthcare” is a national award-winning reading and discussion program for health care professionals that, as one participant writes, “renews the heart and soul of health care.” Lit & Med discussions have helped health care professionals improve their communication and interpersonal skills while increasing their cultural awareness, empathy for patients, and job satisfaction. VHC ran the program in 12 of Vermont’s 15 hospitals, including the VA Hospital.
8. More than 200 people gathered for the VHC’s annual autumn conference - this year entitled “Setting as Character: Vermont’s Landscape, Stories, and Sense of Place”; it explored how where we live informs who we are and how that influence is manifest in Vermont fiction, poetry, landscape painting, photography, history, and oral history.
9. Our first-ever book, *A Guide to Fiction Set in Vermont*, published in November 2005, was distributed to libraries and community organizations around the state. The book’s descriptions of 484 novels set in Vermont from 1835-2005 invite readers to discover what novels were set in their favorite Vermont towns and to learn how the idea of Vermont has changed over the decades. A celebration of Vermont and Vermont towns, the book promotes reading and life-long learning.
10. The VHC participated in and helped promote the second-annual Poetry Out Loud program, a statewide program that encourages high school students to memorize and recite poetry from memory. It has been one of three sponsors of the statewide middle school spelling bee, the winner of which represents Vermont in the national championship. 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.

It is critical to Vermont's future that every citizen be able to read, to write, and to discuss ideas. The Vermont Humanities Council will continue our commitment to literacy, lifelong learning, and community engagement, and to enriching the lives of all Vermonters through the humanities.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Vermont Humanities Council	0	0	0	170,599	180,599	180,599	185,599
TOTAL	0	0	0	170,599	180,599	180,599	185,599
FUND TYPE							
General Fund				170,599	180,599	180,599	185,599
TOTAL				170,599	180,599	180,599	185,599

STATE OF VERMONT
FISCAL YEAR 2008 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.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

Appropriation Key Budget Issues

Despite budget cuts and reallocations, a variety of increases on the expense side (including book costs; data base, website, and computer needs; health care, and travel expenses for program providers) and a fundraising environment that continues to be challenging (particularly with regard to foundation support) makes for an extremely daunting financial picture for FY 2008.

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Vermont Humanities Council**

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	170,599	180,599	180,599	185,599
TOTAL	170,599	180,599	180,599	185,599
FUND TYPE				
General Fund	170,599	180,599	180,599	185,599
TOTAL	170,599	180,599	180,599	185,599

STATE OF VERMONT
FISCAL YEAR 2008 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 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 by ensuring the ability to grow the state's economy, create and retain jobs, and maintain a high quality of life. VTrans continues to be committed to providing a balanced and integrated intermodal transportation system that meets the diverse needs of the state's citizens while preserving the significant investment Vermont has made in its existing transportation infrastructure.

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 FY08 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 2008 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 FY08, the highest priorities for emphasis include pavement, bridges and culverts, maintenance, and modernization of the computer systems for the department of motor vehicles.

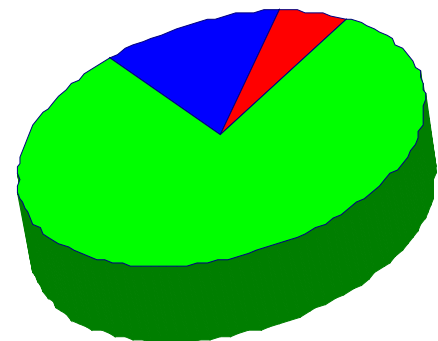
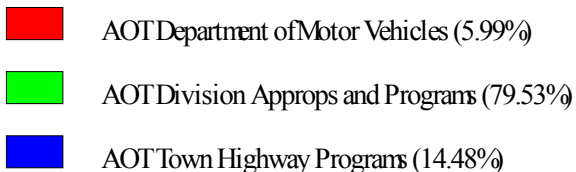
The Agency is organized in four divisions and one department: Operations, Policy and Planning, Finance and Administration, Program Development, and the Department of Motor Vehicles. VTrans also provides assistance to Vermont municipalities through several Town Highway programs.

VTrans looks forward to working with all interested parties in accomplishing the goals of this budget.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Agency of Transportation

AGENCY SUMMARY BY DEPARTMENT

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
AOT Division Approps and Programs	1,048	1,051	1,051	265,808,032	367,117,368	347,229,532	333,211,280
AOT Department of Motor Vehicles	245	246	250	20,345,369	20,942,104	20,752,678	25,103,168
AOT Town Highway Programs	0	0	0	51,362,269	66,014,935	68,253,610	60,660,854
TOTAL	1,293	1,297	1,301	337,515,670	454,074,407	436,235,820	418,975,302
FUND TYPE							
Transportation Fund				172,476,001	191,508,030	184,636,153	191,401,396
Special Fund				1,608,769	3,044,123	3,044,123	2,958,903
Federal Revenue Fund				148,082,846	242,474,035	232,057,325	204,233,381
Internal Service Fund				14,121,834	14,508,169	13,958,169	14,611,622
Interdepartmental Transfer				1,226,220	2,540,050	2,540,050	5,770,000
TOTAL				337,515,670	454,074,407	436,235,820	418,975,302



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) is currently in the process of implementing asset management and creating performance measures which will evaluate the impact of asset management. Asset Management is a systematic process of maintaining, upgrading, and operating physical assets cost-effectively by combining engineering and mathematical analyses with sound business practices and economic theory. Like the traditional planning process, it includes components for data collection, strategy evaluation, program development, and feedback. It is a strategic approach which takes a global and long-term view of infrastructure performance and cost. It is a tool which allows us to consider options in a comprehensive, well informed, proactive manner. Its value will be measured in its outcomes and benefits. Asset management is really a form of best business practices which the private sector has been using successfully for years.

There are three main goals to asset management:

- To build, preserve, and operate facilities and assets in a cost-efficient manner.
- To provide customers the best value for the public tax dollar spent.
- To enhance the credibility and accountability of the Agency of Transportation.

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 the VTrans mission.

OPERATIONS DIVISION

Vermont has a substantial public investment in its existing transportation infrastructure. Effective and efficient management of the transportation asset 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, accommodate the level of service expected by all transportation customers, and provide a range of transportation choices needed to support Vermont's future and economic growth.

The Operations Division, a division of over 550 employees, is responsible to operate and maintain Vermont's highways, railways, airports, and public transit systems. The Operations Division's mission is to keep Vermont State owned facilities open, safe, and aesthetically pleasing to the transportation network user, to manage the transportation system in a cost-effective and environmentally-sensitive manner, and to enable efficient service (both passenger and freight) through our rail 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 daily maintenance on the highways as well as preventive maintenance activities. The Aviation Program provides a safe environment for users of the system, preserves the aviation

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

infrastructure, promotes aviation-related activities and education programs, and has expanded travel opportunities at the 17 public use airports located throughout Vermont.

The Rail Program assists in the development of rail transportation options for shippers and passengers, and provides support to improve the freight and passenger infrastructure recognizing the social, economic, and environmental importance of rail as a component of the State's transportation system. The Public Transit Program encourages and promotes statewide public transportation by coordinating transit services to make sure common sense transit solutions are available for the transit dependant and general population to access employment and medical appointments. The program provides opportunities for congestion mitigation to preserve air quality, support economic development and tourism, and provide connectivity to commuter and intercity transit services and passenger air systems.

The Operations Division also oversees the Occupational Health and Safety Program, Hazardous Waste and Materials Program, Maintenance Programs, Intelligent Transportation Systems and Roadside Vegetation Management throughout the State. In addition to routine maintenance activities, Operations provides technical assistance to communities for Town Highway Bridge Programs, Town Highway Class 2 Resurfacing and Rehabilitation programs, Federal-aid on Town Highways, and emergency programs related to natural disasters.

PROGRAM DEVELOPMENT

The Program Development Division is responsible for the design, permitting, 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 two-lane miles of paved road. The program divides roads into three networks: Interstates, State Highways, and Class 1 Town Highways. Program functions include monitoring and analyzing network-wide pavement conditions, developing cost-effective preventative maintenance and rehabilitation strategies, preparing plans and specifications, and providing technical assistance during construction.

Bridges and culverts are an integral part of Vermont's highway infrastructure and VTrans' Structures Program makes it a high priority to keep them in a safe and usable condition. The program is fully responsible for inspection of 2,656 long-span bridges (greater than 20 foot spans) on both state and local highway systems. The program is also responsible for 1,300 short structures (between six and 20 foot spans) on the State system. Inspections are typically performed on a two-year cycle for long structures and on a five-year cycle for short structures, but inspections are performed more frequently when deemed necessary. The Structures Program is responsible for programming and design of bridge rehabilitation and reconstruction projects from project inception through the project development process and then on to construction for any state or local bridge that qualifies for funding. The Structures Section also provides project management and engineering for structures selected by the Operations Division for replacement or rehabilitation, and is responsible for the inventory and inspection of state-owned railroad structures.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

The Roadway Program addresses those locations that have been identified as either structurally deficient or hazardous to the traveling public. Roadway projects generally fall into one of three categories: reconstruction, rehabilitation or restoration. Although other alternatives are always a first consideration, new highways or capacity additions to existing highways are also considered within this program.

The Traffic Operations unit of the Roadway Program implements operational and safety improvements on the highways. Projects include traffic signal, roundabouts, and flashing beacon installation; monitoring and replacement of signs and pavement markings; the identification, evaluation and correction of hazardous locations on the highway system; and upgrades to rail-highway crossings.

The Local Transportation Facilities Section (LTF) consists of four major components: the Transportation Enhancement Program, the Bike and Pedestrian Facilities Program, the Park and Ride Program and the Local Projects Program. In addition, LTF is responsible for the development of Scenic Byway, Public Lands Highway, and "Local" projects, which have a high degree of local focus and, for the most part, development and construction is managed by local municipalities.

The Engineering Services Section is responsible for providing expertise in several specialty areas to Agency programs, consultants, and the private sector. Section capabilities include the establishment of geodetic control and survey for design and construction of Agency projects, hydraulic analysis of bridge and culvert improvements, utility coordination and highway access permitting, environmental permitting, and Right-of-Way acquisition of real property needed for transportation projects.

The Materials and Research Section provides materials testing, subsurface investigation and geotechnical analysis, concrete and hot mix plant inspection, independent assurance testing, materials certification requirements, research and development of new products, laboratory testing of materials, chemical analysis of materials and quality control oversight for transportation projects.

The Construction Section is responsible for the construction phase of the vast majority of contracts that are let by VTrans. Utilizing a staff of Resident Engineers, the Agency's Construction Program is administered through four Regional offices in Burlington, St. Johnsbury, White River Junction and Rutland. The Resident and Regional Construction Engineers work closely with the Project and Program Managers to insure that the projects are built as designed and in accordance with all resource permits and regulations. Field work includes: project layout, inspection and quality acceptance of all work incorporated into the project, quantity computation, contractor payments, monitoring of contractor compliance with resource regulations, and insuring the project is completed in conformance with the contract. The Construction Finals group in Montpelier performs a review to ensure all quantities are verified before final payments are made to the contractor.

POLICY AND PLANNING

The Policy and Planning Division works with all of VTrans, other state and federal agencies,

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

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, modal and intermodal operational planning.

Data services are provided by three sections. The Traffic Research section reviews all Act 250 applications for impacts on the transportation system and consistency with Agency plans or policies and compiles the Agency response or recommendations to the district environmental commissions. The section is responsible for traffic monitoring and data analysis.

The Highway Research Section monitors highway system conditions, collects highway videologs, reports highway sufficiency rating data, and manages the Crash (highway accident) data base. The Mapping Section provides town mapping, maintenance of the GIS database and routelog system.

The Office of Civil Rights and Labor Compliance is responsible for ensuring compliance with all federal and state Equal Employment Opportunity and Affirmative Action regulations and labor requirements within 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, balanced transportation system for the State of Vermont. The division's goal is to maximize our financial and human resources and improve our business practices to meet the needs of our internal and external customers. The division consists of the following sections: Audit, Contract Administration, Information Technology, Budget and Financial

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

Operations and Human Resources.

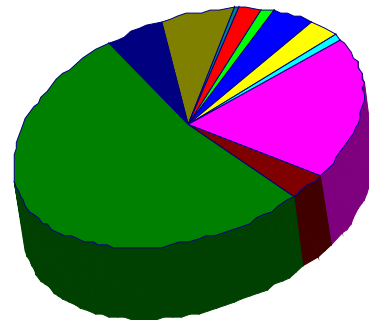
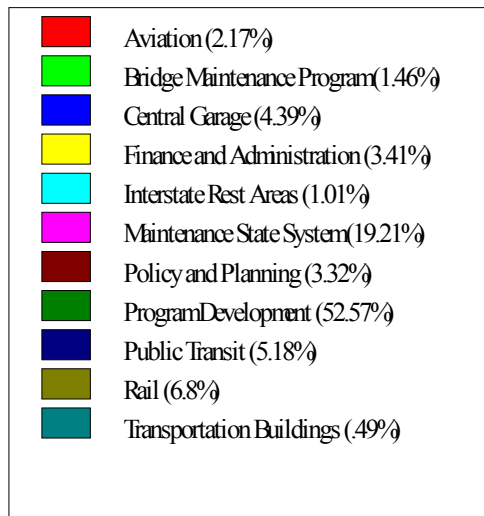
Audit provides audit assistance to VTrans' management and audit assurance about VTrans' administration of public funds. Contract Administration is responsible for the performance of various contracting functions. Information Technology is responsible for assessing and supporting VTrans' information technology 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 2008 BUDGET RECOMMENDATIONS
AOT Division Approps and Programs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Finance and Administration	128	129	129	9,793,482	11,007,909	10,912,468	11,354,193
Aviation	6	7	7	11,694,645	11,350,600	11,143,971	7,217,200
Transportation Buildings	0	0	0	1,480,340	701,000	701,000	1,649,000
Program Development	342	317	317	138,466,783	201,853,163	189,955,132	175,171,278
Interstate Rest Areas	0	0	0	2,108,922	3,441,146	3,441,146	3,350,000
Maintenance State System	492	495	496	55,075,590	60,353,094	59,905,459	63,998,148
Policy and Planning	26	48	48	6,318,340	10,625,008	10,611,823	11,076,962
Rail	6	8	8	8,282,241	22,098,308	21,718,050	22,665,487
Bridge Maintenance Program	0	0	0	3,773,498	8,340,679	7,260,679	4,865,945
Discretionary Spending	0	0	0	0	5,215,534	0	0
Public Transit	7	6	6	14,692,357	17,622,758	17,621,635	17,251,445
Central Garage	41	41	40	14,121,834	14,508,169	13,958,169	14,611,622
TOTAL	1,048	1,051	1,051	265,808,032	367,117,368	347,229,532	333,211,280
FUND TYPE							
Transportation Fund				115,035,558	132,361,158	123,440,032	129,248,596
Special Fund				539,780	782,978	782,978	1,788,677
Federal Revenue Fund				134,884,640	216,925,013	206,508,303	181,792,385
Internal Service Fund				14,121,834	14,508,169	13,958,169	14,611,622
Interdepartmental Transfer				1,226,220	2,540,050	2,540,050	5,770,000
TOTAL				265,808,032	367,117,368	347,229,532	333,211,280

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Finance and Administration**



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Finance and Administration

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	7,885,867	8,879,959	8,784,518	8,878,609
Operating Expenses	1,907,615	2,127,950	2,127,950	2,475,584
<hr/> TOTAL	<hr/> 9,793,482	<hr/> 11,007,909	<hr/> 10,912,468	<hr/> 11,354,193
FUND TYPE				
Transportation Fund	9,571,464	10,573,406	10,477,965	10,903,302
Federal Revenue Fund	222,018	434,503	434,503	450,891
<hr/> TOTAL	<hr/> 9,793,482	<hr/> 11,007,909	<hr/> 10,912,468	<hr/> 11,354,193

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Aviation

Appropriation Key Budget Issues

Vermont's aviation assets (essential infrastructure including runways) are in relatively stable, good condition. The focus needs to be on a continuing, modest level of investment to maintain the current infrastructure and upgrading assets when it makes sense for economic development, safety, and security purposes.

The proposed FY08 budget includes a modest investment, as well as continued support for Vermont's major commercial service airport - Burlington International Airport - which is municipally owned.

For aviation, convenient air service is an integral component of moving people and goods, and has been determined to be among those criteria reviewed by businesses evaluating Vermont. In addition to the two commercial service options (Burlington and Rutland), airports must be able to accommodate corporate and business travelers in all weather conditions with 24-hour access. Appropriate runway length, good instrument approach capability (navigational aids), and lighting facilities are key components for providing a safe environment for business, recreational, and emergency responders. There will be a focus on utilizing new technologies to enhance efficiencies and safety throughout the system. Further development of General Aviation security programs will also be a priority in providing a safe and secure environment for our airport system.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Aviation

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,467,707	1,115,720	1,109,091	1,761,751
Operating Expenses	9,990,753	10,074,880	9,874,880	5,295,449
Grants	236,185	160,000	160,000	160,000
<hr/> TOTAL	<hr/> 11,694,645	<hr/> 11,350,600	<hr/> 11,143,971	<hr/> 7,217,200
FUND TYPE				
Transportation Fund	2,749,657	2,195,350	1,988,721	2,123,200
Federal Revenue Fund	8,944,988	9,155,250	9,155,250	5,094,000
<hr/> TOTAL	<hr/> 11,694,645	<hr/> 11,350,600	<hr/> 11,143,971	<hr/> 7,217,200

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Transportation Buildings

Appropriation Key Budget Issues

Transportation Buildings work includes:

- a systematic replacement cycle for facilities and facility components such as roofs and heating plants
- new salt and sand sheds (to address environmental and operational efficiency issues)
- major renovations when required (heating, new bays for additional trucks, connections to municipal sewer systems, energy upgrades - meaning insulation and lighting - as examples)

The FY08 Transportation Buildings budget is up from FY07 due to the need to replace two satellite garages that are in extremely poor condition.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Transportation Buildings

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	29,358	133,000	133,000	76,579
Operating Expenses	1,450,982	568,000	568,000	1,572,421
<hr/> TOTAL	<hr/> 1,480,340	<hr/> 701,000	<hr/> 701,000	<hr/> 1,649,000
FUND TYPE				
Transportation Fund	1,480,340	637,000	637,000	1,649,000
Federal Revenue Fund	0	64,000	64,000	0
<hr/> TOTAL	<hr/> 1,480,340	<hr/> 701,000	<hr/> 701,000	<hr/> 1,649,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Program Development

Appropriation Key Budget Issues

The core appropriations within Program Development are Bridge, Paving, Roadway & Traffic Safety, and Local Transportation Facilities. Over the past few years, the industry has witnessed significant cost increases, coupled with a slow down in transportation revenues. This has resulted in core programs having more projects on the books than can be funded for construction in the near future, and there are upward pressures as the network continues to deteriorate.

The primary focus for the Program Managers in developing the proposed FY08 budget has been to apply asset management principles in concert with continued use of the Project Prioritization Systems initiated in the FY07 budget. Through this effort, the Agency has a clear and transparent method for choosing which projects move forward in the project-development process.

General highlights for each of the core appropriations are as follows:

Bridge Program: The major influences in the bridge appropriation continue to be bridge earmarks in SAFETEA-LU, and increased investment in the Interstate System. Overall, the investment in bridges is reduced roughly 19 percent over last year's budget. An area of increased emphasis will be on large metal culverts that are rapidly reaching their useful life across the network.

Paving: Paving remains one of the primary areas of focus for Program Development as it is recognized as a key activity in ensuring a safe and mobile transportation system. This year's budget for paving has remained relatively equal to last year (1.7 percent increase) for resurfacing and crack sealing along Interstate, State, and Class 1 Town Highways.

Roadway & Traffic Safety: The Roadway & Traffic Safety Program aligns this year's budget with the priorities laid out in the recently unveiled Vermont's Road to Affordability initiative, and Strategic Highway Safety Plan. The program is directing resources toward system preservation strategies such as ledge/slope repairs, and small culvert & 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 leverage associated federal and state funds, to deliver transportation infrastructure improvement to their communities. The FY08 Bicycle and Pedestrian Facilities and Enhancement Programs have reduced slightly since last year's budget, however are poised to deliver important construction funds to the communities.

Park & Rides: The Park & Ride program is recognized as a critical area of investment considering the number of Vermonters that make significant daily commutes to work and the trend towards gasoline price increases. As a result, FY08 funding for this program remains stable, and important projects in Enosburg, Ferrisburgh, Randolph, St. Johnsbury, and Weathersfield are slated for construction funding.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Program Development

The Agency goals of Safety, Planning, Preservation, and Excellence are the guiding principles in the FY08 Program Development budget.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Program Development

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	34,612,274	35,463,202	35,368,600	35,867,267
Operating Expenses	82,740,884	130,662,679	118,859,250	113,187,085
Grants	21,113,625	35,727,282	35,727,282	26,116,926
<hr/> TOTAL	<hr/> 138,466,783	<hr/> 201,853,163	<hr/> 189,955,132	<hr/> 175,171,278
FUND TYPE				
Transportation Fund	31,394,745	37,933,711	34,781,780	34,234,434
Special Fund	525,113	732,978	732,978	1,788,677
Federal Revenue Fund	105,320,705	160,786,424	152,040,324	133,978,167
Interdepartmental Transfer	1,226,220	2,400,050	2,400,050	5,170,000
<hr/> TOTAL	<hr/> 138,466,783	<hr/> 201,853,163	<hr/> 189,955,132	<hr/> 175,171,278

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Interstate Rest Areas

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	62,785	100,000	100,000	100,000
Operating Expenses	2,046,137	3,341,146	3,341,146	3,250,000
<hr/> TOTAL	<hr/> 2,108,922	<hr/> 3,441,146	<hr/> 3,441,146	<hr/> 3,350,000
FUND TYPE				
Transportation Fund	211,809	383,117	383,117	91,760
Federal Revenue Fund	1,897,113	3,058,029	3,058,029	3,258,240
<hr/> TOTAL	<hr/> 2,108,922	<hr/> 3,441,146	<hr/> 3,441,146	<hr/> 3,350,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Maintenance State System

Appropriation Key Budget Issues

Despite the increases in size, use and complexity of the highway system, maintenance spending has done little more than keep pace with inflation for the last twenty years. Vermont is experiencing an increase of failures of transportation components such as culverts, side slopes and bridges. Maintenance has a dedicated, committed work force that has the skills but limited financial means to do more to attend to the needs of the system.

Last year, VTrans' budget included modest amounts of funding to start to address some of our failing system components. Additional emphasis on preventive maintenance to extend the life cycle of various highway assets will result in less unscheduled and expensive replacements. In addition, continued strategic investment in technology such as Intelligent Transportation Systems (ITS) will allow more effective and efficient use of the transportation system, thus limiting needs for additional investment in improvements or maintenance.

There are several areas within the Maintenance Program that are in need of continuing additional focus or financing to better contribute to the condition of the infrastructure and accomplishment of the mission:

1. Winter Maintenance - VTrans will continue to develop and adjust winter maintenance practices to provide a higher level of winter maintenance service, particularly at night, focusing on those routes that contribute most to economic development activities.
2. Preservation and preventive maintenance - VTrans will continue to bring more resources to bear upon preventive maintenance activities. To avoid costly unscheduled maintenance, VTrans will either through existing staffing or utilization of contractors provide resources for additional scheduled efforts for:
 - crack filling, leveling, and ditching
 - large and small culvert repairs/linings
 - minor bridge repairs
 - joint work for bridges
3. Intelligent Transportation Systems (ITS) Enhancements and New Components - ITS is a means to accommodate the demands upon the Transportation System and limit the need for construction of new capacity. VTrans will continue to work closely with all stakeholders and partners to enhance and improve the deployment of proposed ITS system components. Enhancements include upgrading and improving the existing 511 phone system and improving the internet travel information web page to better serve all travelers. New components include the expanded deployment of Road Weather Information System (RWIS) stations throughout the state which will improve VTrans' ability to prepare for and treat our highways during winter storm events.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Maintenance State System

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	29,953,163	32,043,294	31,595,659	32,933,303
Operating Expenses	24,738,102	27,941,800	27,941,800	30,858,345
Grants	384,325	368,000	368,000	206,500
<hr/> TOTAL	<hr/> 55,075,590	<hr/> 60,353,094	<hr/> 59,905,459	<hr/> 63,998,148
FUND TYPE				
Transportation Fund	53,778,687	57,446,094	56,223,459	60,174,213
Federal Revenue Fund	1,296,903	2,907,000	3,682,000	3,723,935
Interdepartmental Transfer	0	0	0	100,000
<hr/> TOTAL	<hr/> 55,075,590	<hr/> 60,353,094	<hr/> 59,905,459	<hr/> 63,998,148

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Policy and Planning

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,847,461	4,969,906	4,956,721	4,799,662
Operating Expenses	498,149	964,875	964,875	1,023,485
Grants	3,972,730	4,690,227	4,690,227	5,253,815
<hr/> TOTAL	<hr/> 6,318,340	<hr/> 10,625,008	<hr/> 10,611,823	<hr/> 11,076,962
FUND TYPE				
Transportation Fund	1,430,955	2,597,643	2,584,458	2,385,661
Federal Revenue Fund	4,887,385	7,887,365	7,887,365	8,191,301
Interdepartmental Transfer	0	140,000	140,000	500,000
<hr/> TOTAL	<hr/> 6,318,340	<hr/> 10,625,008	<hr/> 10,611,823	<hr/> 11,076,962

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Rail

Appropriation Key Budget Issues

Vermont is unusual in that about half of the active rail lines are state-owned, whereas most rail lines in the USA are privately owned. Rail's primary focus is on the preservation and improvement of Vermont's rail infrastructure, both public and private, and encouraging increased use of rail for moving freight efficiently.

The rail infrastructure, especially bridges, must eventually meet the national standard of handling 286,000 pound rail cars in order for Vermont to compete and be accessible on a nationwide scale. This will be essential to support future economic growth and provide the means for decreased truck traffic on Vermont highways.

In addition to bringing the rail infrastructure to the 286,000 standard, Vermont must work to improve rail clearances to accommodate high and wide loads such as double stack containers and tri level autoracks. Preserving and improving our rail infrastructure will also provide us with future opportunities for passenger and/or intercity rail transport that is economically feasible and optimizes the degree of service possible.

Major work needs to be done on a significant number of state owned bridges to bring them to the 286,000 standard. VTrans, in conjunction with the Rail Advisory Council, is prioritizing those bridges in order of need. We have a number of bridges in the pipeline for rehabilitation/replacement and in the coming years we will be working to bring the Bellows Falls - Florence corridor to the 286,000 standard.

One of our major clearance projects, the Bellows Falls Tunnel, has been awarded an earmark under SAFTEA-LU to improve the clearance to a "modified double stack." Work has commenced on this challenging project, and we expect the project to be completed in the spring of 2007.

SAFTEA-LU also provided an earmark to VTrans for improvements on the Western Corridor rail system. VTrans has been working with our partners along the western corridor to establish projects to improve the corridor for passenger service and move more freight by rail. The Middlebury Rail Spur project is in the environmental impact process and we expect a final EIS and record of decision in the second quarter of 2007. The Rutland railyard relocation project is also in the environmental impact process, and we expect the final EIS and record of decision in the third quarter of 2008.

VTrans and Amtrak are recommending a demonstration project for the purchase and operation of Diesel Multiple Units (DMU) on the Vermonter line. In addition to escalating costs, the train cars presently serving the Vermonter are oversized and over powered north of Springfield Ma. The DMU project would provide a means to control costs as well as providing right sized equipment for our operations north of New Haven, CT to St. Albans and also provide additional service to and from White River Junction Vermont.

VTrans acknowledges and supports the importance of a long-term commitment to Rail in the State of

**STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Rail**

Vermont for both passenger and freight.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Rail

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	2,296,573	4,911,881	4,906,623	5,102,227
Operating Expenses	3,335,668	12,466,427	12,091,427	14,243,260
Grants	2,650,000	4,720,000	4,720,000	3,320,000
<hr/> TOTAL	<hr/> 8,282,241	<hr/> 22,098,308	<hr/> 21,718,050	<hr/> 22,665,487
FUND TYPE				
Transportation Fund	7,574,375	8,979,308	8,599,050	10,053,487
Federal Revenue Fund	707,866	13,119,000	13,119,000	12,612,000
<hr/> TOTAL	<hr/> 8,282,241	<hr/> 22,098,308	<hr/> 21,718,050	<hr/> 22,665,487

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Bridge Maintenance Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	331,424	0	0	0
Operating Expenses	3,442,074	8,340,679	7,260,679	4,865,945
<hr/> TOTAL	<hr/> 3,773,498	<hr/> 8,340,679	<hr/> 7,260,679	<hr/> 4,865,945
FUND TYPE				
Transportation Fund	605,370	2,028,959	1,748,959	1,734,495
Special Fund	14,667	50,000	50,000	0
Federal Revenue Fund	3,153,461	6,261,720	5,461,720	3,131,450
<hr/> TOTAL	<hr/> 3,773,498	<hr/> 8,340,679	<hr/> 7,260,679	<hr/> 4,865,945

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Discretionary Spending

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	0	5,215,534	0	0
<hr/> TOTAL	<hr/> 0	<hr/> 5,215,534	<hr/> 0	<hr/> 0
FUND TYPE				
Transportation Fund	0	3,569,924	0	0
Federal Revenue Fund	0	1,645,610	0	0
<hr/> TOTAL	<hr/> 0	<hr/> 5,215,534	<hr/> 0	<hr/> 0

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Transit

Appropriation Key Budget Issues

The FY08 Public Transit budget continues efforts to create a seamless, integrated system with an increasing focus on coordinated public transit service delivery as instructed by the Federal United We Ride Initiative for human service and general public transportation. This Federal initiative is in response to increasing public transportation costs nationwide while focusing on the current public transportation infrastructure already in place utilizing federal, state and local funds.

To have an effective coordinated transportation network in Vermont, it is important to address the needs of those who cannot or prefer not to drive an automobile. The needs include:

- ☐ Access to services
- ☐ Transportation choices that balance personal, social, economic and environmental values
- ☐ All transportation systems and services work smoothly together

When gas prices were on the rise last year, public transportation systems experienced an increase to ridership by an average of 43 percent. Due to this increase, issues developed in the areas of operating expenses and capacity of transit vehicles. In some cases, public transportation providers allowed standees on the vehicles to foster the heightened interest.

The Public Transit Section continues to work towards addressing the capital replacement needs of the public transportation providers.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Public Transit

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	780,133	516,238	515,115	948,669
Operating Expenses	110,124	69,450	69,450	77,517
Grants	13,802,100	17,037,070	17,037,070	16,225,259
<hr/> TOTAL	<hr/> 14,692,357	<hr/> 17,622,758	<hr/> 17,621,635	<hr/> 17,251,445
FUND TYPE				
Transportation Fund	6,238,156	6,016,646	6,015,523	5,899,044
Federal Revenue Fund	8,454,201	11,606,112	11,606,112	11,352,401
<hr/> TOTAL	<hr/> 14,692,357	<hr/> 17,622,758	<hr/> 17,621,635	<hr/> 17,251,445

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Central Garage

Appropriation Key Budget Issues

As with most state transportation fleets, VTrans uses an internal service fund, in which vehicles are purchased by a central fleet administrator and then rented back to the end users. In Vermont's case, vehicles are purchased, maintained, and administered by the VTrans Central Garage. Maintenance districts, the DMV, and other VTrans divisions make rental payments to the fund based on the measured usage of those vehicles. Rental income from those vehicles covers depreciation of the original purchase price, fuel, repairs, and overhead.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Central Garage

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,093,956	3,198,783	3,198,783	3,245,502
Operating Expenses	11,027,878	11,309,386	10,759,386	11,366,120
<hr/> TOTAL	<hr/> 14,121,834	<hr/> 14,508,169	<hr/> 13,958,169	<hr/> 14,611,622
FUND TYPE				
Internal Service Fund	14,121,834	14,508,169	13,958,169	14,611,622
<hr/> TOTAL	<hr/> 14,121,834	<hr/> 14,508,169	<hr/> 13,958,169	<hr/> 14,611,622

STATE OF VERMONT
FISCAL YEAR 2008 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 623,500 as well as a significant number of nonresidents.

The Department's key performance indicators are:

- Wait time for counter services: within 30 minutes
- Telephone queue time: 3 minutes maximum
- Driver license exam schedule: within 2 weeks
- Internal processing time: within 11 workdays
- Recruitment period for vacancies: within 8 weeks
- Approval and setup of new inspection stations: within 30 calendar days from date of receipt.
- Investigations 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 responsible for enforcing commercial trucking regulations, providing highway safety training and informational programs, and regulatory and investigative functions concerning illegal or questionable activities relating to licensing, registration and title fraud, dealer and inspection regulations, Lemon Law cases and general law enforcement support services. This Division manages the following programs within the Department:

Commercial Vehicle Enforcement Program:

Sworn law enforcement officers staff the program's Commercial Vehicle Enforcement Section. Their primary mission is enforcement of laws and regulations pertaining to commercial vehicle safety issues. Their duties include assuring that commercial drivers have proper credentials, their vehicles meet state and federal equipment standards, and that the vehicle falls within acceptable standards concerning length and weight restrictions. The Commercial Vehicle Enforcement Program includes the federally sponsored Motor Carrier Safety Assistance program (MCSAP) and the Size and Weight program.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

Investigations Division:

This division includes a Criminal Investigative Unit, an Administrative Investigative Unit and an 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 regulations, 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. Support functions include 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 the vehicle's repair history does not substantially impair the vehicle's use, market value or safety.

The Operations Division is the Department's largest Division, encompassing 74% of total resources. It is responsible for all customer service functions (Montpelier Counter, branch offices, mobile van operations and telephone information services); mail processing; license suspension and reinstatement; crash reporting; the International Registration Plan; oversize permitting; commercial vehicle operations (including the collection and distribution of fuel taxes, maintenance of accurate and reliable records, tracking delinquent accounts, and suspension initiation on accounts that are in arrears); and all backroom operations (including data entry, quality control, and imaging and retrieval of departmental records functions).

The Support Services Division is responsible for facility management for DMV office locations, budget planning and financial services, human resources, training, project management and implementation, and general support functions.

DMV Performance:

Providing quality customer service is a central component to the Department's mission. DMV has engaged in an annual strategic planning initiative within the three Divisions. The divisions primary objective is to look at issues that can:

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

- a) Improve internal operational efficiency.
- b) Improve or enhance the level of service we provide to our customers.

In FY 06 we continued to focus our efforts towards meeting our customers' two primary interests: how long they have to wait for their service and providing more DMV services closer to where they live.

The Department's performance in FY06 once again exceeded its standards in all three of its primary customer-contact areas (counter operations, mail processing and telephone information) with respect to customer wait times. Specific accomplishments in each were as follows:

Telephone Information: During FY06 an average of 1,114 calls were answered per day, representing a decrease of 7 percent from FY05. We attribute this decrease in part to mail transactions being processed within one to two workdays of receipt, thus there are fewer calls from the public asking about transaction status. The average wait time to speak with a Customer Service Specialist was 1.08 minutes.

Improvements in the messaging portion of our system provided our customers with more information, which helped make the call routing process more efficient and expedited the customers' experience. Since the provider will no longer support the current telephone system after December 31, 2006, DMV is working with the Tax Dept., Labor Dept. and DII to secure a telephone system that will meet or surpass the needs of each department. A vendor has been selected, and design and implementation of the new system will commence soon.

Counter Operations: Our customer service counters are DMV's most visible operation, and is an area that continues to show dramatic improvement in wait times over the past four years. Since FY04, the department has been measuring wait time performance in 15-minute intervals for each of our offices. For example in FY03 at Montpelier, our busiest office, only 25 percent of all customers served waited less than 45 minutes. In FY04, following implementation of the service study recommendations, this figure rose to 80 percent. This positive trend continued in FY05 as 93.8 percent of all Montpelier customers were served within 45 minutes; with 79.5 percent of these customers served within 30 minutes or less. In FY06, we continued to improve as 97.6 percent of Montpelier customers were provided service within 45 minutes, with 83.9 percent being waited on within 30 minutes or less.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

The results for all of DMV's offices for FY06 are shown in the chart below:

Wait Time Intervals
Annual

	0-15	16-30	31-45	46-60	60+	
BENNINGTON	84.43%	12.68%	2.30%	0.50%	0.09%	100%
BURLINGTON	72.39%	17.02%	7.34%	2.52%	0.73%	100%
MONTPELIER	54.07%	29.81%	13.72%	1.99%	0.41%	100%
NEWPORT	82.31%	14.41%	2.86%	0.39%	0.03%	100%
RUTLAND	87.24%	10.95%	1.43%	0.38%	0.0%	100%
SPRINGFIELD	86.32%	10.53%	2.80%	0.32%	0.03%	100%
	77.79%	15.90%	5.08%	1.01%	0.22%	100.00%

Mail Processing: For the third consecutive year the Department's mail processing unit that handles registration and license transactions carried no backlogs on over 99 percent of workdays. In other words, each day the unit worked on mail received that very day. This was accomplished without overtime being worked in this area.

Key accomplishments were:

- 1) In September 2006, DMV installed an automated driver license testing system in our Montpelier office. These same systems were installed in our Burlington and Rutland offices over the past three years. These systems have been very successful assisting with exam administration in some foreign languages, and have proven to provide flexibility to exam scheduling.
- 2) The department continued its commitment to expand services, offering once again photo license services at the Champlain Valley Fair.
- 3) Completed Phase I of the project to replace the DMV computer systems with a new on-line, real time system. This phase included Business Process Reengineering and Technical Architecture Recommendations. Phase II, which includes high level design, detail design, code development, testing and implementation of the customer registration and title functions is in process and is scheduled for completion in April 2008.
- 4) Expanded the availability of services in our field offices by adding snowmobile registrations to the list of transactions that can be accepted at all offices.
- 5) An important component in helping to maintain our highway infrastructure is enforcement of oversize/overweight regulations. In FY06, DMV Commercial Vehicle Inspectors weighed 20,515 vehicles, which is an 8 percent increase over FY05.
- 6) DMV conducted 7,671 motor carrier safety inspections in 2006. This activity represented an 87 percent increase over two years from the 4,137 inspections conducted in 2004.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Department of Motor Vehicles

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department of Motor Vehicles	245	246	250	20,345,369	20,942,104	20,752,678	25,103,168
<hr/> TOTAL	<hr/> 245	<hr/> 246	<hr/> 250	<hr/> 20,345,369	<hr/> 20,942,104	<hr/> 20,752,678	<hr/> 25,103,168
FUND TYPE							
Transportation Fund				18,911,614	19,617,251	19,427,825	23,329,029
Federal Revenue Fund				1,433,755	1,324,853	1,324,853	1,774,139
<hr/> TOTAL				<hr/> 20,345,369	<hr/> 20,942,104	<hr/> 20,752,678	<hr/> 25,103,168

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

Appropriation Key Budget Issues

The Department of Motor Vehicles' (DMV) mission is to administer motor vehicle transactions and related laws, promote highway safety, and collect transportation revenues, while providing a high level of customer service and satisfaction and to perform these tasks in a timely and cost-effective manner.

The FY08 budget includes \$3 million to continue work on a project to modernize the department's computer systems. This project will replace the current mainframe-based batch processing system that was developed in the mid 1970s with a technologically advanced, real-time system. The new system will centralize data in one computer system thus eliminating data redundancy, as well as improve the accuracy and accessibility to that information. The change in processing from a batch to real-time environment will eliminate a number of processing steps. This will improve internal office efficiency while also providing better service to customers and the law enforcement community.

A contract was signed with Saber to design, develop and implement DMV's new system. Phase I of the project began in May 2006 and was completed September 1, 2006. This phase included Business Process Reengineering, High Level Design, and Technical Architecture Recommendations. Phase II, which includes detail design, code development, testing and implementation of the customer, registration and title functions, began in September and is scheduled to be completed in April 2007. The project is currently on schedule. A component of the new system's revenue module has been placed on an accelerated timetable and is being developed for implementation in January 2007. This stand alone point of sale module will allow the Department to update its process and eliminate the need to purchase a new check encoding machine and replacement slip printers, which would become obsolete once the new system is fully implemented.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Department of Motor Vehicles

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	13,114,106	13,580,740	13,391,314	17,134,501
Operating Expenses	6,971,067	7,050,064	7,050,064	7,629,667
Grants	260,196	311,300	311,300	339,000
<hr/> TOTAL	<hr/> 20,345,369	<hr/> 20,942,104	<hr/> 20,752,678	<hr/> 25,103,168
FUND TYPE				
Transportation Fund	18,911,614	19,617,251	19,427,825	23,329,029
Federal Revenue Fund	1,433,755	1,324,853	1,324,853	1,774,139
<hr/> TOTAL	<hr/> 20,345,369	<hr/> 20,942,104	<hr/> 20,752,678	<hr/> 25,103,168

STATE OF VERMONT
FISCAL YEAR 2008 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 actual roadway maintenance. Program success can be demonstrated in terms of availability and actual use by the towns that might not otherwise be able to improve or maintain their infrastructure, or provide the technical expertise required to design necessary repairs or improvements.

Description of Appropriations, Divisions, & Programs

The Vermont Agency of Transportation (VTrans) provides Vermont municipalities with assistance through several Town Highway programs: Bridges, Structures, Class 2 Roadway, Emergency Fund, Town Highway Aid Program, Class 1 Supplemental Grants, Vermont Local Roads, and general technical assistance.

The Town Highway Bridge Program assists towns with bridge engineering services and for aid in maintaining and constructing bridges having a span of six feet or more on Class 1, Class 2, and Class 3 town highways. Projects are offered to Towns based on bridge condition and funding availability in the program. Funds may be used for alternatives which eliminate the need for a bridge or bridges, including, but not limited to, construction or reconstruction of highways, purchase of parcels of land that would be landlocked by closure of a bridge or bridges, payment of damages for loss of highway access, and substitution of other means of access.

The Town Highway Structures Program provides grants to municipalities for maintenance, including actions to extend life expectancy, and construction of bridges, culverts and other structures, including causeways and retaining walls intended to preserve the integrity of the traveled portion of Class 1, Class 2 and Class 3 town highways. Towns apply to VTrans for assistance.

The Town Highway Class 2 Roadway Program provides grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved Class 2 town highways. Towns apply to VTrans for assistance.

The Town Highway Emergency Fund provides emergency aid in repairing, building, or rebuilding Class 1, Class 2 or Class 3 town highways and bridges damaged by natural or man-made disasters of such magnitude that state aid is both reasonable and necessary to preserve the public good.

The Town Highway Aid Program is provided annually to each municipality in the state. The size of each grant is based on the total amount of money appropriated for this program by the Legislature, and the Class 1, Class 2, and Class 3 highway mileage in each of the 264 municipalities. Funds may be used for town highway construction, improvement, or maintenance purposes or as the nonfederal share for public transit assistance.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

The Town Highway Class 1 Supplemental Grants provide aid to municipalities having Class 1 town highways with more than two lanes.

The Vermont Local Roads Program, through a contract with Saint Michael's College, provides information, training and technical assistance to towns in the area of roads and bridges.

The Municipal Mitigation Grant Program provides grants to municipalities for assistance in mitigating/reducing water pollution associated with existing roads and road maintenance activities. This appropriation includes funding for programs such as the Better Backroads program, the Clean and Clear program, and the two stormwater mitigation federal earmarks.

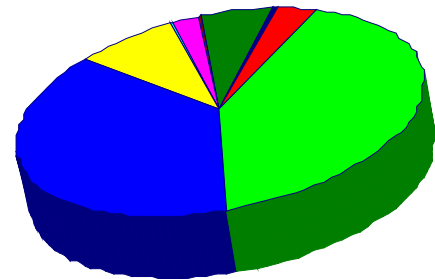
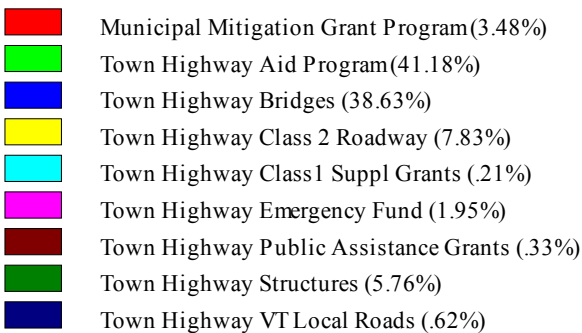
The Public Assistance Program provides supplemental aid to state and town efforts in recovery from federally declared disasters.

General assistance is provided by Districts to towns as time/conditions permit for road and bridge concerns, associated grants, and disaster recovery efforts.

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
AOT Town Highway Programs

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Town Highway Structures	0	0	0	3,539,893	3,494,500	3,494,500	3,494,500
Town Highway Emergency Fund	0	0	0	851,974	1,250,000	3,488,675	1,185,893
Town Highway VT Local Roads	0	0	0	590,330	375,000	375,000	375,000
Town Highway Class 2 Roadway	0	0	0	4,596,604	5,748,750	5,748,750	4,748,750
Town Highway Bridges	0	0	0	15,828,642	27,834,491	27,834,491	23,432,219
Town Highway Aid Program	0	0	0	24,982,744	24,982,744	24,982,744	24,982,744
Town Highway Class1 Suppl Grants	0	0	0	128,750	128,750	128,750	128,750
Town Highway Public Assistance Grants	0	0	0	843,332	200,000	200,000	200,000
Municipal Mitigation Grant Program	0	0	0	0	2,000,700	2,000,700	2,112,998
	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,362,269</u>	<u>66,014,935</u>	<u>68,253,610</u>	<u>60,660,854</u>
TOTAL							
FUND TYPE				38,528,829	39,529,621	41,768,296	38,823,771
Transportation Fund				1,068,989	2,261,145	2,261,145	1,170,226
Special Fund				11,764,451	24,224,169	24,224,169	20,666,857
Federal Revenue Fund							
				<u>51,362,269</u>	<u>66,014,935</u>	<u>68,253,610</u>	<u>60,660,854</u>
TOTAL							



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway Structures

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	22,530	0	0	0
Grants	3,517,363	3,494,500	3,494,500	3,494,500
<hr/> TOTAL	<hr/> 3,539,893	<hr/> 3,494,500	<hr/> 3,494,500	<hr/> 3,494,500
FUND TYPE				
Transportation Fund	3,539,893	3,494,500	3,494,500	3,494,500
<hr/> TOTAL	<hr/> 3,539,893	<hr/> 3,494,500	<hr/> 3,494,500	<hr/> 3,494,500

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway Emergency Fund

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	851,974	1,250,000	3,488,675	1,185,893
TOTAL	851,974	1,250,000	3,488,675	1,185,893
FUND TYPE				
Transportation Fund	851,974	1,250,000	3,488,675	1,185,893
TOTAL	851,974	1,250,000	3,488,675	1,185,893

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway VT Local Roads

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	590,330	375,000	375,000	375,000
<hr/> TOTAL	<hr/> 590,330	<hr/> 375,000	<hr/> 375,000	<hr/> 375,000
FUND TYPE				
Transportation Fund	373,241	235,000	235,000	235,000
Federal Revenue Fund	217,089	140,000	140,000	140,000
<hr/> TOTAL	<hr/> 590,330	<hr/> 375,000	<hr/> 375,000	<hr/> 375,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway Class 2 Roadway

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	4,596,604	5,748,750	5,748,750	4,748,750
TOTAL	4,596,604	5,748,750	5,748,750	4,748,750
FUND TYPE				
Transportation Fund	4,596,604	5,748,750	5,748,750	4,748,750
TOTAL	4,596,604	5,748,750	5,748,750	4,748,750

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway Bridges

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	3,337,982	3,650,000	3,650,000	3,650,000
Operating Expenses	11,564,666	23,659,491	23,659,491	19,400,019
Grants	925,994	525,000	525,000	382,200
<hr/> TOTAL	<hr/> 15,828,642	<hr/> 27,834,491	<hr/> 27,834,491	<hr/> 23,432,219
FUND TYPE				
Transportation Fund	4,055,623	3,493,170	3,493,170	3,800,136
Special Fund	867,410	2,261,145	2,261,145	1,170,226
Federal Revenue Fund	10,905,609	22,080,176	22,080,176	18,461,857
<hr/> TOTAL	<hr/> 15,828,642	<hr/> 27,834,491	<hr/> 27,834,491	<hr/> 23,432,219

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway Aid Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	24,982,744	24,982,744	24,982,744	24,982,744
TOTAL	24,982,744	24,982,744	24,982,744	24,982,744
FUND TYPE				
Transportation Fund	24,982,744	24,982,744	24,982,744	24,982,744
TOTAL	24,982,744	24,982,744	24,982,744	24,982,744

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway Class1 Suppl Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750
FUND TYPE				
Transportation Fund	128,750	128,750	128,750	128,750
TOTAL	128,750	128,750	128,750	128,750

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Town Highway Public Assistance Grants

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	1,579	0	0	0
Operating Expenses	209	0	0	0
Grants	841,544	200,000	200,000	200,000
<hr/> TOTAL	<hr/> 843,332	<hr/> 200,000	<hr/> 200,000	<hr/> 200,000
FUND TYPE				
Special Fund	201,579	0	0	0
Federal Revenue Fund	641,753	200,000	200,000	200,000
<hr/> TOTAL	<hr/> 843,332	<hr/> 200,000	<hr/> 200,000	<hr/> 200,000

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Municipal Mitigation Grant Program

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Grants	0	2,000,700	2,000,700	2,112,998
<hr/> TOTAL	<hr/> 0	<hr/> 2,000,700	<hr/> 2,000,700	<hr/> 2,112,998
FUND TYPE				
Transportation Fund	0	196,707	196,707	247,998
Federal Revenue Fund	0	1,803,993	1,803,993	1,865,000
<hr/> TOTAL	<hr/> 0	<hr/> 2,000,700	<hr/> 2,000,700	<hr/> 2,112,998

STATE OF VERMONT
FISCAL YEAR 2008 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.
5. Appeals, when requested in writing, of decisions of the secretary in administering the provisions of 24 V.S.A., relating to junkyards.
6. Provide appellate review, when requested in writing, regarding the fairness of rents and fees charged for the occupancy or use of state-owned properties administered by the agency.
7. 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.
8. When requested by the secretary, conduct public hearings on matters of public interest, after which it shall transmit its findings and recommendations to the secretary and the chairs of the Senate and House committees on transportation in a report which shall be a public document.
9. Conduct compensation hearings and make damage awards where the Agency of Transportation and affected landowners are unable to agree on the amount of compensation.
10. Designate state scenic roads and corridors (19 V.S.A. Section 2501(a)).
11. Approve new highway or public ways opening into or connecting with established limited-access highways.
12. Issues regarding rail-highway grade crossings, farm crossings and other railroad-related responsibilities outlined in Title 5. Requests for airports and restricted landing areas pursuant to Title 5, Section 207 (a-h).

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Transportation Board

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Department							
Transportation Board	1	1	1	87,831	84,600	84,600	87,796
TOTAL	1	1	1	87,831	84,600	84,600	87,796
FUND TYPE							
Transportation Fund				87,831	84,600	84,600	87,796
TOTAL				87,831	84,600	84,600	87,796

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Transportation Board

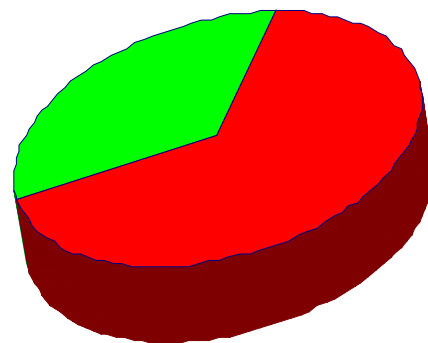
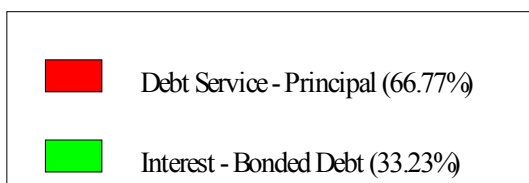
APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Personal Services	66,488	70,800	70,800	74,976
Operating Expenses	21,343	13,800	13,800	12,820
<hr/> TOTAL	<hr/> 87,831	<hr/> 84,600	<hr/> 84,600	<hr/> 87,796
FUND TYPE				
Transportation Fund	87,831	84,600	84,600	87,796
<hr/> TOTAL	<hr/> 87,831	<hr/> 84,600	<hr/> 84,600	<hr/> 87,796

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Debt Service

DEPARTMENT SUMMARY BY APPROPRIATION

	FY 2006	FY 2007	FY 2008	FY 2006	FY 2007		FY 2008
Department	Pos. #	Pos. #	Pos. #	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Interest - Bonded Debt	0	0	0	21,958,989	23,033,662	23,033,662	23,228,471
Debt Service - Principal	0	0	0	45,272,088	46,097,159	46,097,159	46,664,555
TOTAL	0	0	0	67,231,077	69,130,821	69,130,821	69,893,026
FUND TYPE							
General Fund				62,701,532	64,549,851	64,549,851	65,402,281
Transportation Fund				2,146,285	2,086,135	2,086,135	1,994,895
Special Fund				2,383,260	2,494,835	2,494,835	2,495,850
TOTAL				67,231,077	69,130,821	69,130,821	69,893,026



STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Interest - Bonded Debt

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	21,958,989	23,033,662	23,033,662	23,228,471
<hr/> TOTAL	<hr/> 21,958,989	<hr/> 23,033,662	<hr/> 23,033,662	<hr/> 23,228,471
FUND TYPE				
General Fund	20,662,479	21,887,323	21,887,323	22,227,950
Transportation Fund	618,250	551,504	551,504	489,671
Special Fund	678,260	594,835	594,835	510,850
<hr/> TOTAL	<hr/> 21,958,989	<hr/> 23,033,662	<hr/> 23,033,662	<hr/> 23,228,471

STATE OF VERMONT
FISCAL YEAR 2008 BUDGET RECOMMENDATIONS
Debt Service - Principal

APPROPRIATION SUMMARY BY MAJOR OBJECT

	FY 2006	FY 2007		FY 2008
	FY06 Actual	FY07 Appropriation As Passed	FY07 Estimated	FY08 Governor's Recommend
Major Object				
Operating Expenses	45,272,088	46,097,159	46,097,159	46,664,555
<hr/> TOTAL	<hr/> 45,272,088	<hr/> 46,097,159	<hr/> 46,097,159	<hr/> 46,664,555
FUND TYPE				
General Fund	42,039,053	42,662,528	42,662,528	43,174,331
Transportation Fund	1,528,035	1,534,631	1,534,631	1,505,224
Special Fund	1,705,000	1,900,000	1,900,000	1,985,000
<hr/> TOTAL	<hr/> 45,272,088	<hr/> 46,097,159	<hr/> 46,097,159	<hr/> 46,664,555