

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2016

Bill Number: H.875 Name of Bill: An act relating to making appropriations for the support of state Government

Agency/ Dept: Finance and Management Author of Bill Review: Andy Pallito and Emily Byrne

Date of Bill Review: _____ Related Bills and Key Players H. 872; 8H.73

Status of Bill: (check one): ☐ Upon Introduction ☐ As passed by 1st body ☒ As passed by both

Recommended Position:

☒ Support ☐ Oppose ☐ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. **Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*
FY 2017 Appropriations for the operations of State Government, the FY 2017 and FY 2018 Pay Act, and other related issues.
2. **Is there a need for this bill?** *Please explain why or why not.*
Yes, this bill is required for the funding of Vermont's FY 2017 operating budget and allocation of funding to support the State employee contract.
3. **What are likely to be the fiscal and programmatic implications of this bill for this Department?**
See attached word and excel documents outlining the changes from the Governor's recommended budget to the final budget as passed by the legislature.
4. **What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**
This bill is required for the operation of all state branches, agencies, departments and other related entities.
5. **What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** *(for example, public, municipalities, organizations, business, regulated entities, etc)*
This bill is required for the operation of local education authorities, local government units, and other entities that receive funds from state government.
6. **Other Stakeholders:**
 - 6.1 Who else is likely to support the proposal and why? N/A
 - 6.2 Who else is likely to oppose the proposal and why? N/A

7. **Rationale for recommendation:** *Justify recommendation stated above.*

Please return this bill review as a Microsoft Word document to Jahala.Dudley@vermont.gov & Jessica.Mishaan@vermont.gov

| | | | | | |
|-------------|----------------------|----------|--|----------------|--|
| | KEEP: AFDETA FY 2017 | | | | Analysts - input original \$\$ here |
| KEY CODE | Sec. # | Dept. ID | FY 2017 APPROPRIATIO NS BILL | 6/7/16 3:12 PM | FY 2017 Governor's Recommend |
| TTT1 | | | TOTALS - ALL APPROPF Total | | 7,904,161,409 |
| | | | TOTALS - ALL APPROPF Source of funds | | |
| TTGF | | | TOTALS - ALL APPROPF General fund | | 1,529,528,357 |
| TTTF | | | TOTALS - ALL APPROPF Transportation fund | | 277,980,739 |
| TTTIB | | | TOTALS - ALL APPROPF TIB fund | | 12,355,580 |
| TTSF | | | TOTALS - ALL APPROPF Special funds | | 288,869,363 |
| TTTOB | | | TOTALS - ALL APPROPF Tobacco fund | | 32,898,749 |
| TTSHC | | | TOTALS - ALL APPROPF State health care resources fund | | 301,708,571 |
| TTFW | | | TOTALS - ALL APPROPF Fish & Wildlife fund | | 9,592,312 |
| TTEF | | | TOTALS - ALL APPROPF Education fund | | 1,587,048,884 |
| TTTRTH | | | TOTALS - ALL APPROPF Retired Teachers Health Fund | | - |
| TTFF | | | TOTALS - ALL APPROPF Federal funds | | 2,033,538,377 |
| TTAR | | | TOTALS - ALL APPROPF ARRA funds | | 1,891,423 |
| TTTDB | | | TOTALS - ALL APPROPF TIB debt service fund | | 2,501,413 |
| TTGOB | | | TOTALS - ALL APPROPF General obligation bond debt fund | | - |
| TTGC | | | TOTALS - ALL APPROPF Global Commitment fund | | 1,616,530,111 |
| TTISF | | | TOTALS - ALL APPROPF Internal service funds | | 112,612,787 |
| TTIDT | | | TOTALS - ALL APPROPF Interdepartmental transfers | | 59,215,853 |
| TTLM | | | TOTALS - ALL APPROPF Local match | | 2,315,416 |
| TTTBP | | | TOTALS - ALL APPROPF TIB Proceeds fund | | - |
| TTPER | | | TOTALS - ALL APPROPF Permanent trust funds | | 26,000 |
| TTENT | | | TOTALS - ALL APPROPF Enterprise funds | | 12,244,173 |
| TTPEN | | | TOTALS - ALL APPROPF Pension trust funds | | 22,177,600 |
| TTPPF | | | TOTALS - ALL APPROPF Private purpose trust funds | | 1,125,701 |
| TTT2 | | | TOTALS - ALL APPROPF Total | | 7,904,161,409 |

FY 2017 Big Bill words at end – to JFO 1/27/16; resubmitted 2/23/2016

Black = Gov Recommend unchanged

Gray = Gov Recommend version deleted

Red = House change from Gov Rec

Green = Sen change from Gov Rec

Conference Committee

EXPLANATION OF HOUSE CHANGE: = for all House changes from Gov Recommend

EXPLANATION OF SENATE CHANGE: = for all Senate changes from Gov Recommend or to the House Version

EXPLANATION OF CONFERENCE CHANGE: = for all Conference Committee changes from Gov rec, the house or senate version

Purple = EB Notes/Commentary

No. 875. An act relating to making appropriations for the support of government

(H. 875)

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the **BIG BILL – Fiscal Year 2017 Appropriations Act.**

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2017. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2016. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2017 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serve as the primary source and reference for appropriations for fiscal year 2017.

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

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2017.

Sec. A.103 DEFINITIONS

(a) As used in this act:

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

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

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

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

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

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

Sec. A.105 OFFSETTING APPROPRIATIONS

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

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2017, the Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2017, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2016 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to Legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint Fiscal Committee shall meet in an expedited manner to review the Governor’s request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall

not be increased during fiscal year 2017 except for new positions authorized by the 2016 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d) as amended by 2015 Acts and Resolves No.4, Sec. 74, and further amended by Sec. E. 100.3 100.2 of this act.

Explanation: Standard Language, updated to reflect amendment to position pilot included in this act.

Sec. A.108 LEGEND

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

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

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

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2017, \$4,868,000 \$2,904,900 \$2,909,900 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

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

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

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

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

(2) Loan repayment. The amount of \$171,000 ~~\$57,900~~ as follows:

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

(B) Science Technology Engineering and Math (STEM) incentive. The amount of \$27,900 is appropriated to the Agency of Commerce and Community Development for an incentive payment pursuant to 2011 Acts and Resolves No. 52, Sec. 6, as amended by Sec. B.1100.2 of this act.

(C) Vermont Strong Scholars Program. The amount of \$113,100 is transferred to the Vermont Strong Scholars Fund established under 16 V.S.A. §2888 (d)(1)(A) for the Vermont Strong Scholars Initiative established pursuant to 16 V.S.A. §2888.

(3) Scholarships and grants. The amount of \$3,119,500 ~~\$1,269,500~~ \$1,274,500 as follows:

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

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

(C) Dual enrollment programs and need-based stipend. The amount of ~~\$625,000~~ \$600,000 is appropriated to the Agency of Education for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2) and ~~\$25,000~~ \$30,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need based stipends pursuant to Sec. E.605.1 of this act.

(D) Step-Up Program. The amount of \$850,000 is appropriated to the Vermont State Colleges for the Step-Up program consistent with Sec. E.602.1 of this Act.

(E) Vermont's Universal Children's Higher Education Savings Account. The amount of \$1,000,000 is appropriated the Secretary of Administration for the college savings program outlined in 16 V.S.A. chapter 87, subchapter 8. Funds will be transferred to the Vermont Student Assistance Corporation pursuant to an agreement between the Secretary of Administration and the Vermont Student Assistance Corporation.

EXPLANATION: \$1.875M of funding is added to the FY 2017 Next Generation Fund Appropriations, and some funding is being reallocated. \$25k has been restored to the WET Fund for workforce training. By the terms of 2011 Act 52, Sec. 6, STEM incentives are exhausted this fiscal year and the remaining funding historically appropriated for the STEM incentive will be dedicated as

initial funding for Vermont Strong Scholars Program. Funding for the Step-Up program and the Vermont Higher Education Savings Accounts are added to the Next Generation Fund.

HOUSE CHANGE: (SW) The Governor's two recommended programs Step-Up and College Savings accounts were removed in House Appropriations. Vermont Strong Scholars was also removed from the bill. The amount for dual enrollment was adjusted as a clarification; the total for dual enrollment and the stipend are to be \$625,000, this is reflected in the bill.

SENATE CHANGE: (SW) The amount of funding for the stipends was clarified. The dual-enrollment stipend amounts were increased by \$5,000 of Next Gen. Funds.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2018
NEXT GENERATION FUND DISTRIBUTION

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the State Workforce Investment Board, shall recommend to the Governor on or before December 1, 2016 how \$4,868,000 \$2,904,900 \$2,909,900 from the Next Generation Fund should be allocated or appropriated in fiscal year 2018 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

EXPLANATION: The same process as prior fiscal years.

HOUSE CHANGE: (SW) This change reflects the new Next Gen. fund total after HAC adjustments.

SENATE CHANGE: (SW) Funding amount updated to include the extra \$5,000 for Dual-Enrollment stipends.

Sec. B.1100.2 2011 Acts and Resolves No. 52, Sec. 6 is amended to read:

**Sec. 6. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM)
INCENTIVE PROGRAM**

~~(b)(4) The secretary shall award up to a maximum of \$75,000.00 per year for incentives in accordance with this section, which shall be made in the order in which they are claimed, as determined by the secretary in her or her discretion, and not to exceed a total program cap of \$375,000. [Repealed.]~~

HOUSE CHANGE: (SW) House disagreed to repurpose STEM (program ending) funds to the Vermont Strong Scholars program (succeeding STEM) as proposed by ACCD/Governor. Per L. Leriche (DB)

Sec. B.1101 FISCAL YEAR 2017 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) The sum of In fiscal year 2017, \$425,000 of general funds is appropriated to the Secretary of State for 2016 primary and general elections.

EXPLANATION: To fund costs associated with the 2016 elections.

(b) \$75,000 The sum of \$65,000 is appropriated to the Department of Finance and Management for the Governor's transition. These funds are for costs incurred by the transition of the Executive

Office. No funds shall be used for inaugural celebrations. Any unexpended portion of these funds shall revert to the General Fund at the end of fiscal year 2017.

EXPLANATION: Appropriation for costs incurred by the Governor elect when transitioning Administrations. Language similar to the last occurrence of a transition, found in 2010 Act 156 Sec.B.1103(a)(1).

HOUSE CHANGE: The House reduced the funding for the Governor's Transition team.

SENATE CHANGE: Reversion timing updated per recommendation of Finance and Management.

(c) \$1,000,000 of general funds is appropriated to the Secretary of Administration for allocation across State Government for security improvements as determined by the Secretary.

(c) The sum of \$500,000 is appropriated to the Secretary of Administration for allocation across State Government for security improvements as determined by the Secretary. The Secretary shall develop site-specific workplace security and risk reduction plans for State office buildings. These plans shall enhance security through improved workplace management practices, employee training, and building security improvements, including parking lots. The Secretary shall report to the Joint Fiscal Committee in September 2016 on the status of these plans and the uses of this appropriation and potential need for adjustment to this appropriation in the fiscal year 2017 budget adjustment process.

EXPLANATION: One-time appropriation to the Secretary of Administration to make targeted security improvements.

HOUSE CHANGE: The House eliminated the operating funding for the Secretary of Administration to make security improvements. The \$1M appropriated in the Capital Bill Remains. (SW)

SENATE CHANGE: (SW) Senate restored \$500k of the \$1M in the Governor's recommended budget for improving security at state facilities. They're requiring a report in September on the progress and the plan.

(d) ~~(c)~~ The sum of \$350,000 of general funds is appropriated to the Department of Taxes for the purchase and implementation of Tax IT security system.

EXPLANATION: One-time appropriation to the Department of Taxes to provide monitoring software for the new ITS system. Will bring the new system into compliance with IRS safeguard standards.

SENATE CHANGE: (SW) The Legislature directed Tax to utilize their Computer and Modernization Fund money to pay for the one-time security costs.

(e) \$101,000 of general funds is appropriated to the Judiciary for the state-wide implementation of video arraignments.

EXPLANATION: One-time appropriation to the Judiciary to continue the implementation of the Video Arraignment program.

HOUSE CHANGE: The House removed the funding for Video Arraignments.

(d) The sum of \$140,000 is appropriated to the Secretary of Administration to support the Dr. Dynasaur expansion study and report pursuant to Sec. C. 100 of this act.

HOUSE CHANGE: Study for the expansion of Dr. Dynasaur Program to cover a wider demographic. (KM)

SENATE CHANGE: Expansion study removed from bill. (KM)

(d) The sum of \$135,000 is appropriated to the Secretary of Administration in the first quarter of fiscal year 2017 for a grant to the Vermont Law School Legal Clinic to support its legal services program and strengthen its services in domestic violence and veterans-related issues.

CONFERENCE CHANGE: One time funding for Vermont Law School for their legal clinic.

(e) The sum of \$100,000 is appropriated to the Secretary of Administration for transfer as needed to the Secretary of Human Services to support Dr. Dynasaur expansion study and report pursuant to Sec. C.112 of this act. Up to \$50,000 in donations or grant funds may be used to support this study. Any donations or grant funds shall be deposited into the general fund. These amounts shall be matched through Global Commitment managed care investments up to a total of \$329,000.

CONFERENCE CHANGE: Funds expansion study, adds/defines funding sources, limits scope bases on study in Sec. C.112. (KM)

Sec. B.1102 FISCAL YEAR 2017; ONE-TIME GENERAL FUND APPROPRIATION; HOMELESSNESS STUDY; REPORT

(a) The sum of \$40,000 is appropriated to the Department for Children and Families for a homelessness study. This appropriation represents funding for partial cost of the study and the remaining funding shall be provided by partner organizations.

(1) The Commissioner shall contract with a nationally recognized organization with expertise in analyzing homelessness expenditures to conduct a comprehensive analysis of current State expenditures on homelessness. The analysis shall also examine savings in other program expenditures resulting from the provision of homelessness services, including savings in health care expenditures. The analysis shall also include a comprehensive plan for substantially reducing homelessness in Vermont, including necessary strategic investments.

(2) On or before January 15, 2017, the Commissioner shall submit this report to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and Health and Welfare.

HOUSE CHANGE: To study of the impacts of homelessness (i.e. health care). AHS CO requested report be designated to CO rather than DCF. (KM)

SENATE CHANGE: Homelessness Study removed from Big Bill. (KM)

Sec. B.1102 FISCAL YEAR 2017; ONE-TIME GENERAL FUND APPROPRIATION; HOMELESSNESS STUDY; REPORT

(a) The sum of \$40,000 is appropriated to the Agency of Human Services, Secretary's Office for a homelessness study with the following goals in mind: a comprehensive and actionable roadmap to reduce homelessness, technical assistance to State agencies and community housing and homeless service providers, and training on best practices for housing and human services collaboration. This appropriation represents funding for partial cost of this work and the remaining funding shall be provided by partner organizations.

(1) In partnership with the partner organizations, the Secretary shall contract with a nationally recognized organization with expertise in analyzing homelessness expenditures to conduct a comprehensive analysis of current State expenditures on homelessness. The analysis also shall examine savings in other program expenditures resulting from the provision of homelessness services, including savings in health care expenditures. The analysis shall also include a comprehensive plan for substantially reducing homelessness in Vermont, including necessary strategic investments and concrete recommendations for implementation with benchmarks to measure progress. The contractor shall further provide technical assistance to State agencies and community housing and homeless service providers in implementing the roadmap to reduce homelessness. The technical assistance shall include training on best practices for housing and human services collaboration.

(2) On or before January 15, 2017, the Secretary shall submit this report and recommendations to the House Committees on Appropriations, on Health Care, on Housing, General and Military Affairs, and on Human Services and to the Senate Committees on Appropriations, on Health and Welfare, and on Economic Development, Housing and General Affairs.

CONFERENCE CHANGE: Funds Homelessness Study through AHS-CO, report due 1/15/2017. (KM)

Sec. B.1103 SECURITY PLAN AND FUNDING

(a) The Secretary of Administration shall develop site specific workplace security and risk reduction plans for State office buildings. These plans shall enhance security through improved workplace management practices, employee training, and building security improvements, including parking lots.

(b) The funds necessary to carry out these plans shall be requested as part of the fiscal year 2017 budget adjustment process.

Sec. B. 1103 RISK MANAGEMENT SAVINGS

(a) The Commissioner of Finance and Management The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund Expenditures by for a total of \$500,000 due to savings generated from improved risk management processes which are underway in the administration of workers compensation insurance the State's risk management programs.

HOUSE CHANGE: SOA report required on security needs and appropriations to be made, if possible in BAA.

SENATE CHANGE: (SW) The Senate is booking the expected \$500k of savings from outsourcing Risk Management.

CONFERENCE CHANGE: Technical changes to language surrounding the Administrative changes being considered and implemented at the Division of Risk Management.

Sec. B.1104 FISCAL YEAR 2017 ONE-TIME 53RD WEEK OF MEDICAID COST FUNDING

(a) In fiscal year 2017, \$10,300,000 ~~\$7,606,911~~ \$5,287,519 of General Fund is appropriated to the Agency of Administration for transfer to the Agency of Human Services Global Commitment upon determination of the Commissioner of Finance and Management of the amount necessary to fund the 53rd week of Medicaid expenditures. Any remaining general fund from this appropriation shall be placed in the 27/53 Reserve established as 32 V.S.A. Sec. 308e by Sec. B.1107 B.1105 of

this act. As provided by 32 V.S.A. § 511, the Commissioner of Finance and Management may approve expenditures of Global Commitment and federal Funds for the 53rd week of Medicaid.

(b) The Commissioner of Finance and Management shall report to the Joint Fiscal Committee in July 2016 on the status of funds appropriated in this section.

EXPLANATION: One-time appropriation to the Agency of Administration to be transferred to the Agency of Human Services to cover costs associated with the 53rd week of Medicaid expenditures.

HOUSE CHANGE: House reduced the amount needed in FY 2017 for the 53rd week based on additional available funding in 2016. Additional funds from the additional provider tax in FY 2016.

SENATE CHANGE: Updated amount based on additional funds available in FY 2016

Sec. B.1105 32 V.S.A. § 308e is added to read:

§ 308e. 27/53 Reserve

(a)(1) There is hereby created within the General Fund a 27/53 Reserve. The purpose of this reserve is to meet the liabilities of the reoccurring 27th State payroll and the 53rd week of Medicaid payments. These liabilities will be funded by reserving a prorated amount of general funds each year, before the liability comes due.

(2) Annually at the Beginning in September, 2016 and annually thereafter at the September Joint Fiscal Committee meeting, the Commissioner of Finance and Management ~~will~~ shall report on the anticipated liability for the next 27th payroll and 53rd week of Medicaid Payments, providing the current reserve balance and a schedule of annual amounts needed to meet the obligation of these payments.

(b) At the end of the fiscal year, after satisfying the requirements of section 308 of this title and before meeting the requirements of 308c of this title, the Commissioner of Finance and Management will reserve funds in the 27/53 reserve based on the schedule presented to Joint Fiscal Committee at its prior September meeting.

(b) As part of the Governor's budget submission under section 306 of this title, the amount prorated for the upcoming fiscal year identified in subdivision (a)(2) of this section shall be included as an appropriation and transferred a budgeted transfer to the 27/53 Reserve.

(c) In a fiscal year where a 27th State payroll or 53rd week of Medicaid payment is due, the General Assembly shall appropriate the funds from the 27/53 Reserve to meet the expenditures within the year that these payments are due.

EXPLANATION: Establishes a reserve within the General Fund specifically for future liabilities associated with the 53rd week of Medicaid payments and the 27th State payroll.

HOUSE CHANGE: cleaned up the language to require appropriation and transfer to the 27/53 reserve.

SENATE CHANGE: Updated the language to require a transfer in the governor's recommended budget to the 27/53 reserve.

Sec. B.1106 SECRETARY OF ADMINISTRATION; FISCAL YEAR 2017 EXEMPT PERSONNEL COST SAVINGS AND EXEMPT POSITIONS

(a) The Secretary of Administration shall identify exempt positions within the Executive Branch to be eliminated. The Secretary may consider the legal services evaluation report required by Sec.E.100.6 of this act, the agencies and departments that have experienced the greatest growth in

exempt positions since 2011, the level of State funding associated with the position, the length of time a position has been in existence, and the ongoing need for the position within the agency. The Secretary shall report the exempt positions identified for elimination to the Joint Fiscal Committee in November 2016. The administration shall indicate which exempt positions require statutory change for elimination. As of January 7, 2017 all exempt positions identified for elimination that do not require statutory change are abolished.

(b) The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund for a total of \$500,000\$550,000 for savings associated with position abolished in subsection (a) and shall include the appropriation reductions and transfers in the report to the Joint Fiscal Committee in November 2016.

SENATE CHANGE: Language instructing the Secretary of Administration to identify exempt positions for elimination or reduction.

Sec. B.1107 APPROPRIATION FOR AGENCY OF HEALTH CARE ADMINISTRATION AND AGENCY OF HUMAN SERVICES RESTRUCTURE

(a) In fiscal year 2017 the sum of \$450,000 is appropriated to the Agency of Administration from the General Fund to be transferred to the Agency of Human Services as needed for costs associated with the transition and restructuring of the Agency of Human Services into an Agency of Health Care Administration and an Agency of Human Services as described in S.107 of 2016. Costs may include contracts for finance, accounting, federal funding and organization and operational restructuring consulting as needed.

SENATE CHANGE: Appropriation for costs associated with the Restructuring for AHS.

Sec. B.1107 FISCAL YEAR 2017 APPROPRIATED RESERVE

(a) It is the intent of the General Assembly that the funds appropriated in this section shall be available to address contingent expenditure needs or potential revenue risks in fiscal year 2017.

(b) \$1,200,000 in general funds is appropriated to the Secretary of administration to be reserved for expenditures or other actions subject to approval by the Joint Fiscal Committee, including the following:

(1) offsetting revenue shortfalls due to a revenue downgrade;

(2) funding Emergency Board-authorized expenditures, including:

(A) for Green Mountain Care Board implementation costs for the all payer waiver; or

(B) funding needs of the LIHEAP program.

(c) Any remaining funds not approved for expenditure by December 15, 2016 shall be available for the fiscal year 2017 budget adjustment process.

CONFERENCE CHANGE: One-time appropriation of \$1.2M to be used in the event of a Revenue downgrade in FY 2017 or to be used to cover emergency expenditures associated with the All Payer Model or LIHEAP.

Sec. C. 100 DR. DYNASAUR EXPANSION STUDY; REPORT

(a) the Secretary of Administration shall analyze the financial implications of expanding Dr. Dynasaur, the State's children's Medicaid and Children's Health Insurance Program, to all Vermont residents up to 26 years of age. The Secretary may contract with other individuals and entities as

needed to provided actuarial services, economic modeling, and any other assistance the Secretary requires in carrying out the analysis described in this act.

(b)(1) Estimated program costs shall include the cost of coverage, one-time and ongoing operating costs, administrative costs, and reserves or reinsurance to the extent they are deemed advisable.

(2) The cost estimates shall be for a period of five years beginning on January 1, 2019 and shall assume a reasonable rate of health care spending growth.

(3) Estimated costs shall be offset by any cost reductions to the State government spending and by any avoided State or federal tax liability that the State of Vermont would otherwise incur as an employer.

(4) The cost estimates shall include an analysis of any cost increases or reductions anticipated for municipalities and school districts, including impacts on projected education spending.

(5) The cost estimates shall project increasing provider reimbursement rates at regular intervals form 100 percent of Medicare rates up to commercial rates. Medicare and commercial rates shall be determined based on claims data from the Vermont's all-payer claims database.

(c)(1) On or before January 15, 2017, the Secretary shall submit a report to the House Committees on Health Care, on Appropriations, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance comprising its analysis of the costs of expanding Dr. Dynasaur to all Vermont residents up to 26 years of age and potential plans for financing the expansion. The financing plans shall be consistent with the principles of equity expressed in 18 V.S.A § 9371(11), which states that financing of health care in Vermont must be sufficient, fair, predictable, transparent, sustainable, and shared equitably. In developing the financing plans, the Secretary shall consider the following:

(A) all current sources of funding for State government, including taxes, fees, and assessments;

(B) existing health care revenue sources, including the claims tax, levied pursuant to 32 V.S.A. chapter 243, the provider assessment imposed pursuant to 33 V.S.A. chapter 19, subchapter 2, and the employer assessment required pursuant to 21 V.S.A. chapter 25 to determine whether they are suitable for preservation or expansion to fund the program expansion;

(C) new revenue sources such as a payroll tax, gross receipts tax, or business enterprise tax, or a combination of them;

(D) expansion or reform of existing taxes;

(E) opportunities and challenges presented by federal law, including the Internal Revenue Code; Section 1332 of the Patient Protection and Affordable Care Act, Pub.L.No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub.L.No. 111-152; and Titles XIX (Medicaid) and XXI (SCHIP) of the Social Security Act, and by State tax law; and

(F) anticipated federal funds that may be used for health care services, including consideration of methods to maximize receipt of federal funds available for this purpose.

(2) The Secretary's report shall also include information on the impacts of the coverage and proposed tax changes on individuals, households, businesses, public sector entities, and the nonprofit community, including the migration of coverage, insurance market impacts, financial impacts, federal tax implications, and other economic effects. The impact assessment shall cover the same five-year period as the cost estimates.

(d)(1) Agencies, departments, board, and similar units of State government, including the Agency of Human Services, Department of Financial Regulation, Department of Labor, Director of Health Care Reform, and Green Mountain Care Board shall provide information and assistance requested by the Secretary and its contractors to enable them to conduct the analysis required by this act.

(2) To the extent necessary to conduct the analysis required by this act, a health insurer licensed to do business in Vermont shall provide any information request by the Secretary or its contracts within 30 days of the request. The Secretary may enter into a confidentiality agreement with an insurer if the data requested includes personal health information or other confidential material.

HOUSE CHANGE: Study to expand Dr. Dynasaur Program to a wider demographic. (KM)

SENATE CHANGE: Study to expand Dr. Dynasaur Program removed. (KM)

Sec. C.100 2015 Acts and Resolves No. 58, Sec. B.1117, is amended to read:

Sec. B.1117 PSAP; TRANSITION FUNDING

(a) In addition to the PSAP funding in Sec. B.235 of this act, in fiscal year 2016, \$425,000 of ~~E-911 funds~~ Vermont Universal Service Funds held by the fiscal agent under 30 V.S.A. chapter 88 is transferred to the E-911 Special Fund is appropriated to the Department of Public Safety for the purposes of Sec. E.208.1 of this act.

SENATE CHANGE: Language added to clarify prior year language regarding the source of funding. Will need an update in conference committee. (DB)

CONFERENCE CHANGE: Update to language passed last year that transfers funds from the Universal Services Fund to the E-911 special funds to cover one-time costs at DPS. (DB)

Sec. C. 101 VERMONT INTERACTIVE TECHNOLOGIES; SURPLUS PROPERTY

(a) Pursuant to 29 V.S.A chapter 59, all property owned by Vermont Interactive Technologies (VIT) that was funded in whole or in part by the State shall be transferred as surplus property to the Department of Buildings and General Services.

(b) Notwithstanding 29 V.S.A. § 1556, on or before June 30, 2016 the Commissioner of Buildings and General Services is authorized to sell any property described in subsection (a) of this section to an elementary school; secondary school; or public, educational, and government (PEG) channel, that was a VIT hosting site, for \$1.00 per item, provided that the Judiciary shall be offered the right to purchase before any other sale.

(c) The VIT Coordinating Council is authorized to use any remaining operating funds to reimburse for damage incurred when property owned by VIT was removed from any school or nonprofit organization that was a VIT hosting site.

HOUSE CHANGE: (SW) This was included to allow BGS the ability to sell VIT equipment back to the host sites. There were concerns during testimony and from members of HAC regarding the removed equipment. Host facilities have a use for the equipment and apparently BGS would like to sell it back to them.

SENATE CHANGE: (SW) Prevents the VIT Council from using any remaining operating funds.

CONFERENCE CHANGE: Gives Judiciary first rights to purchase any leftover VIT equipment.

Sec. C.102 2015 Acts and Resolves No. 58 Sec. B.301, as amended by 2016 Acts and Resolves No. 68, Sec. 13, is further amended to read:

Sec. C.102 VERMONT LAW SCHOOL; LEGAL CLINIC AND SUPPORT

(a) The sum of \$135,000 in general funds is appropriated to the Secretary of Administration for a grant in the last quarter of fiscal year 2016 to the Vermont Law School Legal Clinic to support its legal services programs and strengthen its services in domestic violence and veterans-related issues. **CONFERENCE CHANGE:** One-time appropriation to the Vermont Law School.

Sec. C.102 2015 Acts and Resolves No. 58 Sec. B.300, as amended by 2016 Acts and Resolves No. 68, Sec. 12 is further amended to read:

Sec. B. 300 Human Services – agency of human services – secretary’s office

| | | |
|--------------------|-----------------------|------------|
| Personal services | 16,526,368 | 16,526,368 |
| Operating expenses | 3,860,717 | 3,860,717 |
| Grants | 3,226,454 | 3,361,454 |
| Total | 23,613,539 | 23,748,539 |

Source of funds

| | | |
|-----------------------------|-----------------------|----------------------|
| General funds | 6,270,162 | 6,405,162 |
| Special funds | 91,017 | 91,017 |
| Tobacco funds | 25,000 | 25,000 |
| Federal funds | 12,290,508 | 12,290,508 |
| Global commitment funds | 297,616 | 297,616 |
| Interdepartmental transfers | 4,639,236 | 4,639,236 |
| Total | 23,613,539 | 23,748,539 |

SENATE CHANGE: Added VLS grant to AHS CO(KM).

CONFERENCE CHANGE: Grant to VLS removed from AHSCO appropriation and Shifted to one-time AOA appropriation.

Sec. ~~C.102~~ C.103 2015 Acts and Resolves No. 58 Sec. B.301, as amended by 2016 Acts and Resolves No. 68, Sec. 13 is further amended to read:

Sec. B. 301 Secretary's office – global commitment

| | | |
|----------------------------------|------------------------|----------------------|
| Operating expenses | 7,884,268 | 7,884,268 |
| Grants | <u>1,434,250,041</u> | <u>1,434,250,041</u> |
| Total | 1,442,134,309 | 1,442,134,309 |
| Source of funds | | |
| General fund | 217,281,414 | 215,042,009 |
| General fund | 217,281,414 | 213,542,009 |
| Special funds | 27,899,279 | 27,899,279 |
| Tobacco fund | 28,079,458 | 28,079,458 |
| Tobacco fund | 28,079,458 | 29,579,458 |
| State health care resources fund | 282,705,968 | 284,945,373 |
| Federal funds | 886,128,190 | 886,128,190 |
| Interdepartmental transfers | 40,000 | 40,000 |
| Total | 1,442,134,309 | 1,442,134,309 |

HOUSE CHANGE: Updated to reflect additional SHCRF available to be used for regular Medicaid, GF drops to bottom line on OS for 53rd week.

CONFERENCE CHANGE: Updated to reflect additional Tobacco Master Settlement funds available in FY 2016 for the 53rd week. (EB)

Sec. C.103 C.104 2015 Acts and Resolves No. 58 Sec. B.346, as amended by 2016 Acts and Resolves No. 68, Sec. 36 is further amended to read:

Sec. B. 346 Total human services

Source of funds

| | | |
|----------------------------------|---------------|---------------|
| General fund | 677,913,668 | 675,674,263 |
| General fund | 677,913,688 | 675,809,263 |
| General fund | 677,913,688 | 674,309,263 |
| Special funds | 97,129,681 | 97,129,681 |
| Tobacco fund | 31,952,069 | 31,952,069 |
| Tobacco fund | 31,952,069 | 33,452,069 |
| State health care resources fund | 282,705,968 | 284,945,373 |
| Education fund | 3,886,204 | 3,886,204 |
| Federal funds | 1,388,932,032 | 1,388,932,032 |
| Global commitment fund | 1,379,045,585 | 1,379,045,585 |
| Internal service fund | 1,816,195 | 1,816,195 |
| Interdepartmental transfers | 34,112,598 | 34,112,598 |
| Permanent trust funds | 25,000 | 25,000 |
| Total | 3,897,519,000 | 3,897,519,000 |

HOUSE CHANGE: updated totals to reflect change

SENATE CHANGE: updated to reflect total changes

CONFERENCE CHANGE: Updated to reflect additional Tobacco Master Settlement funds available in FY 2016 for the 53rd week.

Sec. C.105 2015 Acts and Resolves No. 58 Sec. B.505, is amended to read:

Sec. B. 505 Education – adjusted education payment

| | | |
|--------|----------------------|----------------------|
| Grants | <u>1,289,600,000</u> | <u>1,290,470,000</u> |
| Total | <u>1,289,600,000</u> | <u>1,290,470,000</u> |

Source of funds

| | | |
|----------------|----------------------|----------------------|
| Education fund | <u>1,289,600,000</u> | <u>1,290,470,000</u> |
| Total | <u>1,289,600,000</u> | <u>1,290,470,000</u> |

SENATE CHANGE: (SW) Addition of \$870k, likely due to changes in estimates for education spending and partially due to increased activity for Act 46 consolidation grants.

Sec. C.106 2015 Acts and Resolves No. 58 Sec. B.516, is amended to read:

Sec. B. 516 Total general education

Source of funds

| | | |
|-----------------------------|----------------------|----------------------|
| General funds | 401,590,419 | 401,590,419 |
| Special funds | 20,407,726 | 20,407,726 |
| Tobacco funds | 766,541 | 766,541 |
| Education fund | <u>1,537,744,842</u> | <u>1,538,614,842</u> |
| Federal funds | 128,546,812 | 128,546,812 |
| Global commitment fund | 938,187 | 938,187 |
| Interdepartmental transfers | 1,265,933 | 1,265,933 |
| Permanent trust funds | <u>9,304,818</u> | <u>9,304,818</u> |
| Total | <u>2,100,565,278</u> | <u>2,101,435,278</u> |

SENATE CHANGE: (SW) This change adds up to the \$870k change from Sec. B.505.

Sec. C.107 2015 Acts and Resolves No. 58 Sec. B.905, as amended by 2016 Acts and Resolves No. 68, Sec. 42 is further amended to read:

Sec. B. 905 Transportation – maintenance state system

| | | |
|--------------------|-------------------|-------------------|
| Personal services | 43,784,445 | 43,784,445 |
| Operating expenses | 42,482,222 | 42,457,222 |
| Grants | <u>95,000</u> | <u>95,000</u> |
| Total | <u>86,361,667</u> | <u>86,336,667</u> |

Source of funds

| | | |
|-----------------------------|-------------------|-------------------|
| Transportation funds | 81,761,530 | 81,736,530 |
| Federal funds | 4,500,137 | 4,500,137 |
| Interdepartmental transfers | <u>100,000</u> | <u>100,000</u> |
| Total | <u>86,361,667</u> | <u>86,336,667</u> |

SENATE CHANGE: (JA) FY 2016 Maintenance appropriation was reduced by \$25K to make available \$25K for the new special fund and grant appropriation added to DMV for ignition interlock pilot.

CONFERENCE CHANGE: Removed the \$25K reduction to FY 2016 Maintenance because Conference also eliminated the \$25K new FY 2017 special fund and grant appropriation added by the Senate to DMV for ignition interlock pilot. (JA).

Sec. C.108 2015 Acts and Resolves No. 58 Sec. B.922, as amended by 2016 Acts and Resolves No. 68, Sec.50 is further amended to read:

Sec. B. 922 Total transportation

Source of funds

| | | |
|-----------------------------|-------------|-------------|
| Transportation funds | 238,432,697 | 238,407,697 |
| TIB funds | 13,512,498 | 13,512,498 |
| Special funds | 1,990,000 | 1,990,000 |
| Federal funds | 345,005,346 | 345,005,346 |
| Internal service fund | 19,601,643 | 19,601,643 |
| Interdepartmental transfers | 130,000 | 130,000 |
| Local match | 2,574,285 | 2,574,285 |
| Total | 621,246,469 | 621,221,469 |

SENATE CHANGE: (JA) \$25K new special fund and grant appropriation added to DMV for ignition interlock pilot.

CONFERENCE CHANGE: Removed \$25K new special fund and grant appropriation added by the Senate to DMV for ignition interlock pilot. (JA).

Sec. C. 104 C.109 C.107 2016 Acts and Resolves No. 68, Sec. 53 is amended to read:

Sec. 53. FUND TRANSFERS

(a) Notwithstanding any provisions of law to the contrary, in fiscal year 2016:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

| | | |
|-------|--|----------------------------------|
| 21638 | AG – Fees & Reimbursements – Court Order | 3,383,514.00 |
| 22005 | AHS Central Office earned federal receipts | 16,216,290.00 |
| 50300 | Liquor Control Fund | 1,080,623.00 |
| 62100 | Unclaimed Property | <u>2,799,843.00</u> 3,074,843.00 |
| 21405 | Bond Investment Earnings Fund | 33,273.00 |
| 21928 | Secretary of State Services Fund | 1,636,419.00 |
| 21698 | Public Service Department – Regulation/Energy Efficiency | 134,946.00 |
| 21709 | Public Service Board – Special Funds | 75,426.00 |
| 21944 | Vermont Enterprise Fund | 1,424,697.00 |
| | Caledonia Fair | 5,000.00 |
| | North Country Hospital Loan | 24,250.00 |
| 21678 | <u>Mosquito Control Fund</u> | <u>142,000.00</u> |

HOUSE CHANGE: Added direct apps for Mosquito control fund and increased the unclaimed property reversion.

Sec. C. 105 C.110 C.108 2016 Acts and Resolves No. 68, Sec. 54 is amended to read:

Sec. 54. REVERSIONS

(a) Notwithstanding any provisions of law to the contrary, in fiscal year 2016:

(1) The following amounts shall revert to the General Fund from the accounts indicated:

| | | |
|------------|--|--------------|
| 1100891301 | Secretary of Administration – Independent Review of the Vermont Veterans’ Home | 20,000.00 |
| 1140070000 | Use Tax Reimbursement Program | 302.39 |
| 1140330000 | Renter Rebates | 150,000.00 |
| 1240001000 | Lieutenant Governor’s Office | 10,333.64 |
| 1250010000 | State Auditor’s Office | 43,585.00 |
| 6120890802 | FW-Non-Motorized Boat Access | 2,769.34 |
| 3330010000 | Green Mountain Care Board | 36,684.00 |
| 3330010000 | Green Mountain Care Board | 146,004.00 |
| 1260010000 | State Treasurer | 115,000.00 |
| 3400891102 | Agency of Human Services – replace legacy Technology | 1,900,000.00 |

HOUSE CHANGE: Added reversion from GMCB

SENATE CHANGE: Additional reversions for FY 2016 based on updates in the availability of funds.

Sec. **C.111** C.109 2016 Acts and Resolves No. 68, Sec.55a is amended to read:

Sec. 55a. FISCAL YEAR 2016 CONTINGENT GENERAL FUND APPROPRIATIONS

(a) In fiscal year 2016, to the extent that the Commissioner of Finance and Management determines that General Fund revenues exceed the 2016 official revenue forecast and other fund receipts assumed for all previously authorized fiscal year 2016 appropriations and transfers necessary to ensure the stabilization reserve is at its maximum authorized level under 32 V.S.A. § 308, ~~\$10,300,000~~ the first ~~\$12,803,500~~ \$12,000,000 is appropriated to the Agency of Administration in the following order:

(1) First, up to \$10,300,000 for transfer to the Agency of Human Services for Global Commitment upon determination of the Commissioner of Finance and Management of the amount necessary to fund the 53rd week of Medicaid expenditures–based on fiscal year 2016 end of the year Medicaid program closeout;

(2) Second, \$1,700,000 for transfer to the Department for Children and Families to provide low-income home energy assistance during the 2016-2017 heating season at a level not to exceed the estimated purchasing power of the average low-income home energy benefit provided during the 2015-2016 heating season;

(3) Finally, \$803,500 for transfer to the Department of Vermont Health Access for the most recently revised Medicare Part D Clawback payment.

(4)(3) Any funds ~~remaining from this \$10,300,000 appropriation after this 53rd week payment~~ not used from the appropriation in subsection (a) shall revert to the General Fund and be distributed in accordance with the provisions of the same manner as prescribed in 32 V.S.A. § 308c(a).

* * *

SENATE CHANGE: Updated end of FY 2016 contingent appropriations to allow for transfer funds to the 53rd week of Medicaid, for LIHEAP, and for Clawback.

CONFERENCE CHANGE: Funds for Clawback removed from contingent appropriation language and covered through base appropriation change.

Sec. **C.112** **C.110** TRANSPORTATION PROGRAM DEVELOPMENT; FISCAL YEAR 2017
CONTINGENT APPROPRIATION

(a) As used in this section:

(1) “Transportation Fund balance” means a positive balance of unreserved monies remaining in the Transportation Fund at the end of fiscal year 2016.

(2) “TIB Fund balance” means a positive balance of unreserved monies remaining in the Transportation Infrastructure Bond Fund at the end of fiscal year 2016.

(b) Subject to the funding of the Transportation Fund Stabilization Reserve in accordance with 32 V.S.A. § 308a and to the limitations of 19 V.S.A. § 11f (Transportation Infrastructure Bond Fund), and notwithstanding 32 V.S.A. § 308c (Transportation Fund Balance Reserve), if a Transportation Fund balance, TIB Fund balance, or balance in both funds exists at the end of fiscal year 2016, the appropriations in Sec. **B.903** of this act shall be increased to the extent of the balance or balances, up to a total of ~~\$1,594,040.00~~ **\$1,194,573** in Transportation Funds or TIB funds, and by up to ~~\$6,376,160.00~~ **\$4,778,292** in matching federal funds.

SENATE CHANGE: Values to match the Senate program development changes made to fund \$1.3M of police cars.

CONFERENCE CHANGE: (JA). This contingent appropriation would replace up to the amount taken from Program Development to fund \$900K for police cars and \$400K for Town Highway Class 2 Roads, net of changes to the AOT fee bill. This section ties to Section 2(c)(2) of the Transportation Bill.

Sec. **C.113** **C.111** AUTHORIZATION FOR VERMONT STUDENT ASSISTANCE CORPORATION; REALLOCATION OF FUNDS

(a) Notwithstanding anything to the contrary in 2015 Acts and Resolves No. 58, Sec. E.605.1, and Secs. B.1100(a)(3)(C) and E.505(a)(1) of this act, the Vermont Student Assistance Corporation may, in fiscal year 2016, reallocate up to \$10,000 of funds allocated for dual enrollment for the needs-based stipend to fund a stipend for eligible dual enrollment for spring and summer classes.

* * *

SENATE CHANGE: Technical Change to reflect the correct references.

Sec. **C.112** DR. DYNASAUR EXPANSION STUDY; REPORT

(a) The Secretary of Administration shall analyze the financial implications of expanding Dr. Dynasaur, the State’s children’s Medicaid and Children’s Health Insurance Program, to all Vermont residents up to 26 years of age. The Secretary may contract with other individuals and entities as needed to provide actuarial services, economic modeling, and any other assistance the Secretary requires in carrying out the analysis described in this act.

(b)(1) Estimated program costs shall include the cost of coverage, one-time and ongoing operating costs, administrative costs, and reserves or reinsurance to the extent they are deemed advisable.

(2) The cost estimates shall be for a period of five years beginning on January 1, 2019, and shall assume a reasonable rate of health care spending growth.

(3) Estimated costs shall be offset by any cost reductions to State government spending and by any avoided State or federal tax liability that the State of Vermont would otherwise incur as an employer.

(4) The cost estimates shall include an analysis of any cost increases or reductions anticipated for municipalities and school districts, including impacts on projected education spending.

(5) The cost estimates shall project increasing provider reimbursement rates at regular intervals from 100 percent of Medicare rates up to commercial rates. Medicare and commercial rates shall be determined based on claims data from the Vermont's all-payer claims database.

(6) The cost estimates shall include the short-term and long-term impacts on both State revenues and State services. The revenue analysis shall include the direct and indirect impact on State revenues. The analysis on State services shall include examining the impact on State resources available for other public programs and services.

(c)(1) On or before January 15, 2017, the Secretary shall submit a report to the House Committees on Health Care, on Appropriations, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance comprising its analysis of the costs of expanding Dr. Dynasaur to all Vermont residents up to 26 years of age and potential plans for financing the expansion. The financing plans shall be consistent with the principles of equity expressed in 18 V.S.A. § 9371(11), which states that financing of health care in Vermont must be sufficient, fair, predictable, transparent, sustainable, and shared equitably. In developing the financing plans, the Secretary shall consider the following:

(A) all current sources of funding for State government, including taxes, fees, and assessments;

(B) existing health care revenue sources, including the claims tax levied pursuant to 32 V.S.A. chapter 243, the provider assessments imposed pursuant to 33 V.S.A. chapter 19, subchapter 2, and the employer assessment required pursuant to 21 V.S.A. chapter 25 to determine whether they are suitable for preservation or expansion to fund the program expansion;

(C) new revenue sources such as a payroll tax, gross receipts tax, or business enterprise tax, or a combination of them;

(D) expansion or reform of existing taxes;

(E) opportunities and challenges presented by federal law, including the Internal Revenue Code; Section 1332 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and Titles XIX (Medicaid) and XXI (SCHIP) of the Social Security Act, and by State tax law; and

(F) anticipated federal funds that may be used for health care services, including consideration of methods to maximize receipt of federal funds available for this purpose.

(2) The Secretary's report also shall include information on the impacts of the coverage and proposed tax changes on individuals, households, businesses, public sector entities, and the nonprofit

community, including migration of coverage, insurance market impacts, financial impacts, federal tax implications, and other economic effects. The impact assessment shall cover the same five-year period as the cost estimates.

(d)(1) Agencies, departments, boards, and similar units of State government, including the Agency of Human Services, Department of Financial Regulation, Department of Labor, Director of Health Care Reform, and Green Mountain Care Board shall provide information and assistance requested by the Secretary and its contractors to enable them to conduct the analysis required by this act.

(2) To the extent necessary to conduct the analysis required by this section, a health insurer licensed to do business in Vermont shall provide any information requested by the Secretary or its contractors within 30 days of the request. The Secretary may enter into a confidentiality agreement with an insurer if the data requested include personal health information or other confidential material.

(3) In the event that funds are not available to support a \$140,000 State share of the cost of the study, the Secretary of Administration is not required to meet all of the study requirements; however, the Secretary shall be required to accomplish as much of the study as is financially feasible.

CONFERENCE CHANGE: Details of Dr. Dynasaur expansion study outlined here, language included recognizing availability of funding and ability to accomplish identified analysis. (KM)

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

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

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

(2) The sum of \$11,304,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above \$11,304,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

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

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

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

(C) \$378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information.

EXPLANATION: The 1/19/2016 consensus FY 2017 revenue forecast of \$39.5m for the Property Transfer Tax (PTT) is being allocated as follows: The Department of Taxes will receive \$518K for property valuation and review administrative costs (including computerization of the current use program). The VHCT will receive \$11,304,840 in PTT revenue to maintain level funding over FY 2016. The appropriation from the Municipal & Regional Planning Fund is \$3,760,599, which maintains level funding for the appropriations to Regional Planning Commissions and Municipal Planning Commissions from FY 2016 funding levels. The appropriation to Geographic Information Systems is level funded from FY 2016.

Sec. D.100.1 2011 Acts and Resolves No. 45, Sec. 37(10) is amended to read:

(10) Sec. 35 (repeal of the allocation of property transfer tax revenue) shall take effect on July 1, 2016 2017.

HOUSE CHANGE: Delays statutory change decreasing the allowance for PVR Admin costs from 2% to 1%.

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

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

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$4,868,000 ~~\$2,904,900~~ \$2,909,900.

EXPLANATION: Transfer funds to the Next Generation to continue prior year programs and begin funding the college savings program and the step up program.

HOUSE CHANGE: (SW) Transfer reduced to match appropriations.

SENATE CHANGE: (SW) Updates the transfer of GF to Next Gen. to include the \$5,000 for Dual Enrollment stipends.

(2) From the General Fund to the Vermont Enterprise Fund established by 2104 Acts and Resolves No. 179 Sec. E.100.5, as amended by 2015 Acts and Resolves No.51, Sec. G.11: \$500,000.

EXPLANATION: Transfer to the Enterprise Fund.

HOUSE CHANGE: Governor's proposed transfer to the enterprise fund not included in the house budget.

(3)(2) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. §4803: ~~\$1,975,000~~ \$1,943,000.

EXPLANATION: Transfer from the Clean Water Fund to the Agricultural Water Quality Special Fund.

SENATE CHANGE: (JA) This reduction was part of the reductions to CWF appropriations made at Administration request to adhere to the lower CWF revenue estimate issued by the Tax Department in March.

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

EXPLANATION: Standard annual transfer to support the program at the Agency of Commerce and Community Development.

~~(5)~~(4) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. Sec. § 951a for the purpose of funding fiscal year 2018 transportation infrastructure bonds debt service: \$2,503,738.

EXPLANATION: This transfer funds the pre-payment of FY18's TIB debt service. The terms of the TIB do not allow the use of TIB revenues on a pay-go basis until the debt service is reserved; this pre-payment allows pay-go revenues to be expended on projects beginning July 1, 2017. Last year's big bill had a similar transfer to fund FY17 TIB debt service.

(5) From the Evidence Based Education and Advertising Fund established by 33 V.S.A. § 2004a to the General Fund, notwithstanding any law to the contrary, the first \$500,000 of any cigarette tax receipts above the amount adopted in the forecast within the State Health Care Resources Fund in January 2016 by the emergency board for Fiscal year 2016 shall be deposited in the Evidence Based Education and Advertising Fund: \$1,800,000.

SENATE CHANGE: H.875 as passed by the Senate transfers \$1,800,000 from the Evidence Based Education & Advertising Fund. It also includes a contingent deposit of tobacco tax receipts in the fund. If the contingent deposit does not occur, and FY17 revenue to the fund is less than forecast, the fund could be left with a deficit balance at the end of FY17 (KM).

(6) From the Pesticide Monitoring Fund (#21669) General Fund: \$275,000.

SENATE CHANGE: (DB) One-time transfer - equipment was purchased thru the capital bill.

(7) From the Feed Seeds and Fertilizer Fund (#21668): \$75,000.

SENATE CHANGE: (DB) One-time transfer - equipment was purchased thru the capital bill.

(8) From the Agriculture Laboratory Testing Fund (#21667) General Fund: \$42,594.

SENATE CHANGE: (DB) One-time transfer - equipment was purchased thru the capital bill.

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2016 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. Sec. 435a. shall remain for appropriation in fiscal year 2017.

EXPLANATION: Annual language.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2017 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2017 is not negative shall be transferred in fiscal year 2017 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

EXPLANATION: Annual Language.

Sec. D. 104 FISCAL YEARS 2017 AND 2018 STATE EMPLOYEE CONTRACT FUNDING

(a) As part of the fiscal year appropriations and revenue decisions, this act reserves sufficient monies to fully fund the VSEA contract obligations and related appropriations. It is the intention that specific appropriations and statutory language, once developed, will be incorporated in a specific pay act bill or, if necessary, be added to this Act.

(b) In order to fund the estimated \$24,882,472 fiscal year 2017 total contract cost, \$13,309,670 in federal funds and special funds or excess receipt authority will be combined with the following amounts reserved for appropriation:

(1) General Funds: \$9,522,802.

(2) Transportation Funds: \$1,850,000.

(c) In order to fund the estimated \$29,383,016 fiscal year 2018, total contract cost, \$15,798,760 in federal funds and special funds appropriation or excess receipt authority will be combined with the following amounts to be appropriated in fiscal year 2018:

(1) General Funds: \$11,410,506.

(2) Transportation Funds: \$2,173,750.

SENATE CHANGE: Provides intent to fully fund the pay act (SW) I do not know where this TF number came from. (JA) Shorts pay act by \$200K.

CONFERENCE CHANGE: Intent removed, Pay Act bill included at the end of the Appropriations Act.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions, intended to support the implementation of the All Payer Model is authorized in fiscal year 2017 only if the Centers for Medicaid and Medicare Services (CMS) approves Vermont's Request for a waiver, as follows:

(1) In the Department of Vermont Health Access – one (1) Financial Director and two (2) Financial Manager.

EXPLANATION: Additional positions required to assist with the implementation of expanded provider tax.

HOUSE CHANGE: Removes DVHA position associated with the implementation of the provider tax. GMCB okay with additional restrictions around All Payer Model. (KM)

(2) (1) In the Green Mountain Care Board – one (1) Healthcare Statistical Information Administrator, one (1) Health Facility Senior Auditor & Rate Specialist, and two (2) Reimbursement Analyst.

EXPLANATION: Additional positions required to assist with the implementation of the All Payer Model.

(b) The establishment of the following new permanent exempt positions is authorized in fiscal year 2017 as follows:

(1) In the Office of the Defender General – two (2) Staff Attorney.

EXPLANATION: To help manage additional caseload as a result of increased children in DCF custody.

(2) In the Department of State's Attorneys – four (4) Deputy State's Attorney.

EXPLANATION: To help manage additional caseload as a result of increase children in DCF custody. Only 3.3 FTE are funded in the State's Attorney's Budget.

(3) In the Department of Vermont Health Access – one (1) Attorney.

EXPLANATION: Additional position required to assist with the implementation of an expanded provider tax. Only 0.5 FTE is funded in the DVHA budget.

HOUSE CHANGE: Removed attorney associated with the provider tax implementation.

(c) The conversion of classified limited service positions to classified permanent status is authorized in fiscal year 2016 as follows:

(1) In the Office of the Secretary of State – one (1) Elections Administrator I.

SENATE CHANGE: (DB) The SOS requested this change for the position which was established in 2011, is funded by the Federal Help America to Vote Act (HAVA) and is integral to the Elections Division.

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

Sec. E.100.1 SHIFT DEPARTMENT FOR CHILDREN AND FAMILIES PILOT POSITIONS TO DEPARTMENT OF VERMONT HEALTH ACCESS

(a) Notwithstanding 2014 Acts and Resolves No. 179, Sec. E.100(d)(3), positions at the Department for Children and Families Health Access Eligibility Unit established through the position pilot by 2014 Acts and Resolves No. 179, Sec. E.100(d)(1) shall be transferred to the Department of Vermont Health Access.

EXPLANATION: This language is need to enable the movement of funding for HAEU DCF/DVHA transfer created under the position pilot.

SENATE CHANGE: Removal of this language is strongly opposed by AHS. The transfer has already happened. The Agency feels the positions are appropriately placed in DVHA given VHC MAGI determinations. Transferring the positions back would be disruptive, counterproductive, and could have negative cost implications (KM).

Sec. E.100.1 SHIFT DCF PILOT POSITIONS TO DHVA

(a) Notwithstanding 2014 Acts and Resolves No. 179, Sec. E.100(d)(3), positions at the Department for Children and Families Health Access Eligibility Unit established through the position pilot by 2014 Acts and Resolves No. 179, Sec. E.100(d)(1) shall be transferred to the Department of Vermont Health Access.

CONFERENCE CHANGE: Conference committee shifted HAEU positions to DVHA per Administration's request.

Sec. E.100.2 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, is further amended to read:

(d) Position Pilot Program - A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the ~~Department of Environmental Conservation~~ Agency of Natural Resources, ~~and the Department of Buildings and General Services,~~ the Department of Labor, and the Department of Corrections shall not be subject to the cap on positions for the duration of the Pilot. The Department of Corrections is authorized to add only Correctional Officer I and II positions.

* * *

EXPLANATION: Expansion of the position pilot to include the Agency of Natural Resources and the Department of Corrections. The Agency of Natural Resources and the Department of Corrections are being added as a result of a change in temp hours allowed under the Affordable Care Act. The ACA change limits an individual's temp hours to 1280 for 12 consecutive months. After the temp hours have been exceeded the employer incurs a penalty. To avoid the penalty and maintain continuity of the work force, ANR and DOC are requesting the flexibility to convert and hire temps as funding permits.

The Department of Corrections currently uses a significant amount of overtime and temporary correctional officers to staff the correctional facilities across the state. Giving the DOC the flexibility to hire permanent position through the pilot would reduce the amount of overtime and temporary positions utilized in the Department.

SENATE CHANGE: (SW) Provision adds the department of Labor to the position pilot program and it allows corrections to create correctional officer positions as funding is available. Per the explanation above this will give the state greater flexibility in avoiding potentially severe penalties under the ACA for temp. employees not covered with health insurance and the heftier penalty of crossing the threshold of total % of workforce not covered with insurance.

Sec. E.100.3 Funding for the Office of the Health Care Advocate

(a) Of the funds appropriated in Sec. B.100 of this act, ~~\$1,297,406~~ \$1,457,406 shall be used for the contract with the Office of the Health Care Advocate.

EXPLANATION: Pursuant to 2015 Act 54 Sec 53 (c)

HOUSE CHANGE: GMCB noted that \$510K included in their appropriation, requested that it be attached to AOA; no push back on this so long as there's an MOU making the transfer to AOA. (KM)

Sec. E.100.4 2014 Acts and Resolves No. 179, Sec.100.5, as amended by 2015 Acts and Resolves No. 51, Sec. G.11, is further amended to read:

Sec. E.100.5 VERMONT ENTERPRISE FUND

* * *

(h) This section shall sunset on June 30, 2017 and any remaining balance in the Fund shall be transferred to the General Fund. [Repealed]

EXPLANATION: Removing the sunset on the Enterprise fund so it will continue to exist after June 30, 2017.

HOUSE CHANGE: Was previously done in statute. Not necessary. (EB)

Sec. E.100.4 ADMINISTRATION; PURCHASING AND CONTRACTING REPORT

(a) Pursuant to 3 V.S.A. § 222(a), the Secretary of Administration has issued Bulletin 3.5 establishing the general policy and minimum standards for soliciting, awarding, processing, executing, and overseeing contracts for service, as well as managing contract compliance. This Bulletin shall apply to the procurements of goods, products, and services of all State agencies in the Executive Branch. It is the intent of the General Assembly that the Executive Branch complies with the requirements of Bulletin 3.5. It is also the intent that the State shall streamline its purchasing and contracting services.

(b) The Secretary of Administration, the Commissioner of Building and General Services, and interested stakeholders shall evaluate the State purchasing and contracting process. The evaluation shall include recommendations from the Chief Performance Officer, the Director of the Office of Purchasing and Contracting, the Commissioner of Finance and Management, and the Attorney General. As used in this subsection, “interested stakeholders” includes at least three vendors that regularly contract with the State, at least one Commissioner, and at least one Secretary.

(c) On or before November 15, 2016 the Secretary of Administration and the Commissioner of Building and General Services shall submit a plan for the State’s purchasing and contracting services that will result in improved State services and increased financial savings. The plan shall include recommendations for:

(1) creating a mechanism to enforce uniform compliance with State contracting law and procedures,

(2) achieving cost efficiencies, and

(3) implementing e-procurement and contract management systems.

(d) The plan described in subsection (c) of this section shall be submitted to the House and Senate Committees on Government Operations and on Appropriations, to the House Committee on Corrections and Institutions, and the Senate Committee on Institutions.

HOUSE CHANGE: (SW) Legislatively mandated report on State Purchasing, specifies that Bulletin 3.5 only applies to executive branch. Language presumes that both operational and cost efficiencies can be achieved which could be a stretch in such a small division.

Sec. E.100.5 AUDIT FINDINGS REMEDIATION

(a) The Secretary of Administration shall ensure that within the annual budget documents presented to the legislature, all agencies and departments include a brief description of a remediation plans for any existing or pending audit findings.

HOUSE CHANGE: (JA) House required that departments include in their budget submission a plan for dealing with their audit findings.

SENATE CHANGE: (JA) The Senate removed the House requirement that departments include in their budget submission a plan for dealing with their audit findings.

Sec. E.100.5 FEDERAL SINGLE AUDIT REVIEW

(a) At its July 2016 meeting, the Joint Fiscal Committee shall review the fiscal year 2015 Federal Single Audit. In doing so, the Committee shall consider the following:

- (1) the audit findings of significant deficiencies, particularly those programs where material weaknesses are identified that result in an adverse opinion for the State;
- (2) the Administration's response to such findings;
- (3) any repeat findings which were made;
- (4) specific plans for remediation of any audit deficiencies; and
- (5) any implications for the fiscal year 2016 audit and implications for governmental operations generally.

CONFERENCE CHANGE: Requires Departments to report to JFC on their single audit findings.

Sec. E.100.6 LEGAL SERVICES; EVALUATION; REPORT

(a) The Secretary of Administration shall evaluate the use of State government legal service positions, including general counsels, Assistant Attorneys General, Special Assistant Attorneys General, staff attorneys, and special counsels in the Executive Branch. The evaluation shall include the current number of positions, the change in the number of positions from 2006 to 2016, whether any positions duplicate services, and whether there are efficiencies to be gained by a different structure.

(b) On or before December 1, 2016, the Secretary of Administration shall submit a report based on the evaluation described in subsection (a) of this section to the House and Senate Committees on Appropriations.

HOUSE CHANGE: DHR wants to participate in this statewide evaluation of legal services used by the Executive branch of state government. (DB)

Sec. E.100.6 3 V.S.A. § 2289 is added to read:

3 V.S.A Sec. 2289 Division of Purchasing and Contracting

(a) There is created in the Agency of Administration a Division of Purchasing and Contracting.

(b) In addition to the duties expressly set forth elsewhere by law, the Division of Purchasing and Contracting shall:

(1) Contract for and make all purchases, including but not limited to all fuel, supplies, materials, equipment, software, hardware and certain services for all departments, offices, institutions, and other agencies of the State and counties. However, the Director may delegate authority to those governmental agencies to purchase directly individually approved types and classes of items when the interest of the State is best served thereby. The Division of Purchasing and Contracting shall also contract for and purchase materials for the repair and for the construction and equipment of new buildings to be erected by the State, unless otherwise provided. The Division of Purchasing and Contracting may purchase such fuel, supplies, materials, equipment, software, hardware and certain services as are requisitioned by the supervisors of the natural resources conservation districts. The Division of Purchasing and Contracting may also cooperate with and advise officials of any political subdivision of the State or any institution of higher education chartered in Vermont and accredited or holding a certificate of approval from the State Board of

Education in their purchase of any of the fuel, supplies, materials, equipment, software, hardware and certain services needed by the political subdivision or institution of higher education, and may act as the agent of the political subdivision at the request of the authorized officials or agent thereof in the purchase of supplies, materials, and equipment.

(2) Conduct all competitive procurements for the purchase of services in accordance with policies, bulletins and directives issued by the Secretary of Administration.

(3) When any governmental agency is in need of any of the items mentioned in this 3 V.S.A. 2289, and upon request from the responsible officer to the Secretary of Administration, shall purchase the items by either advertising for bids or by letters of inquiry and the contract for those items shall be awarded to the person whose bid or quotation is in the best interest of the State. Subject to the provisions of subsections (b) and (c) of this section, the Division of Purchasing and Contracting may reject any or all bids or quotations and with the approval of the Secretary of Administration, procure items in such manner as may be in the best interest of the State.

(4) When purchasing any items mentioned in this 3 V.S.A. 2289, shall consider, in the best interest of the State (1) specified quality; (2) price; (3) ease of access of supply; (4) incidental administrative costs; (5) proven reliability of bidder; (6) use of recycled materials or products; (7) minimizing the creation, by the State, of solid waste; (8) the extent to which the usage of the item involves the generation of pollutants; (9) life cycle costs, if required under the State Agency Energy Plan, as implemented; (10) the interests of the State relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the State and the need to maintain and create jobs in the State; and (11) the use of railroads and the increased revenues returning to the State from its railroad leasing program. The Division of Purchasing and Contracting in its discretion, may spend up to 10 percent more for comparable products that are made of recycled materials. If products made of recycled materials are to cost more than 10 percent more than comparable products, the Division of Purchasing and Contracting shall receive consent of State entities that are to use the product, before completing the order for the materials in question.

(5) Whenever any business or industry located in Vermont and employing citizens of this State has submitted a bid and the item has not been purchased from them, shall record its reason for assigning the order. The Division of Purchasing and Contracting shall maintain records of the decision and reasons for assigning the order and the records and its reports shall be a public record available to any interested person. All bids or quotations shall be kept on file at the Division of Purchasing and Contracting and open to public inspection.

(6) When purchasing vehicles for State use shall consider vehicles using alternative fuels when the alternative fuel is suitable for the vehicle's operation, is available in the region where the vehicle will be used, and is competitively priced with traditional fuels.

(c) As an alternative to the procedures set forth in this 3 V.S.A. the Division of Purchasing and Contracting may elect to purchase any of the items mentioned in this 3 V.S.A. 2289, including but not limited to all fuel, supplies, materials, equipment, and services, through a program established by the federal general services administration to supply federal agencies with supplies, materials, and services or may choose to participate in cooperative purchases with other states, provided that the Division of Purchasing and Contracting first determines that purchasing through the general services administration or cooperative agreements with other states is in the best interest of the state.

(d) The Director of the Division of Purchasing and Contracting and the Secretary of Education, or their designees, shall develop and promote a program of centralized purchasing of equipment and supplies for public schools in Vermont, by which purchases may be combined in order to obtain volume purchasing discounts and other purchasing benefits.

(e) Establishment of a revolving fund is authorized for the purposes of subsection (d) above to be administered by the Director. All expenses of the program shall be paid out of the revolving fund. Costs shall be prorated according to rules established by the Secretary of Administration and charged to users of the program. At his or her discretion the Commissioner of Finance and Management may anticipate receipts to be paid into the fund based upon assurances from participants in the program and may issue warrants thereon for the purposes of this section.

(f) The Division of Purchasing and Contracting shall manage a supply program in order to ensure the disbursal of equipment for use by state government, including but not limited to fleet vehicles, office supplies, stationery, record books, and forms purchased by the state. The Director of the Division of Purchasing and Contracting shall disburse them upon requisition to all state departments, institutions and within limits approved by the Commissioner of Finance and Management to county officers whose compensation and expenses are paid by the state or any institution of higher education chartered in Vermont and accredited or holding a certificate of approval from the state Board of Education. The form of the requisition shall be prescribed by the Division of Purchasing and Contracting.

(g) The Division of Purchasing and Contracting shall keep an accurate account of all the property and services mentioned in subsection (f) above and of its distribution, and shall annually render an account to the Commissioner of Finance and Management of the distribution of those supplies and services rendered for the preceding 12 months and an inventory of all supplies on hand, in such manner and form as shall be approved by the Commissioner of Finance and Management.

(h) All operating expenses and services of the central supply section and central duplicating section shall be paid out of the revolving fund established in 29 V.S.A. 926 insofar as possible. The Director of the Division of Purchasing and Contracting, with the approval of the Commissioner of Finance and Management, may assess charges for supplies, equipment and services, which the Commissioner of Finance and Management shall charge back to appropriations for the various departments all items mentioned under this section, and credit like amounts to the revolving fund.

(i) The Division of Purchasing and Contracting shall furnish to suppliers at the expense of the state the forms for all proposals and contracts. The Director of the Division of Purchasing and Contracting shall make all contracts in duplicate and shall forward forthwith one copy to the Commissioner of Finance and Management. An item of expense for any article mentioned in this chapter shall not be allowed by the Commissioner of Finance and Management in the settlement of any account except when the purchase of the article is authorized and approved by the Director of the Division of Purchasing and Contracting.

(j) The Director of the Division of Purchasing and Contracting may establish a purchasing card program for the purpose of authorizing all spending units of the state to use a purchasing card as an alternative payment method for official state purchases. The Director may contract with one or more financial institutions, card-issuing banks, credit card companies, charge card companies, debit card companies, or third-party merchant banks to provide state purchasing cards. The Director may

accept receipts from the purchasing card program. The Director is authorized to establish policies for participation in the program and use of the purchasing card.

(k) When procuring food and agricultural products for the State, its agencies, departments, instrumentalities, and institutions, the Director of the Division of Purchasing and Contracting shall consider the interests of the State relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the State and the need to maintain and create jobs in the State.

(l) When making purchases pursuant to subsection (k) above, the Secretary of Administration, the Director of the Division of Purchasing and Contracting and any State-funded institutions shall, other considerations being equal and considering the results of any econometric analysis conducted, purchase products

(m) The Director shall require that a bidder for the sale of apparel, footwear, or textiles provide certification from each supplier that the supplier at the point of assembly of the goods:

(1) Complies with all applicable wage, health, labor, environmental, and safety laws, legal guarantees of freedom of association, building and fire codes, and laws relating to discrimination in hiring, promotion, and compensation on the basis of race, disability, national origin, gender, sexual orientation, and affiliation with any political, nongovernmental, and civic group except when federal law precludes the state from attaching the procurement conditions provided in this subchapter; and

(2) Complies with all human and labor rights treaty obligations that are shared by the United States and the country in which the goods are assembled, including obligations with regard to forced labor, indentured labor, slave labor, child labor, involuntary prison labor, physical and sexual abuse, and freedom of association.

(n) Prior to the awarding of a contract, a bidder for the sale of apparel, footwear, or textiles shall submit a list of the names and addresses of suppliers at the point of assembly of goods subject to the bid process.

(o) If, after complying with the filing requirements of subsection (n) above, a bidder is awarded a contract, that contractor shall, during the term of the contract, promptly inform the Director of any change in the information furnished to the Director pursuant to this section.

(p) The Director may accept a bid from and award a contract to a supplier who has not met the requirements provided in subsections (m) and (n) above if, after reasonable investigation by the Director, it appears that the required unit or item of supply or brand of that unit or item is procurable by the state from only that supplier or under other extraordinary circumstances. The approval of an exception pursuant to this section shall be documented in writing, signed by the Director, and retained as part of the contract file.

(q) The Director shall initiate an investigation to determine whether a violation of subsections (m) and (n) above has occurred if:

(1) The Director has knowledge that a contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with subsections (m) and (n) above.

(2) The contractor informs the Director that the contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with subsections (m) and (n) above.

(3) A worker for a contractor or for a supplier at the point of assembly of goods subject to a contract files a written complaint directly with the Director stating that the contractor or supplier, to the best of the worker's knowledge, is not in compliance with subsections (m) and (n) above.

(4) A third party established and based in the United States, on behalf of or on the basis of information from a worker or workers, files directly with the Director a written complaint, signed and dated under oath before an official authorized by applicable law to administer oaths, stating that, to the best of the third party's knowledge, a contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with subsections (m) and (n) above.

(5) A third party established and based outside the United States, on behalf of or on the basis of information from a worker or workers, files directly with the Director a signed and dated written complaint stating that, to the best of the third party's knowledge, a contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with subsections (m) and (n) above e.

(r) After receiving a complaint alleging noncompliance with subsections (m) and (n) above, the Director shall contact in a timely manner, in writing and by certified letter, the contractor that is the subject of the complaint or whose supplier is the subject of the complaint. In making a determination of whether a violation of subsections (m) and (n) above has occurred, the Director may take into account any factors, information, sources of information, and materials determined reliable and relevant by the Director, as determined on a case-by-case basis. The Director has specific authority and discretion to employ an independent monitor to investigate a complaint.

For purposes of this subsection, "Independent monitor" means a nonprofit organization that is neither funded nor controlled, in whole or in part, by businesses that sell or manufacture apparel, footwear, or textiles.

(s) The determination of whether a party subject to a complaint is in compliance with subsections (m) and (n) above is solely that of the Director.

(t) After rendering a determination under subsection (t) above, the Director promptly shall inform the complainant and contractor in writing.

(u) If, in the opinion of the Director, a contractor that has been determined to be not in compliance with subsections (m) and (n) above does not make good-faith efforts to change its practices or use its bargaining position with an offending supplier to change the supplier's practices, the Director may take appropriate remedial action, including barring the contractor from bidding on future state contracts or terminating the state's contract with the contractor. Reference to the authority given in this section shall be specifically referenced in state contracts with contractors that are subject to this subchapter.

(v) The Director shall coordinate with other jurisdictions of the United States of America with those jurisdictions' efforts to develop an effective strategy to monitor vendor compliance with the requirements of subsections (m) and (n) above or similar requirements of those jurisdictions. [The Director of the Division of Purchasing and Contracting shall be an exempt employee and shall be appointed by the Secretary of Administration.

EXPLANATION: This section creates the Division of Purchasing and Contracting in the Secretary of Administrations Office, instead of at the Department for Buildings and General Services. This changes is as part of an effort to create a centralized-statewide purchasing office, similar to how purchasing is structure in other states. This language changes made in Sec. E.100.6 above and through E.100.45 update current law to reflect this organizational change.

Sec. E.100.7 29 V.S.A. Sec. 152(a)(8) is amended to read:

(8) Employ such architectural and other professional assistance as he or she deems necessary in the performance of his or her duties. Before employing architectural and other professional assistance, the Commissioner shall request the Division of Purchasing and Contracting to give ~~ensure that~~ reasonable public notice of the Commissioner's intention to employ such assistance so as to allow full opportunity for any qualified expert to offer his or her services and the commissioner shall employ that architect or expert whose service will be in the best interest of the State.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec. E.100.8 29 V.S.A. Sec. 152(a)(12) is amended to read:

(12) The Commissioner of Buildings and General Services may contract for custodial and other maintenance services after the Division of Purchasing and Contracting has performed competitive bidding in accordance with Agency of Administration Bulletin 3.5. No employee will be laid off or otherwise be removed from employment as a result of contracting out except in circumstances where the work is beyond the capacity of state employees, or that the work or program can be performed more economically under an outside contract, or that an outside contractor has management techniques, equipment or technology which will result in better public service and increased productivity.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec. E.100.9 29 V.S.A. Sec. 161(a) is amended to read:

(a) Bids, selection.

(1) When the construction cost of any State project exceeds the sum of \$ 50,000.00, the Commissioner of Buildings and General Services shall request the Division of Purchasing and Contracting to publicly advertise or invite three or more bids. The contract for any such State project or improvement shall be awarded to one of the three lowest responsible bidders, conforming to specification, with consideration being given to quantities involved, time required for delivery, purpose for which required, competency and responsibility of bidder, and his or her ability to render satisfactory service, but the Commissioner of Buildings and General Services with the approval of the Secretary of Administration, or designee, shall have the right to reject any and all bids and to invite other bids.

(2) When using the design-build construction delivery process, the Commissioner of Buildings and General Services shall request the [Office] [Division] of Purchasing and Contracting to publicly advertise or invite three or more bids. The award of a design-build contract shall be to the bidder determined by the Commissioner, to be most responsive to evaluation criteria established during the competitive procurement process ~~established by the Commissioner~~. Such criteria may include physical plant characteristics proposed, program response to space needs, ability of the design-build team, anticipated development schedule and overall cost considerations, including alternates, allowances, and schedule of values.

(e) The Agency of Administration through its Division of Purchasing and Contracting shall ensure that the State and any of its subdivisions do not contract, directly or indirectly, with

employers who are prohibited from contracting by the Commissioner of Labor pursuant to 21 V.S.A. §§ 692, 708, and 1314a or the Commissioner of Financial Regulation pursuant to 8 V.S.A. § 3661.

(f) The Agency of Administration through its Division of Purchasing and Contracting shall maintain a current list of employers that have been prohibited from contracting with the State or any of its subdivisions, and the Agencies of Administration and of Transportation shall publish that list on their websites.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec. E.100.10 29 V.S.A. Sec. 902 is amended to read:

§ 902. Duties of the Commissioner of Buildings and General Services

~~(a) The Commissioner of Buildings and General Services shall contract for and make all purchases, including but not limited to all fuel, supplies, materials, equipment, for all departments, offices, institutions, and other agencies of the State and counties. However, he or she may delegate authority to those governmental agencies to purchase directly individually approved types and classes of items when the interest of the State is best served thereby. He or she shall also contract for and purchase materials for the repair and for the construction and equipment of new buildings to be erected by the State, unless otherwise provided. He or she may purchase such supplies, materials, and equipment as are requisitioned by the supervisors of the natural resources conservation districts. He or she may also cooperate with and advise officials of any political subdivision of the State or any institution of higher education chartered in Vermont and accredited or holding a certificate of approval from the State Board of Education in their purchase of any of the supplies, materials, and equipment needed by the political subdivision or institution of higher education, and may act as the agent of the political subdivision at the request of the authorized officials or agent thereof in the purchase of supplies, materials, and equipment.~~

~~(b) [Repealed.]~~

~~(c) The Commissioner of Buildings and General Services may establish, in consultation with the heads of the governmental agencies, quality standards for all items specified in subsection (a) of this section.~~

~~(d) The Commissioner of Buildings and General Services may prescribe forms to be used in all purchasing, warehousing, and inventory functions set forth in this section; and when he or she so prescribes, the forms shall be used by all departments and agencies affected by this section.~~

~~(e) [Repealed.]~~

~~(f)~~(a) The Commissioner of Buildings and General Services may also:

(1) establish and supervise inventory methods to be used by all government agencies;

(2) [Repealed.]

(3) maintain and operate the office supply service;

(4) receive, warehouse, manage, and distribute all State property and commodities except alcoholic beverages purchased for the Liquor Control Board; and all surplus federal property and commodities;

(5) maintain central inventory of all State property and equipment other than lands and buildings; and

(6) maintain and operate the State's Fleet Management System.

~~(g) The Commissioner of Buildings and General Services may establish substitute practices and exceptions from practices in requisitioning and purchasing that do not violate the spirit and intent of the general procedures; and he or she may direct, subject to the right of appeal by the head of the governmental agency to the Governor, the purchase of specified items to be made under the substitute practices and exceptions from practices.~~

~~(h)~~ (b) The Commissioner of Buildings and General Services may employ a standards and specifications engineer who shall under the supervision and direction of the Commissioner of Buildings and General Services:

(1) develop standards;
~~(2) assist the buyers and requisitioning agencies in formulating specifications;~~
 (3) (2) work on the continued expansion of the testing program;
~~(4)~~ (3) cooperate with departments and other agencies in the improvement of inspection practices;

(5) (4) perform such other duties relative to the duties of the Commissioner of Buildings and General Services as the Commissioner of Buildings and General Services may direct.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec. E.100.11 3 V.S.A. § 2222 is amended to read:

~~(j)~~(k) ~~The Commissioner of Buildings and General Services~~ Secretary of Administration may establish, in consultation with the heads of the governmental agencies, quality standards for all items specified in subsection ~~(A)~~(a)(11) of this section.

~~(k)~~(l) ~~The Commissioner of Buildings and General Services~~ Secretary of Administration may prescribe forms to be used in all purchasing, warehousing, and inventory functions set forth in this section; and when he or she so prescribes, the forms shall be used by all departments and agencies affected by this section.

(m) The Secretary of Administration shall promulgate policies, bulletins and directives which set minimum standards for soliciting, awarding, processing, executing and overseeing contracts for services as well as managing contract compliance.

~~(4)~~(n) ~~The Commissioner of Buildings and General Services~~ Secretary of Administration may establish substitute practices and exceptions from practices in requisitioning and purchasing of goods and services that do not violate the spirit and intent of the general procedures; and he or she may direct, subject to the right of appeal by the head of the governmental agency to the Governor, the purchase of specified items or services to be made under the substitute practices and exceptions from practices.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec. E.100.12 29 V.S.A. § 903 is amended to read:

§ 903. Requisition for supplies and materials

~~(a) When any governmental agency is in need of any of the items mentioned in this chapter, the responsible officer thereof shall requisition therefor upon the Commissioner of Buildings and General Services, and the Commissioner of Buildings and General Services shall purchase the items~~

by either advertising for bids or by letters of inquiry and the contract for those items shall be awarded to the person whose bid or quotation is in the best interest of the State. Subject to the provisions of subsections (b) and (c) of this section, the Commissioner of Buildings and General Services may reject any or all bids or quotations and with the approval of the Secretary of Administration, procure items in such manner as may be in the best interest of the State.

(b) When purchasing any items mentioned in this chapter, the Commissioner of Buildings and General Services, in any determination of the best interest of the State shall consider (1) specified quality; (2) price; (3) ease of access of supply; (4) incidental administrative costs; (5) proven reliability of bidder; (6) use of recycled materials or products; (7) minimizing the creation, by the State, of solid waste; (8) the extent to which the usage of the item involves the generation of pollutants; (9) life cycle costs, if required under the State Agency Energy Plan, as implemented; (10) the interests of the State relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the State and the need to maintain and create jobs in the State; and (11) the use of railroads and the increased revenues returning to the State from its railroad leasing program. The Commissioner, in the Commissioner's discretion, may spend up to 10 percent more for comparable products that are made of recycled materials. If products made of recycled materials are to cost more than 10 percent more than comparable products, the Commissioner shall receive consent of State entities that are to use the product, before completing the order for the materials in question.

(c) Whenever any business or industry located in Vermont and employing citizens of this State has submitted a bid and the item has not been purchased from them, the Commissioner of Buildings and General Services shall record his or her reason for assigning the order as he or she did and his or her report shall be a public record available to any interested person. All bids or quotations shall be kept on file in his or her office and open to public inspection.

(d) The Commissioner of Buildings and General Services, with the assistance of all State agencies, shall cooperate with the generators and managers of waste materials which may be recycled and with the producers of products which use recycled materials to maximize the State's use of those materials and products, particularly where the added cost of using waste materials rather than virgin materials is less than the cost avoided by not having that waste in the waste stream. Proceeds from the sale of waste materials collected by the Department of Buildings and General Services shall be credited to a special fund and shall be available to the Department to offset the cost of recycling efforts. The goal for the purchase of recycled materials shall be at least 40 percent by the end of 2008. For purposes of this section, "recycled materials" include recycled paper products, retreaded automobile tires, re-refined lubricating oil, used automotive parts, reclaimed solvents, recycled asphalt, recycled concrete, and compost materials.

(e) Repealed.]

(f) Repealed.]

(g) The Commissioner of Buildings and General Services, when purchasing vehicles for State use shall consider vehicles using alternative fuels when the alternative fuel is suitable for the vehicle's operation, is available in the region where the vehicle will be used, and is competitively priced with traditional fuels.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.13 29 V.S.A. §903a is amended to read:

§ 903a. Alternative purchasing sources

As an alternative to the procedures set forth in § 903 of this title, the commissioner may elect to purchase any of the items mentioned in this chapter through a program established by the federal general services administration to supply federal agencies with supplies and materials, or may choose to participate in cooperative purchases with other states, provided that the commissioner first determines that purchasing through the general services administration or cooperative agreements with other states is in the best interest of the state as provided in subsection 903(b) of this title.
EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.14 29 V.S.A. §905 is amended to read:

§ 905. Centralized purchasing of school equipment and supplies

(a) The Commissioner of Buildings and General Services Director of Purchasing and Contracting, and the Secretary of Education, or their designees, shall develop and promote a program of centralized purchasing of equipment and supplies for public schools in Vermont, by which purchases may be combined in order to obtain volume purchasing discounts and other purchasing benefits.

(b) Establishment of a revolving fund is authorized for the purposes of this section to be administered by the Commissioner of Buildings and General Services Secretary of Administration. All expenses of the program shall be paid out of the revolving fund. Costs shall be prorated according to rules established by the Commissioner of Buildings and General Services Secretary of Administration, and charged to users of the program. At his or her discretion the Commissioner of Finance and Management may anticipate receipts to be paid into the fund based upon assurances from participants in the program and may issue warrants thereon for the purposes of this section.
EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.15 29 V.S.A. §906 is amended to read:

§ 906. Duplicating Services

(a) The [Division][Office] of Purchasing and Contracting commissioner of buildings and general services shall manage a supply program in order to ensure the disbursement of equipment for use by state government, including but not limited to fleet vehicles, office supplies, stationery, record books, and forms purchased by the state. The Director of the [Division][Office] of Purchasing and Contracting commissioner shall disburse them upon requisition to all state departments, institutions and within limits approved by the commissioner of finance and management to county officers whose compensation and expenses are paid by the state or any institution of higher education chartered in Vermont and accredited or holding a certificate of approval from the state board of education. The form of the requisition shall be prescribed by the commissioner of buildings and general services. [Division][Office] of Purchasing and Contracting.

(b) The commissioner [Division][Office] of Purchasing and Contracting shall keep an accurate account of all the property and services mentioned in this section and of its distribution, and shall

annually render an account to the commissioner of finance and management of the distribution of those supplies and services rendered for the preceding 12 months and an inventory of all supplies on hand, in such manner and form as shall be approved by the commissioner of finance and management.

(e)(a) The commissioner shall also maintain a central duplicating section to provide duplicating services for state departments, institutions and county officers whose compensation and expenses are paid by the state, and supply postal services to all state offices and officers located in central Vermont and in other locations when feasible as determined by the commissioner.

(d) [Repealed.]

(e)(b) All operating expenses and services of the central supply section and central duplicating section shall be paid out of a revolving fund insofar as possible. The Commissioner of Buildings and General Services and the Director of the Division of Purchasing and Contracting, with the approval of the Commissioner of Finance and Management, may assess charges for supplies, equipment and duplicating services, as the case may be, which the commissioner of finance and management shall charge back to appropriations for the various departments all items mentioned under this section, and credit like amounts to the revolving fund.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.16 29 V.S.A. §907 is amended to read:

§ 907. Manner of payment of bills for purchases

(a) The commissioner of buildings and general services [Division][Office] of Purchasing and Contracting shall furnish to suppliers at the expense of the state the forms for all proposals and contracts. The commissioner Director of the [Division][Office] of Purchasing and Contracting shall make all contracts in duplicate and shall forward forthwith one copy to the commissioner of finance and management. An item of expense for any article mentioned in this chapter shall not be allowed by the commissioner of finance and management in the settlement of any account except when the purchase of the article is authorized and approved by the Director of the [Division][Office] of Purchasing and Contracting. commissioner of buildings and general services.

(b) The Director of the [Division][Office] of Purchasing and Contracting commissioner of buildings and general services may establish a purchasing card program for the purpose of authorizing all spending units of the state to use a purchasing card as an alternative payment method for official state purchases. The Director commissioner may contract with one or more financial institutions, card-issuing banks, credit card companies, charge card companies, debit card companies, or third party merchant banks to provide state purchasing cards. The Director commissioner may accept receipts from the purchasing card program. The Director commissioner is authorized to establish policies for participation in the program and use of the purchasing card.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.17 29 V.S.A. §909 is amended to read:

§ 909. State purchase of food and agricultural products

(a) When procuring food and agricultural products for the State, its agencies, departments, instrumentalities, and institutions, the Director of the [Division][Office] of Purchasing and Contracting Commissioner of Buildings and General Services shall consider the interests of the State relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the State and the need to maintain and create jobs in the State.

(b) When making purchases pursuant to this section, the Secretary of Administration, the Director of the [Division][Office] of Purchasing and Contracting Commissioner of Buildings and General Services, and any State-funded institutions shall, other considerations being equal and considering the results of any econometric analysis conducted, purchase products grown or produced in Vermont when available.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.18 29 V.S.A. §921 is amended to read:

§921. Application of subchapter; definitions

(a) This subchapter applies to competitive bids for sale of apparel, footwear, or textiles pursuant to subchapter 1 of this chapter.

(b) As used in this subchapter, unless the context otherwise indicates, the following terms shall have the following meanings:

(1) "Commissioner Director" means the Director of the [Division][Office] of Purchasing and Contracting commissioner of buildings and general services.

(2) "Independent monitor" means a nonprofit organization that is neither funded nor controlled, in whole or in part, by businesses that sell or manufacture apparel, footwear, or textiles.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.19 29 V.S.A. §922 is amended to read:

§ 922. Bids for the sale of apparel, footwear, or textiles

(a) The commissioner Director shall require that a bidder for the sale of apparel, footwear, or textiles provide certification from each supplier that the supplier at the point of assembly of the goods:

(1) complies with all applicable wage, health, labor, environmental, and safety laws, legal guarantees of freedom of association, building and fire codes, and laws relating to discrimination in hiring, promotion, and compensation on the basis of race, disability, national origin, gender, sexual orientation, and affiliation with any political, nongovernmental, and civic group except when federal law precludes the state from attaching the procurement conditions provided in this subchapter; and

(2) complies with all human and labor rights treaty obligations that are shared by the United States and the country in which the goods are assembled, including obligations with regard to forced labor, indentured labor, slave labor, child labor, involuntary prison labor, physical and sexual abuse, and freedom of association.

(b) Prior to the awarding of a contract, a bidder for the sale of apparel, footwear, or textiles shall submit a list of the names and addresses of suppliers at the point of assembly of goods subject to the bid process.

(c) If, after complying with the filing requirements of this section, a bidder is awarded a contract, that contractor shall, during the term of the contract, promptly inform the Director commissioner of any change in the information furnished to the commissioner Director pursuant to this section. EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.20 29 V.S.A. §923 is amended to read:

§ 923. Exception

The commissioner Director may accept a bid from and award a contract to a supplier who has not met the requirements provided in section 922 of this title if, after reasonable investigation by the Director commissioner, it appears that the required unit or item of supply or brand of that unit or item is procurable by the state from only that supplier or under other extraordinary circumstances. The approval of an exception pursuant to this section shall be documented in writing, signed by the Director commissioner, and retained as part of the contract file.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.21 29 V.S.A. §925 is amended to read:

§ 925. Complaints of noncompliance with subchapter; investigations of complaints

(a) The commissioner Director shall initiate an investigation to determine whether a violation of this subchapter has occurred if:

(1) The commissioner Director has knowledge that a contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with this subchapter.

(2) The contractor informs the Director commissioner that the contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with this subchapter.

(3) A worker for a contractor or for a supplier at the point of assembly of goods subject to a contract files a written complaint directly with the Director commissioner stating that the contractor or supplier, to the best of the worker's knowledge, is not in compliance with this subchapter.

(4) A third party established and based in the United States, on behalf of or on the basis of information from a worker or workers, files directly with the Director commissioner a written complaint, signed and dated under oath before an official authorized by applicable law to administer oaths, stating that, to the best of the third party's knowledge, a contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with this subchapter.

(5) A third party established and based outside the United States, on behalf of or on the basis of information from a worker or workers, files directly with the Director commissioner a signed and dated written complaint stating that, to the best of the third party's knowledge, a contractor or a supplier at the point of assembly of goods subject to a contract is not in compliance with this subchapter.

(b) After receiving a complaint alleging noncompliance with this subchapter, the Director commissioner shall contact in a timely manner, in writing and by certified letter, the contractor that is the subject of the complaint or whose supplier is the subject of the complaint.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.22 29 V.S.A. §926 is amended to read:

~~§ 926. Determinations of noncompliance with subchapter~~

~~(a) In making a determination of whether a violation of this subchapter has occurred, the commissioner Director may take into account any factors, information, sources of information, and materials determined reliable and relevant by the Director commissioner, as determined on a case-by-case basis. The Director commissioner has specific authority and discretion to employ an independent monitor to investigate a complaint.~~

~~(b) The determination of whether a party subject to a complaint is in compliance with this subchapter is solely that of the Director commissioner.~~

~~(c) After rendering a determination under this section, the Director commissioner promptly shall inform the complainant and contractor in writing.~~

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.23 29 V.S.A. §927 is amended to read:

~~§ 927. Consequences of noncompliance with subchapter~~

~~If, in the opinion of the Director commissioner, a contractor that has been determined to be not in compliance with this subchapter does not make good faith efforts to change its practices or use its bargaining position with an offending supplier to change the supplier's practices, the Director commissioner may take appropriate remedial action, including barring the contractor from bidding on future state contracts or terminating the state's contract with the contractor. Reference to the authority given in this section shall be specifically referenced in state contracts with contractors that are subject to this subchapter.~~

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.24 29 V.S.A. §928 is amended to read:

~~§ 928. Coordination with other jurisdictions~~

~~The Director commissioner shall coordinate with other jurisdictions of the United States of America with those jurisdictions' efforts to develop an effective strategy to monitor vendor compliance with the requirements of this subchapter or similar requirements of those jurisdictions.~~

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.25 29 V.S.A. §1103 is amended to read:

~~§ 1103. Printing of reports and bulletins~~

~~The commissioner of buildings and general services~~ Commissioner of Building and General Services, after consultation with the state officers and boards, and the Director of the Division of Purchasing and Contracting shall cause to be printed such number of their respective bulletins and reports, in such manner and form, as in his or her judgment the best interests of the state require.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.26 29 V.S.A. §1106 is amended to read:

§ 1106. Contracts for printing

The ~~commissioner of buildings and general services~~ Commissioner of Buildings and General Services, in conjunction with the Division of Purchasing and Contracting, may make contracts for printing the public documents, senate and house bills, printing needed by the secretary of the senate and the clerk of the house for their respective houses, legislative directories, and such other printing and binding as may be authorized by law or the interests of the state require, excepting contracts for printing court dockets.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.27 29 V.S.A. §1107 is amended to read:

§ 1107. Bids

The ~~commissioner of buildings and general services~~ Director of the Division of Purchasing and Contracting shall make contracts for all state printing by advertisement and bid or letters of inquiry, unless otherwise provided. ~~He or she~~ The Director may reject any and all bids and readvertise or with the approval of the governor let such contract without further advertisement.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.28 29 V.S.A. §1108 is amended to read:

§ 1108. Acceptance or rejection of bids; conditions of contracts

The ~~commissioner of buildings and general services~~ Director of the Division of Purchasing and Contracting may require satisfactory bonds from bidders and contractors, and shall specify in each contract for printing that, in case the matter contracted for is not delivered to the state librarian or in accordance with his or her written order to such other person as may be specified in the contract, on or before the date specified in the contract for such delivery, \$25.00 of the contract price shall be deducted for every day such delivery is delayed, and, in case the delay exceeds 10 days, there shall be deducted in addition to the above amount \$10.00 for each day's delay over 10 days; and he or she shall also specify in each contract that all public documents and printed matter shall be delivered to the state librarian at the state library unless otherwise directed in writing by him or her or the state librarian. The provisions of this section and section 1107 of this title relating to advertising and bids shall not apply to a contract for printing where the amount of the contract does not exceed \$50.00.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.29 29 V.S.A. §1111 is amended to read:

§ 1111. Stationery, forms and supplies

The ~~commissioner of buildings and general services~~ Director of the Division of Purchasing and Contracting shall procure and cause to be printed and distributed all office stationery and shall purchase and cause to be distributed all office supplies required by the general assembly, the several

state officers, departments, institutions, boards and commissions, and such blank complaints, forms and record books as are necessary.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.30 29 V.S.A. §1113 is amended to read:

§ 1113. Journals of the joint assembly, senate and house of representatives

The secretary of the joint assembly, the secretary of the senate and the clerk of the house of representatives, within 60 days after the close of each session of the general assembly, shall furnish a certified copy of the original journals of their respective houses to the printer designated by the Director of the Division of Purchasing and Contracting ~~commissioner of buildings and general services~~, and within 30 days after the receipt from the printer of the last paged copy shall compile a proper index of the journals of their respective houses and furnish the same to the printer, and shall superintend the publication of their respective journals. The journal of the joint assembly shall be bound with the journal of the senate.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.31 29 V.S.A. §1115 is amended to read:

§ 1115. Printing and distribution of the acts and resolves of the general assembly

Immediately after the close of each session of the general assembly, the secretary of state shall furnish the printer designated by the Director of the Division of Purchasing and Contracting ~~commissioner of buildings and general services~~ a copy of the acts and resolves of such session, duly certified by him or her, as secretary of state. The acts and resolves of each session of the general assembly shall be distributed so far as practicable within 90 days of its adjournment.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.32 1 V.S.A. §496(a) is amended to read:

§ 496. State Flags, purchase, distribution

(a) The Secretary of State shall, through the Division of Purchasing and Contracting ~~Department of Buildings and General Services~~, obtain State Flags and a copy of the Bennington Battle Flag, so-called. He or she may, in his or her discretion and on such terms as he or she finds appropriate, distribute said State Flags to other states, to State officials, departments, and agencies, and to such other persons as he or she may determine should have them in the interest of the State. He or she shall cause the Bennington Battle Flag to be delivered to the custody of the Sergeant at Arms, to be flown at the State House in Montpelier, under the United States Flag, on the 15th, 16th, and 17th days of August in each year to commemorate the Battle of Bennington.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.33 2 V.S.A. §16 is amended to read:

§ 16. Printing and distribution of daily calendar, journal, and bills

Copies of the daily calendar and journal shall be immediately furnished to the printer designated by the Division of Purchasing and Contracting ~~Commissioner of Buildings and General Services~~. The printing of the calendar and journal shall be under the supervision of the Secretary and Clerk, and the required number of printed copies shall be delivered to the offices of the Legislative Council before the opening of the morning session of the following legislative day. A sufficient number of copies of all the bills shall also be delivered to the offices of the Legislative Council. Staff of the Legislative Council shall distribute the daily calendar and journal and the bills as follows:

(1) Calendars. One copy of the daily House calendar shall be placed on the desk of each member of the House and one copy of the daily Senate calendar shall be placed on the desk of each member of the Senate. An additional number of copies of both the daily House and Senate calendars shall be made available to House and Senate members in their respective chambers upon the request of a member. Calendars shall also be published on the State legislative webpage. The number of copies required shall be determined by staff of the Legislative Council based on their demand.

(2) Journals and bills. The daily House and Senate journals and bills shall be published on the State legislative webpage. Copies of bills shall be made upon request to House and Senate members.

(3) [Repealed.]

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.34 3 V.S.A. §2474 (b)(5) is amended to read:

(b) The Administrative Services Division shall provide the following services to the Agency and all its components, including components assigned to it for administration:

- (1) personnel administration;
- (2) finance and accounting;
- (3) coordination of filing and records maintenance activities;
- (4) provision of facilities, office space, and equipment and the care thereof;
- (5) requisitioning from Division of Purchasing and Contracting ~~the Department of Buildings and General Services~~ of the Agency of Administration, of supplies, equipment, and other requirements;
- (6) management improvement services; and
- (7) other administrative service functions as may be assigned to it by the Secretary.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.35 3 V.S.A. §2876(b)(5) is amended to read:

(b) The Administrative Services Division shall provide the following services to the Agency and all its components, including components assigned to it for administration:

- (1) personnel administration;
- (2) coordination of financing and accounting activities;
- (3) coordination of filing and records maintenance activities;
- (4) provision of facilities, office space, and equipment and the care thereof;

(5) requisitioning from the Division of Purchasing and Contracting ~~Department of Buildings and General Services~~ of the Agency of Administration of supplies, equipment, and other requirements;

(6) management improvement services; and

(7) other administrative functions assigned to it by the Secretary.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.36 3 V.S.A. §3086(b)(5) is amended to read:

(b) The Operations Division shall provide the following services to the Agency and all its components, including components assigned to it for administration:

(1) personnel administration;

(2) financing and accounting activities;

(3) coordination of filing and records maintenance activities;

(4) provision of facilities, office space, and equipment and the care thereof;

(5) requisitioning from the Division of Purchasing and Contracting ~~Department of Buildings and General Services~~ of the Agency of Administration, of supplies, equipment, and other requirements;

(6) management improvement services;

(7) training;

(8) information systems and technology; and

(9) other administrative functions assigned to it by the Secretary.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.36 7 V.S.A. §107(5) is amended to read:

(5) Purchase through the ~~Commissioner of Buildings and General Services~~ Division of Purchasing and Contracting spirits and fortified wines for and in behalf of the Liquor Control Board, supervise the storage thereof and the distribution to local agencies, druggists, licensees of the third class, and holders of fortified wine permits, and make regulations subject to the approval of the Board regarding the sale and delivery from the central storage plant.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.37 7 V.S.A. §110 is amended to read:

§ 110. Special brands; purchase by Commissioner of Liquor Control

If any person shall desire to purchase any class, variety, or brand of spirituous liquor which any local agency does not have in stock, the Commissioner of Liquor control shall order the same through the ~~Commissioner of Buildings and General Services~~ Division of Purchasing and Contracting upon the payment of a reasonable deposit by the purchaser in such proportion of the approximate cost of the order as shall be prescribed by the regulations of the Liquor Control Board.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.38 10 V.S.A. §330(c)(3)(B) is amended to read:

§ 330. The Farm-to-Plate Investment Program; creation; goals; tasks; methods

(c) Tasks.

(1) By June 30, 2010, the Vermont Farm-to-Plate Investment Program shall create a strategic plan for agricultural economic development, which may be periodically reviewed and updated, based upon the following:

(A) Inventory Vermont's food system infrastructure by gathering existing data, studies, and analysis about the components of Vermont's food system, including:

(i) The types of foods produced in Vermont, the number of producers of each type of food, the amount of each type of food produced, and the financial viability of each food-producing sector.

(ii) The types of food processors in Vermont, how much food produced in Vermont is purchased by Vermont processors, and the financial viability of the food processing sector in Vermont.

(iii) The current and potential markets in which Vermont food producers and processors can sell their products.

(iv) The extent of existing agricultural lands that could be expanded and the resources available to expand Vermont's food production.

(v) The potential for new farmers and food processors to enter the local food economy, the methods for new farmers to acquire land and other farm infrastructure, and the availability and barriers to farm and processing labor.

(vi) The potential for entirely new local products and the barriers to farmers and processors entering new markets.

(B) Identify gaps in the infrastructure and distribution systems and identify ways to address these gaps.

(2) The Vermont Farm-to-Plate Investment Program shall seek grant funding to support farm-to-table direct marketing, including farmers' markets and community-supported agriculture operations and to support regional community food hubs.

(3) As an ongoing task, the Farm-to-Plate Investment Program shall use the information gathered for the strategic plan to identify methods and the funding necessary to strengthen the links among producers, processors, and markets, including:

(A) Support of the work of existing farm-to-school programs to increase the purchase of local foods by Vermont schools, with a particular emphasis on procurement of nutrient-dense animal foods.

(B) Collaborating with the Agency of Agriculture, Food and Markets and the Division of Purchasing and Contracting ~~Department of Buildings and General Services~~ to increase procurement of local foods in accordance with 6 V.S.A. § 4601.

(C) Collaborating with the Agency of Agriculture, Food and Markets and the Sustainable Agriculture Council to increase procurement of local foods by businesses and institutions.

(D) Supporting initiatives that improve direct marketing of foods from the farm to the consumer.

(E) Informing agricultural lenders of the information collected under subdivision (c)(1) of this subsection in order to facilitate availability of agricultural financing.

(4) The Farm-to-Plate Investment Program strategic plan shall also include recommendations regarding measurable goals that shall be tracked over the ten-year life of the Plan; methods for the ongoing collection of data necessary to track those goals; plans for updating the Plan as needed; and appropriate methods to track the ongoing economic contribution of the farm and food sector to the Vermont economy.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.39 12 V.S.A. §5601(f) is amended to read:

(f) The limitations in subsection (e) of this section do not apply to claims against the State of Vermont to the extent that there exists coverage under a policy of liability insurance purchased by the ~~Commissioner of Buildings and General Services~~ Secretary of Administration.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.40 12 V.S.A. §5603(a) is amended to read:

§ 5603. Settlement of claims

(a) The attorney general may consider, adjust, determine and settle any claim for damages against the state of Vermont resulting from the acts or omissions of an employee as provided under section 159 of Title 3. If the state elects to self-insure the liability as defined in 12 V.S.A. § 5601, the attorney general shall consult with the ~~commissioner of buildings and general services~~ Secretary of Administration prior to exercising his or her authority under this subsection.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.41 16 V.S.A. §559 is amended to read:

§ 559. Public bids

(a) When the cost exceeds \$15,000.00. A school board or supervisory union board shall publicly advertise or invite three or more bids from persons deemed capable of providing items or services if costs are in excess of \$15,000.00 for any of the following:

- (1) the construction, purchase, lease, or improvement of any school building;
- (2) the purchase or lease of any item or items required for supply, equipment, maintenance, repair, or transportation of students; or
- (3) a contract for transportation, maintenance, or repair services.

(b) When a school construction contract exceeds \$500,000.00:

(1) The State Board shall establish, in consultation with the Division of Purchasing and Contracting ~~Commissioner of Buildings and General Services~~ and with other knowledgeable sources, general rules for the prequalification of bidders on such a contract. The Department of Buildings and General Services, upon notice by the Secretary, shall provide to school boards undergoing construction projects suggestions and recommendations on bidders qualified to provide construction services.

(2) At least 60 days prior to the proposed bid opening on any construction contract to be awarded by a school board that exceeds \$500,000.00, the school board shall publicly advertise for

contractors interested in bidding on the project. The advertisement shall indicate that the school board has established prequalification criteria that a contractor must meet, and shall invite any interested contractor to apply to the school board for prequalification. All interested contractors shall submit their qualifications to the school board, which shall determine a list of eligible prospective bidders based on the previously established criteria. At least 30 days prior to the proposed bid opening, the school board shall give written notice of the board's determination to each contractor that submitted qualifications. The school board shall consider all bids submitted by prequalified bidders meeting the deadline.

(c) Contract award.

(1) A contract for any such item or service to be obtained pursuant to subsection (a) of this section shall be awarded to one of the three lowest responsible bids conforming to specifications, with consideration being given to quantities involved, time required for delivery, purpose for which required, competency and responsibility of bidder, and his or her ability to render satisfactory service. A board shall have the right to reject any or all bids.

(2) A contract for any property, construction, good or service to be obtained pursuant to subsection (b) of this section shall be awarded to the lowest responsible bid conforming to specifications. However, when considering the base contract amount and without considering cost overruns, if the two lowest responsible bids are within one percent of each other, the board may award the contract to either bidder. A board shall have the right to reject any bid found not to be responsible or conforming to specifications or to reject all bids.

(d) Construction management. The school board may contract for the service of construction management to assist in a school construction project. The State Board, in consultation with the Commissioner of Buildings and General Services and other knowledgeable sources, shall adopt rules defining the term "construction management" and specifying the nature of bidding requirements under construction management services in order to assist school boards to comply with the public bidding requirements of this section.

(e) Application of this section. Any contract entered into or purchase made in violation of the provisions of this section shall be void; provided, however, that:

(1) the provisions of this section shall not apply to contracts for the purchase of books or other materials of instruction;

(2) a school board may name in the specifications and invitations for bids under this section the particular make, kind, or brand of article or articles to be purchased or contracted;

(3) nothing in this section shall apply to emergency repairs;

(4) nothing in this section shall be construed to prohibit a school board from awarding a school nutrition contract after using any method of bidding or requests for proposals permitted under federal law for award of the contract;

(5) nothing in this section shall prevent school districts or supervisory unions from entering into agreements with other school districts or supervisory unions to conduct joint bidding procedures otherwise consistent with this section;

(6) nothing in this section shall require a school board to invite or advertise for bids if it elects to purchase goods, materials, or supplies through the Division of Purchasing and Contracting Commissioner of Buildings and General Services, pursuant to 29 V.S.A. chapter 49 and 3 V.S.A. Sec. 2289;

(7) nothing in this section shall require a school board or supervisory union board to invite or advertise for bids if it is renewing a contract entered into pursuant to subsection (a) of this section provided that annual costs will not increase more than the most recent New England Economic Project Cumulative Price Index, as of November 15, for State and local government purchases of goods and services, the total amount of the contract does not exceed an increase of 30 percent more than the total amount of the original contract, and the contract for the renewal period allows termination by the board following an annual review of performance.

(f) Waivers. The State Board shall by rule adopt standards governing the authority of the Secretary to grant individual waivers to the provisions of this section. The rules, at minimum, shall require the school board seeking the waiver to demonstrate to the Secretary that it is unable to comply with the bidding procedure through no fault of its own, and that it has proposed an alternative method of minimizing costs through a fair and public process.

(g) Violations. The State Board may deny State aid for school construction and for debt service on a project that proceeds in violation of this section.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.42 20 V.S.A. §1720 is amended to read:

§ 1720. Department of buildings and general services

Unless otherwise directed by the general assembly, the commissioner of buildings and general services, after consultation with and concurrence of the board, shall:

(1) Supervise the engineering, construction, improvement, repair, alteration, demolition, and replacement of and addition to buildings, structures, and facilities of the home.

(2) Request the Division of Purchasing and Contracting to Solicit ~~solicit~~ bids and award contracts for the performance of engineering services for specific projects at the home.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.43 20 V.S.A. §780(a) is amended to read:

§ 708. Penalty for false representation

(a) Action by the Commissioner of Labor. A person who willfully makes a false statement or representation, for the purpose of obtaining any benefit or payment under the provisions of this chapter, either for herself or himself or for any other person, after notice and opportunity for hearing, may be assessed an administrative penalty of not more than \$20,000.00, and shall forfeit all or a portion of any right to compensation under the provisions of this chapter, as determined to be appropriate by the Commissioner after a determination by the Commissioner that the person has willfully made a false statement or representation of a material fact. In addition, an employer found to have violated this section is prohibited from contracting, directly or indirectly, with the State or any of its subdivisions for up to three years following the date the employer was found to have made a false statement or misrepresentation of a material fact, as determined by the Commissioner in consultation with the Division of Purchasing and Contracting ~~Commissioner of Buildings and General Services~~ or the Secretary of Transportation, as appropriate. Either the Secretary or the Director of the Division of Purchasing and Contracting ~~Commissioner~~, as appropriate, shall be

consulted in any contest relating to the prohibition of the employer from contracting with the State or its subdivisions.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.44 21 V.S.A. §1314a(f)(1)(B) is amended to read:

(f)(1) Any employing unit or employer that fails to:

(A) File any report required by this section shall be subject to a penalty of \$100.00 for each report not received by the prescribed due dates.

(B) Properly classify an individual regarding the status of employment is subject to a penalty of not more than \$5,000.00 for each improperly classified employee. In addition, an employer found to have violated this section is prohibited from contracting, directly or indirectly, with the State or any of its subdivisions for up to three years following the date the employer was found to have failed to properly classify, as determined by the Commissioner in consultation with the Director of the Division of Purchasing and Contracting ~~Commissioner of Buildings and General Services~~ or the Secretary of Transportation, as appropriate. Either the Secretary or the Director of the Division of Purchasing and Contracting ~~Commissioner~~, as appropriate, shall be consulted in any appeal relating to prohibiting the employer from contracting with the State or its subdivisions.

(2) Penalties under this subsection shall be collected in the manner provided for the collection of contributions in section 1329 of this title and shall be paid into the Contingent Fund provided in section 1365 of this title. If the employing unit demonstrates that its failure was due to a reasonable cause, the Commissioner may waive or reduce the penalty.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

Sec.E.100.45 28 V.S.A. §102(c)(20) is amended to read:

(c) The Commissioner is charged with the following responsibilities:

(1) To make rules and regulations for the governing and treatment of persons committed to the custody of the Commissioner, the administration of correctional facilities and the regulation of employees under the jurisdiction of the Commissioner.

(2) To establish and operate correctional diagnostic centers.

(3) To establish and maintain at each correctional facility a program of treatment designed as far as practicable to prepare and assist each inmate to assume his or her responsibilities and to participate as a citizen of the State and community.

(4) To establish facilities and develop programs to provide inmates at correctional facilities with such educational and vocational training deemed to be appropriate to the treatment of the inmates.

(5) To prescribe rules and regulations for the maintenance of discipline and control at each correctional facility.

(6) To maintain security, safety, and order at the correctional facilities and act to subdue any disorder, riot, or insurrection which may occur at any facility. The Commissioner, for such purpose, may enlist the assistance of any citizen of the State, and shall have the obligation to render reasonable compensation to any person providing such assistance.

(7) To establish, maintain, and administer such regional or other community correctional facilities as are necessary for the confinement and treatment of inmates either before or after the conviction of any offense, and to use the jails and lockups as provided in this title. Such facilities shall be used for the confinement of persons awaiting court disposition and the confinement of inmates serving short terms and such other inmates as may be assigned to such facilities for furloughs, work release, and other prerelease treatment.

(8) To establish in any appropriate correctional facility a system of classification of inmates, to establish a program for each inmate upon his or her commitment to the facility and to review the program of each inmate at regular intervals and to effect necessary and desirable changes in the inmate's program of treatment.

(9) To develop and maintain research programs and collect statistical information concerning persons committed to the custody of the Commissioner, sentencing practices, and correctional treatment.

(10) To inspect at regular intervals all correctional facilities.

(11) To close any correctional facility which he or she deems inadequate.

(12) To establish training programs for new employees, and to establish such in-service training programs as he or she deems advisable.

(13) Repealed.]

(14) To collect a fee up to the amount of \$30.00 per month as a supervisory fee from each person under the supervision of the Department who is on probation, furlough, pre-approved furlough, supervised community sentence or parole. Supervisory fees collected by the Department shall be credited to a special supervision and victim restitution fund, established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, for this purpose. The Commissioner shall adopt rules governing the collection of supervisory fees, including the maximum period of time offenders are subject to supervision fees and the offender's ability to pay such fees.

(15) To lease farms or lands, with the approval of the Department of Buildings and General Services in accordance with 29 V.S.A. § 160, and to administer and manage such farms.

(16) To exercise all powers and perform all duties established in the Office of Commissioner by the Agency of Human Services and stated in 3 V.S.A. §§ 3052 and 3053.

(17) To exercise all powers and perform all duties necessary and proper in carrying out his or her responsibilities and in fulfilling the purposes and objectives of this title.

(18) To establish within the Department programs for inmates to participate in work, industry, community service, public works activities, and employment at correctional facilities.

(19) If a treaty in effect between the United States and a foreign country provides for the transfer or exchange of a convicted and sentenced offender to the country of which the offender is a citizen or national, the Commissioner may, with the written consent of such offender obtained only after the opportunity to consult with counsel, and in accordance with the terms of the treaty, consent to the transfer or exchange of any such offender and take any other action necessary to initiate the participation of the State in the treaty.

(20) To utilize the ~~Department of Buildings and General Services' Division of Purchasing and Contracting's~~ competitive bidding practices in order to determine the most effective and cost-effective alternatives for housing inmates in any out-of-state correctional facility.

(21) The Commissioner is authorized to contract for payment processing services for receiving deposits to inmate financial accounts. The Department, directly or through a processing agent, may assess a fee for deposits to each account so long as the fee does not exceed the costs incurred.

(22) To notify local and State law enforcement officers of the following information regarding a person released from incarceration on probation, parole, or furlough and residing in the community: name; address; conditions imposed by the court, parole board, or Commissioner; and the reason for placing the person in that community.

EXPLANATION: Language consistent with the movement of purchasing to the Secretary of Administration's office.

HOUSE CHANGE: Language moved to committee bill; not included in any house bill that passed. Replaced with a study.

Sec. E.100.7 32 V.S.A. § 306 is added to read:

§ 306. BUDGET REPORT

(a) The Governor shall submit to the General Assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the State Treasury. In the first year of the biennium, the budget shall relate to the two succeeding fiscal years. In the second year of the biennium, it shall relate to the succeeding fiscal year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(1) The Governor shall develop and publish annually for public review as part of the budget report a current services budget, providing the public with an estimate of what the current level of services is projected to cost in the next fiscal year.

(d) The Governor shall develop a process for public participation in the development of budget goals, as well as general prioritization and evaluation of spending and revenue initiatives.

SENATE CHANGE: Codifies language about public budget forum and current services budget.

Sec. E.100.8 REPEAL

(a) 2012 Acts and Resolves No. 162, Sec. E.100.2 (purpose of State budget) is repealed.

SENATE CHANGE: Repeals session law that is codified above.

Sec. E.100.9 REPORTING UNFUNDED BUDGET PRESSURES

(a) In an effort to better understand the current services obligations, as part of the budget report required under 32 V.S.A. 306(a)(1) the Governor shall include an itemization of current service liabilities including the total obligations and the current year funding requirement to fully fund them where amount estimated for full funding in the current year in which an amortization schedule exists. These shall include but not be limited to the following liabilities projected for the start of the budget fiscal year:

(1) pension liabilities for the Vermont State Employees' Retirement System (VSERS) and the Vermont State Teachers' Retirement System (VSTRS);

(2) other post-employment benefit liabilities under current law and relevant Government Accounting Standards Board standards for the systems in subdivision (1) of this subsection;

(3) child care fee scale funding requirements pursuant to 33 V.S.A. § 3512 to bring total year funding to current market rates and current federal poverty levels;

(4) Reach Up funding full benefit obligations prior to any ~~ratable~~ reductions made pursuant to 33 V.S.A. § 1103(a) which is ensure that the expenditures for the programs shall not exceed appropriations;

(5) funding requirements to provide LIHEAP benefits at the level estimated for the prior fiscal year;

(5) statutory funding levels form the Property Transfer Tax to the Current Use Administration Special Fund (32 V.S.A. § 9610(c)), the Vermont Housing and Conservation Fund (10 V.S.A. § 312), and the Municipal and Regional Planning Fund (24 V.S.A. § 4306(a));

(6) statutory funding levels for the Vermont Housing Conservation Board, municipal and regional planning;

(7) clean water commitments and remediation of superfund sites; Compensation Fund, the State Liability Insurance Fund, the Medicaid Insurance Fund, and the Dental Insurance Fund;

(8) (6) maintenance of transportation infrastructure at current levels;

(9)(7) projected fund liabilities of the funds identified in Section A. 2 of the “Notes” section of the most recent CAFR, including the Workers’ Compensation Fund, the State Liability Insurance fund, the Medical Insurance Fund and the Dental Insurance Fund;

(10)(8) a summary of other non-major enterprise funds and internal service funds where deficits exist in excess of \$1,500,000, including: Vermont Life Magazine; the Copy Center Fund; the Postage Fund, the Facilities Operations Fund, and the Property Management Fund; and

(11) the cost of each one percent increase up to projected inflation from the prior year for master grant direct services agencies.

(b) Notwithstanding Sec. A. 102(c) of this act, this section shall continue through fiscal year 2020.

SENATE CHANGE: Outlines specific requirements for the submission of the current services budget.

CONFERENCE CHANGE: Conference committee updated the requirements for the annual budget submission.

Sec. E. 102 SECRETARY OF ADMINISTRATION; WORKERS COMPENSATION INSURANCE REPORT

(a) The Office of Risk Management shall present to the Joint Fiscal Committee at its November 2016 meeting a report on the activities pursuant to 2015 Acts and Resolves No. 58, Sec. B.1106

(a)(6). The report shall include:

(1) activities taken to change the Risk Management function within the Workers’ Compensation Insurance division of the Secretary of Administration’s Office, how any change will improve the level and quality of service, and any potential savings;

(2) specific actions to increase safety coordination staff or service provisions as suggested in the Risk Management Loss Prevention Study conducted in 2003; and

(3) specific actions taken to address the State Auditor’s recommendations stemming from the 2013 performance audit on worker’s compensation (Rpt. No. 13-05).

HOUSE CHANGE: (SW) Required report on changes to risk management to achieve savings

SENATE CHANGE: (SW) Removed due to language that has been added which moves in the direction of outsourcing the Risk Management function.

Sec. E.100.10 UNIVERSAL PRIMARY CARE; REPORT

(a) Regardless of any future developments in payment and delivery system reform, Vermont is likely to continue to have uninsured or underinsured residents. As expanding access to primary care services is a proven method for improving population health, the General Assembly intends to move forward with implementation of universal primary care for all Vermonters. In order to provide the General Assembly with information about an option for mitigating this situation, the Secretary of Administration or designee shall:

(b) In order to determine a path forward toward implementing universal primary care in Vermont, the Secretary of Administration or designee shall:

(1) conduct a literature review of any savings realized by universal health care programs over time that are attributable to the availability of universal access to primary care; and

(2) analyze the primary care payment models created through the development of the all-payer model in order to enable legislators to estimate appropriate reimbursement amounts for health care providers delivering primary care services; and

(3) provide a potential implementation timeline for universal primary care, including the recommended timing for conducting cost analyses; developing financing options; projecting impacts on insurance markets, individuals, households, businesses, and others; and estimating one-time and ongoing administrative costs.

(c) The Secretary or designee shall provide a detailed implementation timeline for universal primary care, including the recommended timing for conducting cost analyses; developing financing options; projecting impacts on insurance markets, individuals, households, businesses, and others; and estimating one-time and ongoing administrative costs.

(d) (b) On or before December 15, 2016, the Secretary or designee shall report the results of the universal primary care study required by subsection (b)(a) of this section, and the timeline developed pursuant to subsection (c) of this section, to the Health Reform Oversight Committee, the Joint Fiscal Committee, the House Committees on Health Care, on Appropriations, and on Ways and Means, and the Senate Committees on Health and Welfare, on Appropriations, and on Finance.

SENATE CHANGE: Directs the Secretary of Administration or designee to study implementation of universal primary care in Vermont. Due to Health Reform Oversight Committee on or before December 15, 2016. (KM)

CONFERENCE CHANGE: Add literature review to Universal Primary Care Report, analyze payment models, provide implementation timeline, cost, financing options, and impact. (KM)

Sec. E.100.11 ORGANIZATION OF HEALTH CARE ADMINISTRATION; REPORT

(a) On or before January 15, 2017, the Chief of Health Care Reform and the Secretary of Administration, with support from the Director of Health Care Reform, shall provide a report to the House and Senate Committees on Appropriations and on Government Operations on how to realign the health care functions currently located in multiple agencies across State government.

(b) The Chief and Secretary shall recommend a structure which will transform systems and operations within State agencies administering health services and other benefit programs; align policy development across health care and other benefit programs; provide appropriate resource allocation; promote increased accountability for decision-making; ensure streamlined and efficient operations; and achieve integration of eligibility and enrollment functions for health care and other benefit programs.

CONFERENCE CHANGE: Report by Secretary of Administration and Chief of Health Care Reform on realignment of health care functions across State agencies and State government, recommend structure for transformation, due 1/15/2017. (KM)

Sec. E.102 29 V.S.A. § 1408 is amended to read:

§ WORKERS' COMPENSATION INSURANCE

(a) The State Employees' Workers' Compensation Fund is created to provide a program for self-insurance coverage for all officers and State employees, as defined in 3 V.S.A. § 1101, of all State agencies, departments, boards, and commissions, as well as any other person defined as an employee pursuant to 21 V.S.A. chapter 9. All State agencies, departments, boards, and commissions shall participate in the program and contribute to the Fund. The Fund shall be administered by the Secretary of Administration who:

* * *

CONFERENCE CHANGE: Added per technical letter to JFO to align statute with supreme court decision about the definition of an Employee.

Sec. E.106 3 V.S.A. § 2281 is amended to read:

§ 2281. Department of Finance and Management

The Department of Finance and Management is created in the Agency of Administration and is charged with all powers and duties assigned to it by law, including the following:

* * *

~~(5) To maintain a central payroll office which shall be the successor to and continuation of the payroll functions of the Department of Human Resources.~~ **[Repealed.]**

EXPLANATION: Removes the duty of maintaining payroll at Finance and Management. The duties have been transferred to the Department of Human Resources.

Sec. E.108 3 V.S.A. § 2283 is amended to read:

§ 2283. Department of Human Resources

(a) The Department of Human Resources is created in the Agency of Administration. In addition to other responsibilities assigned to it by law, the Department is responsible for fulfilling the payroll functions and for the provision of centralized human resources management services for State government, including the administration of a classification and compensation system for State employees under chapter 13 of this title and the performance of duties assigned to the Commissioner of Human Resources under chapter 27 of this title. All agencies and departments of the State which receive services from the Department of Human Resources shall be charged for those services through an assessment payable to the Human Resources Internal Service Fund on a basis established by the Commissioner of Human Resources and with the approval of the Secretary of Administration.

(b) The Department of Human Resources shall maintain a central payroll office, which shall be the successor to and continuation of the payroll functions of the Department of Finance and Management.

(c)(1) There is established in the Department of Human Resources a Human Resource Services Internal Service Fund to consist of revenues from charges to agencies, departments, and similar units of Vermont State government and to be available to fund the costs of the consolidated human resource services in the Department of Human Resources.

* * *

EXPLANATION: Move the administration of Payroll to the Department of Human Resources.

Sec. E.108.1 TRANSFER OF POSITIONS AND APPROPRIATIONS

(a) The rules of the Department of Finance and Management relating to payroll in effect on the effective date of this act shall be the rules of the Department of Human Resources, until amended or repealed by that department. All references in those rules to the “Commissioner” and the “Department of Finance and Management,” shall be deemed to refer to the “Commissioner of Human Resources” and the “Department of Human Resources.”

(b) All employees, professional and support staff, consultants, positions and equipment and the remaining balances of all appropriation amounts for personal services and operating expenses for the payroll function are transferred from the Department of Finance and Management to the Department of Human Resources.

EXPLANATION: Move the administration of Payroll to the Department of Human Resources.

Sec. E.108.2 GENERAL AMENDMENTS

(a) The words “Commissioner of Finance and Management” are amended to read “Commissioner of Human Resources” in the following statutes:

(1) 3 V.S.A. § 631 (a)(6) - (7), and 32 V.S.A. §1261 (a).

EXPLANATION: Related to moving Payroll to the Department of Human Resources. 3 V.S.A. § 631 (a) (6) - (7) relates to the power to deduct insurance expenses from employee paychecks, moving from Finance and Management to the Department Human Resources 32 V.S.A. § 1261 (a) gives the commissioner the power to determine the “reasonableness” of expenses to be reimbursed.

Sec. E.108.3 3 V.S.A. § 309 is amended to read:

§ 309. Duties of Commissioner of Human Resources

(a) The Commissioner, as administrative head of the Department, shall direct and supervise all its administrative and technical activities. In addition to the duties imposed elsewhere in this chapter, it shall be the Commissioner's duty:

* * *

(20) To maintain a central payroll office, personnel earnings records and records on authorized deductions.

(21) To certify, by voucher, to the Commissioner of Finance and Management all necessary and appropriate disbursements associated with the payroll function.

* * *

EXPLANATION: Shifts the payroll duties to the Commissioner of Human Resources.

Sec. E.108.4 CLASSIFICATION REPORT; UPDATE

(a) The Commissioner of Human Resources shall provide a status report to the Joint Fiscal Committee by November 1, 2016, regarding the State Employee Position Classification System consultant report required by 2015 Acts and Resolves No. 58, Sec. E.100.1. The status report shall include preliminary information including:

- (1) based on the consultant report, recommended next steps and anticipated timeline;
- (2) anticipated costs and resources to implement recommendations; and
- (3) the total cost of the current classification system and number of positions impacted by the recommendations.

(b) The Commissioner of Human Resources shall provide a report to the General Assembly on or before January 15, 2017, as outlined in subsection (a) of this section, to include anticipated required changes to statute, policy, system, and structural changes necessary to implement recommendations, unless otherwise required by the Joint Fiscal Committee, in accordance with 2015 Acts and Resolves No. 58, Sec. E.100.1.

SENATE CHANGE: (SW) Provides the Commissioner of HR more time to deliver results of study regarding the current classification scheme. Under Act 58 of 2015 an initial report was due in January of 2016.

Sec. E.108.5 REVIEW OF POLICIES TO ADDRESS NONPUBLIC SAFETY EMPLOYEES' DEATH IN THE LINE OF DUTY

(a) The Commissioner of Human Resources shall review the policies in place to address specific incidents when a nonpublic safety employee dies in the line of duty. The results of this review and any recommendations shall be provided to the House and Senate Committees on Appropriations and Government Operations on or before December 15, 2016.

(b) To the extent that funding is needed for any recommendations in fiscal year 2017 the funding shall come from the Security Appropriation in Sec. B. 1101(c) of this act

SENATE CHANGE: Language to review what happens to nonpublic safety employees in the line of duty. Allows the SOA to distribute funds if needed based on the findings.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

EXPLANATION: This is an annual piece of language that covers admin costs for the current use program software. Usually this appropriation is \$30k but they don't use all of the spending authority so we cut it to \$15k for FY17.

Sec. E.113 Buildings and general services – engineering

(a) The \$3,553,061 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2015 legislative session, as amended by the 2016 legislative session.

EXPLANATION: Funds appropriated to BGS engineering appropriated in 2015 Act 26 Sec. 2(c)(6) as amended by the Governor's proposed 2016 capital bill adjustment

Sec. E.126 Legislature

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Legislature and carried forward into fiscal year 2017, the amount of \$113,500 ~~\$133,000~~ \$113,500 shall revert to the General Fund.

(b) It is the intent of the General Assembly that funding for the Legislature in fiscal year 2017 be included at a level sufficient to support an 18-week legislative session.

EXPLANATION: Reversion agreed to as part of the FY 2017 budget construct.

HOUSE CHANGE: (DB) – The specifics have been fine-tuned by the Legislative branch for themselves.

Sec. E.126.1 3 V.S.A. § 637 is added to read:

§ 637. DENTAL COVERAGE; MEMBERS OF THE GENERAL ASSEMBLY

(a) A member of the General Assembly and a session employee of the General Assembly or the Legislative Council shall be eligible to participate in any group dental insurance program negotiated in a collective bargaining agreement with State employees. Premiums shall be paid by the legislator or employee at the full actuarial rate with no contributions from the State and shall be deducted from compensation due for services rendered during the legislative session or assessed and paid directly by the legislator or employee.

(b) A person who elects to participate in the group dental insurance program pursuant to this section shall notify the program's administrator, in writing, of such election. The enrollment period for persons electing pursuant to this section shall correspond with the enrollment period for State employees.

HOUSE CHANGE: (DB) The cost for this offer should be net-neutral since the newly insured pays 100% of the cost.

Sec. E.126.2 LEGISLATIVE DEPARTMENT BUDGETS

(a) The Legislative Departments are authorized to transfer funding from the Legislative Council budget to the Legislative budget for Legislative Operations and a new Information Technology Systems budget to the extent that such transfers are approved by the Legislative Council Committee or the Joint Rules Committee.

SENATE CHANGE: (DB) JFO thought this might be needed.

CONFERENCE CHANGE: (DB) Removed in conference committee – no longer needed.

Sec. E.126.3 126.2 32 V.S.A. § 1051 is amended to read:

§ 1051. SPEAKER OF THE HOUSE; AND PRESIDENT PRO TEMPORE OF THE SENATE; COMPENSATION AND EXPENSE REIMBURSEMENT

(a) The Speaker of the House and the President Pro Tempore of the Senate shall be entitled to receive annual compensation of \$10,080.00 for the 2005 Biennial Session and thereafter to be paid in biweekly payments; provided that, beginning on January 1, 2007, the annual compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement. In addition to the annual compensation, the Speaker and President Pro Tempore shall be entitled to receive:

(1) \$652.00 a week for the 2005 Biennial Session and thereafter, to be paid in biweekly payments during the regular and adjourned sessions of the General Assembly; provided that, beginning on January 1, 2007, the weekly compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement;

(2) ~~\$130.00 a~~ an amount equal to one-fifth of the annually adjusted weekly compensation set forth in subdivision (1) of this subsection, rounded up to the nearest dollar, per day during a special session of the General Assembly which is called at any time following the 2005 Biennial Session; provided that, beginning on January 1, 2007, the daily compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement; and

(3) mileage, meals, and rooms lodging expenses as provided to members of the General Assembly under subsection 1052(b) of this title during the biennial, adjourned, and special sessions of the General Assembly and in addition such other actual and necessary expenses incurred while engaged in duties imposed by law.

* * *

SENATE CHANGE: (DB) The wording changes here provide for off-session compensation and expense reimbursement.

Sec. E. ~~126.4~~ 126.3 32 V.S.A. § 1052 is amended to read:

§ 1052. MEMBERS OF THE GENERAL ASSEMBLY; COMPENSATION AND EXPENSE REIMBURSEMENT

(a)(1) Each member of the General Assembly, other than the Speaker of the House and the President Pro Tempore of the Senate, is entitled to a weekly salary of \$589.00 for the 2005 Biennial Session and thereafter; provided that, beginning on January 1, 2007, the weekly compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement. The salary of members shall be paid in biweekly installments.

(2) During a special session, a member is entitled to ~~\$118.00 a day~~ an amount equal to one-fifth of the annually adjusted weekly compensation set forth in subdivision (1) of this subsection, rounded up to the nearest dollar, for each day of a special session ~~which is called at any time following the 2005 biennial session for each day~~ on which the House of which he or she is a member shall sit.

* * *

SENATE CHANGE: (DB) The wording changes here provide for off-session compensation and expense reimbursement and reduce further statutory housekeeping changes by making expense reimbursement a percentage of salary.

Sec. E.127 Joint fiscal committee

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Joint Fiscal Committee and carried forward into fiscal year 2017, the amount of \$50,000 shall revert to the General Fund.

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

Sec. E.127.1 VERMONT HEALTH BENEFITS EXCHANGE TECHNOLOGY; SUSTAINABILITY ANALYSIS; REPORT

(a) The Joint Fiscal Office, through a contract with an independent third party, shall provide a report to the General Assembly on or before December 1, 2016 with an analysis of the current functionality and long-term sustainability of the technology for Vermont Health Connect functionality and the integration, connectivity, and business logic of each as they pertain to both the back-end systems and the user interface of Vermont Health Connect. The analysis shall provide recommendations for improving the function, efficiency, reliability, operations, and customer experience of the technology going forward. The report shall include an evaluation of the investment value of the existing components of the Exchange technology and the contractor's assessment of the feasibility and cost-effectiveness of leveraging existing components of the Vermont Health Benefits Exchange as part of the technology for a larger, integrated eligibility system, including reviewing changes other states have made to the Exchange components of their technology infrastructure. The analysis and report shall provide a comparison of the investments required to ensure a sustainable State-based Exchange through further investment in Vermont Health Connect's current technology, with the estimated investments that would be required to transition to a fully or partially federally funded Exchange.

(b) In preparing its request for proposal, the Joint Fiscal Office shall consult with health insurers offering qualified health plans on Vermont Health Connect.

(c) The General Assembly shall provide ongoing oversight and review of the analysis and report.

(d) The provisions of this section shall only take effect if direct funding is appropriated during the fiscal year 2016 legislative session.

Sec. E.127.1 RECOMMENDATIONS FOR THE FUTURE OF THE VERMONT HEALTH BENEFIT EXCHANGE

(a)(1) The Joint Fiscal Office (JFO), in collaboration with one or more independent third parties pursuant to contracts negotiated for that purpose, shall conduct an analysis for the General Assembly on or before December 15, 2016 regarding the current functionality and long-term sustainability of the technology for Vermont Health Connect.

(2) The analysis shall include a review of the outstanding deficiencies in Vermont Health Connect functionality and customer support, an analysis of the Agency of Human Service's plans and actions to address these deficiencies, and a determination as to whether those plans and actions are likely to be effective.

(3) The analysis shall include an evaluation of the feasibility and cost-effectiveness of maintaining Vermont Health Connect either as a stand-alone system or as part of the technology for a larger, integrated eligibility system, including a comparison of these costs to those of other state-based exchanges. This analysis shall include a review of licensing costs and issues as they apply to both the commercial components and the software that make up Vermont Health Connect.

(4) The analysis shall provide a comparison of the costs of alternative approaches required to ensure a sustainable, effective State-based exchange and, to the extent possible, shall provide specific recommendations and action steps for legislative consideration. Alternative approaches shall include any opportunity to build on other states' exchange technology, as well as a fully or partially federally facilitated exchange. Factors to be analyzed include required technological change, ease of transition, short-term and long-term costs for both the transition and the operation of the alternative, and implications for future developments of the Vermont health care system.

(5) Any options presented in this analysis shall be scored based upon the factors in subdivision (a)(4) of this section.

(b) In conducting the analysis pursuant to this section, and in preparing any requests for proposals from independent third parties, the JFO shall consult with health insurers offering qualified health plans on Vermont Health Connect.

(c) The Secretary of Administration, the Secretary of Human Services, and the Chief Information Officer shall provide the JFO access to reviews conducted to evaluate Vermont Health Connect and any other information required to complete this analysis. The Executive Branch shall provide other assistance as needed. If necessary, the JFO shall enter into a memorandum of understanding with the Executive Branch relating to any reviews or other information that shall protect security and confidentiality.

(d) Of the amounts appropriated in fiscal year 2017 from State funds to the Department of Vermont Health Access for the operation of Vermont Health Connect, the amount of \$250,000 is transferred from the Department to the JFO for the purpose of implementing this section.

(d) The Joint Fiscal Committee shall use up to \$250,000 of funds appropriated to it for procuring fiscal and policy expertise related to Vermont's health care system for the purposed of implementing this section.

HOUSE CHANGE: Vermont Health Connect Study takes effect with direct appropriation. The Administration does not believe an additional study is needed. In addition, DVHA is unable to absorb the reduction in its VHC budget to transfer \$250,000 of state funds to JFO to implement this study. (KM)

SENATE CHANGE: VHC study restored with funding; will be an issue for Conference Committee letter. (DB)

CONFERENCE CHANGE: Funding for VHC Study appropriated (2015 Act 26 Sec 34) directly to Joint Fiscal Committee rather than from DVHA. (KM)

Sec. E.128 Sergeant at arms

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Sergeant at arms and carried forward into fiscal year 2017, the amount of \$10,000 shall revert to the General Fund.

EXPLANATION: The Sergeant at arms has agreed to revert this amount.

Sec. E.128.1 2 V.S.A. § 63 is amended to read:

§ 63. SALARY

(a) ~~The base salary for the a newly-elected Sergeant at Arms shall be \$47,917.00 as of January 1, 2015 provided that, beginning on July 1, 2015 set by the Joint Rules Committee and annually thereafter, this compensation shall be adjusted by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement in accordance with any annual increase provided for legislative employees, unless otherwise determined by the Joint Rules Committee.~~

~~(b) The Joint Rules Committee may establish the starting salary for the Sergeant at Arms, ranging from the base salary to a salary that is 30 percent above the base salary. The maximum salary for the Sergeant at Arms shall be 50 percent above the base salary. [Repealed]~~

SENATE CHANGE: (DB) Statutory clean up.

Sec. E.131 STATE TREASURER; TEACHERS' RETIREMENT PRESENTATION

(a) The State Treasurer shall work with the actuaries for the State Teachers' Retirement System and the State Employees' Retirement System and report to the General Assembly on the following:

(1) the percentage increase in the teachers and State employee salaries paid and the impact on the State Retirement Systems' funding assumptions; and

(2) the impact assessment for the current year contribution and the change to the long-term system obligation.

(b) Based on information provided by the Secretary of Education, the State Treasurer shall estimate the value of the teachers' contracts negotiated above 110 percent of the statewide average and calculate the impact of these contracts on the current year and future year payments of the Teachers' Retirement Fund.

(c) This report shall be submitted to the House and Senate Committees on Appropriations, on Education and on Government Operations as part of the State Treasurer's 2018 budget submission.

SENATE CHANGE: (DB) Directs the State Treasurer to investigate options for the State pension system and report back. The Treasurer will comply.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2017, investment fees shall be paid from the corpus of the Fund.

EXPLANATION: Same as in FY 2016, this language allows investment fees to be paid from the fund, instead of from the FY 2017 state contribution charged to the departments of state government.

Sec. E.133.1 3 V.S.A. § 473(c) is amended to read:

(c) Employer contributions, earnings, and payments.

* * *

(4) ~~Beginning July 1, 2008, Until until~~ the unfunded accrued liability is liquidated, the basic accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ending on June 30, 2038, ~~from July 1, 2008 provided that:~~

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution ~~after June 30, 2009,~~ shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent greater than the preceding annual basic accrued liability contribution per year.

(B) Beginning July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year; and

(C) Any variation in the contribution of normal, basic, unfunded accrued liability or additional unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

(5)-(7) [Repealed.]

SENATE CHANGE: (DB) Statutory language change suggested by the Treasurer to pay down pension debt sooner and save the State extra carrying costs.

Sec. E.141 REPEALS

(a) 2015 Acts and Resolves No. 57, Sec. 97 (amending the Lottery Commission's rulemaking authority with respect to lottery product sales locations) is repealed.

(b) 2015 Acts and Resolves No. 57, Sec. 99(15) (effective date for amendment to the Lottery Commission's rulemaking authority with respect to lottery product sales locations) is repealed.

SENATE CHANGE: (DB) Senate added language to repeal statute that prevents lottery product sales in commercial establishments that serve liquor.

CONFERENCE CHANGE: (DB) Repeal language struck so statute is not repealed, preventing lottery product sales in commercial establishments that serve liquor.

Sec. E.141.1 31 V.S.A. § 654 is amended to read:

§ 654. POWERS AND DUTIES

The ~~commission~~ Commission shall ~~promulgate~~ adopt rules pursuant to 3 V.S.A. chapter 25 of Title 3, governing the establishment and operation of the ~~state lottery~~ State Lottery. The rules may include, ~~but shall not be limited to,~~ the following:

* * *

(7) ~~Ticket~~ Lottery product ~~Ticket~~ sales locations, which may include ~~state~~ State liquor stores and liquor agencies; private business establishments; fraternal, religious, and volunteer organizations; town clerks' offices; and ~~state~~ State fairs, race tracks and other sporting arenas;

* * *

SENATE CHANGE: (DB) Statutory clean up and limits Lottery game locations.

CONFERENCE CHANGE: (DB) Statutory clean up and limits Lottery game locations.

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

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

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

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

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

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

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

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

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$997,000 ~~\$1,115,500~~ is appropriated in Sec. B.200 of this act.

EXPLANATION: Same provisions as in FY 2016.

CONFERENCE CHANGE: (DB) The AGO is okay with the change to language which reflects the GF/SF funding allocation in B.200 and allows the AGO to retain an additional \$118.5K from consumer settlements to fund its appropriation.

Sec. E. 204 JUDICIARY AND VERMONT BAR ASSOCIATION WORK GROUP; ANALYSIS OF CHILD PROTECTION SYSTEM

(a) The Judiciary and the Vermont Bar Association shall convene a work group of stakeholders from Franklin and Grand Isle Counties, including judges, attorneys representing parents, attorney representing children, State's Attorneys, guardians ad litem, social workers from the Family Services Division of the Department for Children and Families, and the Defender general or designee to undertake an analysis of how to improve the child protection system and how better to manage the child abuse and neglect caseload within the Judiciary. The work group's analysis shall include:

(1) examining whether the addition of a special master or other judicial adjuncts could increase the case-clearing rate of the existing pool of judges;

(2) examining whether the current deployment of judges to treatment court is increasing dockets and decreasing access to justice; and

(3) determining whether the addition of a Superior Court judge is the most critical need within the system.

(b) The Court Administrator shall report to the House and Senate Committees on Appropriations and on the Judiciary recommendations arising from the work group's analysis by April 22, 2016.

(c) The appropriation in Sec. B. 204 of this act that funds one new Superior Court judge shall be contingent on the recommendation of the work group.

HOUSE CHANGE: Judiciary Report Added on child protection

SENATE CHANGE: Report removed by the senate

Sec. E.204 PRIVATE CAUSE OF ACTION; EXTENSION OF DATE

(a) Notwithstanding 9 V.S.A. § 3048(b), a consumer may not, prior to July 1, 2017, bring a private cause of action under 9 V.S.A. chapter 63, subchapter 1, for a violation of the requirements of 9 V.S.A. chapter 82A.

SENATE CHANGE: Update to GMO law, AG's office concurs with this statutory change.

Sec. E.208 Public safety – administration

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

(b) The Department of Public Safety shall continue to provide 911 call-taking services unless otherwise directed by legislative enactment.

(c) Notwithstanding 19 V.S.A § 11a(b), of the funds appropriated to the Department under 19 V.S.A § 11a(a) in fiscal year 2017 the amount of \$1,680,000 is allocated exclusively for purchase, outfitting, assignment, and disposal of State Police vehicles.

EXPLANATION: Same provisions as in FY 2016.

SENATE CHANGE: (DB) Senate just wanted assurance that DPS would not abandon the call-taking business for E911.

CONFERENCE CHANGE: (DB) Added to force DPS to comply with its own vehicle maintenance/replacement schedule and to not use its capital replacement budget for other purposes.

Sec. E. 208.1 20 V.S.A. § 2063(c) is amended to read:

(c)(1) The Criminal History Record Check Fund is established and shall be managed by the Commissioner of Public Safety in accordance with the provisions of 32 V.S.A. chapter 7, subchapter 5. The first \$200,000.00 of fees paid each year under this section shall be placed in the fund Fund and used for personnel and equipment related to the processing, maintenance, and dissemination of criminal history records. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.

(2) After the first \$200,000.00 of fees paid each year under this section are placed in the Criminal History Record Check Fund, all At the end of each fiscal year, if there is an undesignated

surplus in the Fund, any additional fees paid ~~during that year under this section~~ shall ~~go be~~ transferred to the General Fund.

HOUSE CHANGE: (DB) Fulfills DPS request to use more of fund to cover admin costs. Also, DPS prefers “personal services and operating costs” instead of “personnel and equipment” to be able to cover contractual service costs.

SENATE CHANGE: (DB) Senate improved language for statute and DPS is in agreement.

Sec. E.208.2 REPORT; CRIMINAL HISTORY RECORDS COSTS

(a) On or before January 15, 2017, the Department of Public Safety shall report to the House Committee on Appropriations concerning the costs over each of the last five fiscal years associated with processing, maintaining, and disseminating criminal history records pursuant to 20 V.S.A. § 2063.

(a) The Joint Justice Oversight Committee shall review the State and federal requirements for criminal history background checks, the costs incurred by local social service entities in obtaining the checks, and the cost incurred by the State in providing them. The Vermont Crime Information Center shall provide the Committee financial, performance and statistical information as needed to conduct this review. The Committee shall determine if there are changes or processes that could be implemented that maintain public safety while increasing cost effectiveness, giving particular consideration to changes that could reduce the financial burden on local social agencies conducting multiple background checks on the same person within a short time span. The Oversight Committee shall provide any recommendations for legislation to the House and Senate Committees on Judiciary on or before January 15, 2017.

HOUSE CHANGE: (DB) Language requests report next session and DPS will comply.

SENATE CHANGE: (DB) Change reassigns work to Joint Oversight Committee Language. DPS will assist as requested.

Sec. E.209 Public safety – state police

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

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

EXPLANATION: Same provisions as in FY 2016.

Sec. E.212 Public safety – fire safety

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

EXPLANATION: Same provisions as in FY 2016.

Sec. E.215 Military – administration

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

EXPLANATION: Language and amounts same as FY 2016.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, ~~\$2,500~~ \$1,000 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; \$7,500 shall be used for the Veterans' Day parade; \$5,000 shall be granted to the Vermont State Council of the Vietnam Veterans of America to fund the Service Officer Program; \$5,000 shall be used for the Military, Family, and Community Network; and \$10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

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

EXPLANATION: Language and amount same as in FY 2016

HOUSE CHANGE: (DB) Military's Veterans Affairs appropriation has been reduced for this change and Military is okay with the change.

Sec. E.220 Center for crime victims services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer \$55,021 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

EXPLANATION: Same provisions as in FY 2016.

Sec. E.222 ONE-TIME FUNDING; 2 PLUS 2 FARM SCHOLARSHIP PROGRAM

(a) Included in the appropriation for the 2 Plus 2 Farm Scholarship Program in Sec. B.222 of this act is \$35,000 in one-time funds to provide funding in a time frame that allows newly accepted freshman students to consider all of the student aid offers available to them concurrently.

SENATE CHANGE: (DB) Funding earlier to help students make decisions and Agency agrees.

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

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

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

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

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of ~~\$711,490~~ **\$900,490** ~~\$711,490~~ **\$800,000** in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for administrative expenses, direct grants, and investments in food and forest systems and services providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

(b) No more than 20 percent of the funds appropriated to the Working Lands Enterprise board in this section shall be used to support administration and operating expenses of the grant program.

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

HOUSE CHANGE: (Agriculture suggests removing “direct grants”. Otherwise accepts. (4/4 DB/EB)

SENATE CHANGE: (DB) Limits Ag admin funding.

CONFERENCE CHANGE: (DB) CC struck Senate change with Agency of Ag’s approval.

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

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

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

Sec. E.228 INSURANCE REGULATORY AND SUPERVISION FUND; PROJECTIONS; BALANCE TRANSFER; DISTRIBUTION PILOT

(a) Notwithstanding 8 V.S.A. §80(d):

(1) In September 2018, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Regulatory and Supervision Fund (Insurance Fund) for fiscal years 2019 and 2020. Half of the projected balance shall be transferred from the Insurance Fund to the General Fund in fiscal year 2019, and half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2020.

(2) In September 2020, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Fund for fiscal years 2021 and 2022. Half of the projected balance shall be transferred from the Insurance Fund to the General Fund in fiscal year 2021, and half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2022

(b) This section shall expire on June 30, 2022.

HOUSE CHANGE: included to try to smooth the DFR transfer impact on the GF (EB)

SENATE CHANGE: removed language about smoothing the DFR transfer amounts (EB)

Sec. E.228 INSURANCE REGULATORY AND SUPERVISION FUND; PROJECTIONS; BALANCE TRANSFER; DISTRIBUTION PILOT

(a) Notwithstanding 8 V.S.A. §80(d):

(1) In September 2018, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Regulatory and Supervision Fund (Insurance Fund) for fiscal years 2019 and 2020. Half of the projected balance shall be transferred from the Insurance Fund to the General Fund in fiscal year 2019, and half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2020.

(2) In September 2020, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Fund for fiscal years 2021 and 2022. Half of the projected balance shall be transferred from the Insurance Fund to the General Fund in fiscal year 2021, and half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2022

(b) This section shall expire on June 30, 2022.

CONFERENCE CHANGE: (DB) The Conference restored the House language, still trying to smooth the DFR transfer to and impact on the GF. DFR is fine with this methodology (but suggested that a 2-year budget would make this language unnecessary.)

Sec. E.232 RECORDS RETENTION AND ARCHIVING

(a) The State Archivist shall, in consultation with representatives of statewide criminal justice agencies, develop recommendations and action plans for these agencies to meet their records retention and evidence requirements. These recommendations and action plans shall consider industry best practice and cost efficiency and security, including available options for digital records.

(b) The State Archivist, in consultation with the Department of Information and Innovation, shall develop best practices for how and when to destroy electronic records that are no longer required to be maintained by the State agencies and departments, including the Department of State's Attorneys and Sheriffs.

HOUSE CHANGE: (JA) (DB) Directs State Archivist to update State policy regarding records retention and adds DII for consultation. SOS concurs and will comply.

CONFERENCE CHANGE: (DB) Adds States Attorneys and Sheriffs to the update team.

Sec. E.233 30 V.S.A. § 20 is amended to read:

§ 20. ~~PARTICULAR PROCEEDINGS:~~ **PARTICULAR PROCEEDINGS AND**

ACTIVITIES: PERSONNEL

(a)(1) The Board or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services:

(i)(A) To assist the Board or Department in any proceeding listed in subsection (b) of this section.

(ii)(B) To monitor compliance with any formal opinion or order of the Board.

(iii)(C) In proceedings under section 248 of this title, to assist other State agencies that are named parties to the proceeding where the Board or Department determines that they are essential to

a full consideration of the petition, or for the purpose of monitoring compliance with an order resulting from such a petition.

(iv)(D) In addition to the ~~above~~ above services in subdivision (1)(A)-(C) of this subsection (a), in proceedings under subsection 248(h) of this title, by contract with the regional planning commission of the region or regions affected by a proposed facility, to assist in determining conformance with local and regional plans and to obtain the ~~commissions~~ commission's data, analysis, and recommendations on the economic, environmental, historic, or other impact of the proposed facility in the region.

(v)(E) To assist in monitoring the ongoing and future reliability and the postclosure activities of any nuclear generating plant within the State. ~~For the purpose of~~ For the purpose of - In this subdivision subdivision section, "postclosure activities" includes planning for and implementation of any action within the State's jurisdiction that shall or will occur when the plant permanently ceases generating electricity.

(2) The Agency of Natural Resources may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to:

(A) Assist Agency of Natural Resources, in any proceeding under section 248 of this title.

(B) Monitor compliance with an order issued under section 248 of this title.

(C) Assist the Board or the Department of Public Service in any proceedings described in subdivisions (b)(9) (Federal Energy Regulatory Commission) and (11) (Nuclear Regulatory Commission) of this section. Allocation of Agency of Natural Resources costs under this subdivision (C) shall be in the same manner as provided under subdivisions (b)(9) and (11) of this section. The Agency of Natural Resources shall report annually to the Joint Fiscal Committee all costs incurred and expenditures charged under the authority of this subsection with respect to proceedings under subdivision (b)(9) of this section and the purpose for which such costs were incurred and expenditures made.

(D) Assist in monitoring the postclosure activities of any nuclear generating plant within the State. In this subdivision, "postclosure activities" has the same meaning as in subdivision (a)(1)(v) of this section.

(3) The Department of Health may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to assist in monitoring the postclosure activities of any nuclear generating plant within the State. In this subdivision, "postclosure activities" has the same meaning as in subdivision (a)(1)(v) of this section.

(4) The Department of Public Safety, Division of Emergency Management and Homeland Security may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, employees, and other research, scientific, or engineering services, or other planning expenses to assist in monitoring the postclosure activities of any nuclear generating plant within the State.

(5) The Agency of Agriculture, Food and Markets may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to:

(A) assist the Agency of Agriculture, Food and Markets in any proceeding under section 248 of this title; or

(B) monitor compliance with an order issued under section 248 of this title.

(3)(4)(6) The personnel authorized by this section shall be in addition to the regular personnel of the Board or the Department of Public Service or other State agencies; and in the case of the Department of Public Service or other State agencies may be retained only with the approval of the Governor and after notice to the applicant or the ~~public-service~~ company or companies involved. The Board or the Department of Public Service shall fix the amount of compensation and expenses to be paid such additional personnel, except that the Agency of Natural Resources ~~or Department of Health, Department of Public Safety, Division of Emergency management and Homeland Security or the Agency of Agriculture, Food, and Markets, respectively,~~ shall fix the amount of compensation and expenses to be paid to additional personnel that it retains under ~~subdivision~~ subdivisions (2), or (3), (4), or (5) of this subsection.

EXPLANATION: This is technical and clarifying language to the State's existing bill-back authority in Title 30. Allows additional Agencies/Departments to use the bill back authority. Related to Sec. B.233.1.

HOUSE CHANGE: (DB/JA) Updates bill back statute for Public Service utility matters.

CONFERENCE CHANGE: (DB) Expands bill back process for Public Service Board and Department, ANR, DPS, and Agriculture. PSD, ANR, DPS and Agriculture have no problems with the statutory changes.

Sec. E.233.1 30 V.S.A. § 21 is amended to read:

§ 21. ~~PARTICULAR PROCEEDINGS;~~ **PARTICULAR PROCEEDINGS AND ACTIVITIES;**
ASSESSMENT OF COSTS

(a) ~~The Board, the Department, or the Agency of Natural Resources~~ An agency may allocate the portion of the expense incurred or authorized by it in retaining additional personnel ~~for the particular proceedings authorized in pursuant to section 20 of this title to the applicant or the public-service company or companies involved in those proceedings. In this section, "agency" means an agency, board, or department of the State enabled to authorize or retain personnel under section 20 of this title.~~

(1) The Board shall upon petition of an applicant or ~~public-service~~ company to which costs are proposed to be allocated, review and determine, after opportunity for hearing, having due regard for the size and complexity of the project, the necessity and reasonableness of such costs, and may amend or revise such allocations. Nothing in this section shall confer authority on the Board to select or decide the personnel, the expenses of whom are being allocated, unless such personnel are retained by the Board. Prior to allocating costs, the Board shall make a determination of the purpose and use of the funds to be raised hereunder, identify the recipient of the funds, provide for allocation of costs among companies to be assessed, indicate an estimated duration of the ~~proceedings-retention of personnel whose costs are being allocated,~~ and estimate the total costs to be imposed. With the approval of the Board, such estimates may be revised as necessary. From time to time during the progress of the work of such additional personnel, ~~the Board, the Department, or the agency of Natural Resources of Natural Resources~~ the agency retaining the personnel shall render to the company detailed statements showing the amount of money expended or contracted for in the work of such personnel, which statements shall be paid by the applicant or the ~~public-service~~ company

into the State Treasury at such time and in such manner as the ~~Board, the Department, or the Agency of Natural Resources~~ agency may reasonably direct.

(2) In any proceeding under section 248 of this title, the ~~Agencies~~ Agency of Natural Resources may allocate the portion of the expense incurred in retaining additional staff authorized in subsection 21(a) of this title only if the following apply:

(A) the Agency of Natural Resources does not have the expertise and the retention of such expertise is required to fulfill the ~~Agency's~~ its statutory obligations in the proceeding; and

(B) the Agency of Natural Resources allocates only that portion of the cost for such expertise that exceeds the fee paid by the applicant under section 248b of this title.

(b) When regular employees of the ~~Board, the Department, or the Agency of Natural Resources~~ an agency are employed in the particular proceedings and activities described in section 20 of this title, the ~~Board, the Department, or the Agency of Natural Resources~~ agency may also allocate the portion of their costs and expenses to the applicant or the ~~public service~~ company or companies involved ~~in the proceedings~~. The costs of regular employees shall be computed on the basis of working days within the salary period, except that the Department of Public Safety, Division of Emergency Management and Homeland Security may allocate the full cost of the regular employee. The manner of assessment and of making payments shall otherwise be as provided for additional personnel in subsection (a) of this section. However, with respect to proceedings under section 248 of this title, the Agency of Natural Resources shall not allocate the costs of regular employees.

(e) ~~On or before January 15, 2011, and annually thereafter, the Agency of Natural Resources~~ Annually on or before January 15, each agency shall report to the Senate and House Committees on Natural Resources and Energy the total amount of expenses allocated under this section during the previous fiscal year. The report shall include the name of each applicant or public service company to whom expenses were allocated and the amount allocated to each applicant or company. The Agency of Agriculture, Food, and Markets also shall submit a copy of its report to the Senate Committee on Agriculture and the House Committee on Agriculture and Forests Products.

(g) ~~The Board, or the Department, with the approval of the Governor, An agency may allocate such portion of expense incurred or authorized by it in compensating persons retained in the monitoring of postclosure activities of a nuclear generating plan pursuant to subdivision 20(a)(1)(v) or 20(a)(2)(D), or 20(a)(3) subsection 20(a) of this title to the nuclear generating plant whose activities are being monitored. Except for the Board, the agency shall obtain the approval of the Governor before making such an allocation.~~

* * *

EXPLANATION: This is technical and clarifying language to the State's existing bill-back authority in Title 30. Allows additional Agencies/Departments to use the bill back authority. Related to Sec. B.233.

SENATE CHANGE: (DB) Updates bill back statute for Public Service utility matters.

CONFERENCE CHANGE: (DB) Expands bill back process for Public Service Board and Department, ANR, DPS, and Agriculture. PSD, DPS, ANR and Agriculture have no problems with the statutory changes.

* * * HUMAN SERVICES * * *

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

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2017 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

EXPLANATION: Same language as for FY 2016 (2015 Act 58, Sec. E. 300) and FY 2015 (2014 Act 179 Sec. E.300). 2013 Act 50 Sec.D.104 requires the tobacco settlement funds withheld to be deposited in the Tobacco Trust Fund. This section allows the previously withheld Tobacco Settlement funds received in 2017 to be spent rather than deposited into the Trust Fund.

Sec. E.300.1 3 V.S.A. § 3022a is added to read:

§ 3022a. IMPROVING GRANTS MANAGEMENT FOR RESULTS BASED PROGRAMS

(a) The Secretary of Human Services shall compile a grants inventory using the Department of Finance and Management's master list of all grants awarded during the prior fiscal year by the Agency or any its departments to any public and private entities. The inventory should reflect:

- (1) the date and title of the grant;
- (2) the amount of federal and State funds committed during the prior fiscal year;
- (3) a summary description of each grant;
- (4) the recipient of the grant;
- (5) the department responsible for making the award;
- (6) the major Agency program served by the grant;
- (7) the existence or nonexistence in the grant of performance measures;
- (8) the scheduled expiration date of the grant;
- (9) the number of people served by each grant;
- (10) the length of time the entity has had the grant; and
- (11) the indirect rate of the entity.

(b) Annually, on or before January 15, the Agency shall submit the inventory to the General Assembly in an electronic format.

(c) The Secretary of Human Services and the Chief Performance Officer shall report to the Government Accountability Committee in September of each year and to the House and Senate Committees on Appropriations annually, on or before January 15, regarding the progress of the Agency in improving grant management in regard to:

- (1) compilation of the inventory required in subsection (a) of this section;
- (2) establishing a drafting template to achieve a common language and requirements for all grant agreements, to the extent that it does not conflict with Agency of Administration bulletin 5- Policy for Grant Issuance and Monitoring of federal requirements contained in 2 C.F.R. Chapter I, Chapter II, Part 200, including:
 - (A) a specific format covering expected goals and clear concise performance measures that demonstrate results and which are attached to each goal; and
 - (B) providing both community organizations and the Agency the same point of reference in assessing how the grantees are meeting expectations in terms of performance.

- (3) executing Designated Agency Master Grant agreements using the new drafting template;
- (4) executing grant agreements with other grantees using the new drafting template; and
- (5) progress in improving the overall timeliness of executing agreements.

HOUSE CHANGE: Checked with Sue, she did not draft this language but is okay with the January 15 reporting date. AHS is concerned with the addition of items (9), (10), (11), due to labor and strain on resources, data requirements are not currently collected in a universal matter. CO suggest making this a requirement for future grants. Furthermore, there is variability in the way departments collect data (i.e. indirect rates, federal requirements) (KM).

Sec. E.300.2 REDUCING DUPLICATION OF AHS SERVICES; PROGRESS REPORT

(a) On or before November 15, 2016, the Agency of Human Services shall report to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare regarding its progress in implementing the recommendations in the areas of case management, medication management, and diagnostic assessment and evaluation contained in the report on reducing duplication of services that the Agency submitted to the General Assembly on January 15, 2016 pursuant to 2015 Acts and Resolves No. 54, Sec. 25.

HOUSE CHANGE: (KM) – Sue is good with this.

Sec. E.300.3 2014 Acts and Resolves No. 158 is amended to read:

Sec. 1. 13 V.S.A. § 4801 is amended to read:

* * *

Sec. 13. REPORTS

* * *

(d) On or before November 30, 2016. the Department of Mental Health, the Department of Disabilities, Aging and Independent Living and the Department of Corrections shall report to the Health Reform Oversight Committee and the Joint Legislative Oversight Committee on the Departments' examination of the implications of this act and the Departments' proposals for strengthening the act to help ensure its successful implementation. The report shall include recommendations for defining traumatic brain injury for purposes of determining when one may challenge a defendant's sanity at the time of the alleged offense or a defendant's mental competency to stand trial for the alleged offense. The report shall also identify appropriate treatment options and venues for this population and shall assess the funding that would be required to implement the legislation as drafted or, in the alternative, to develop and support the report's recommendations.

* * *

Sec. 16. EFFECTIVE DATES

(a) Secs. 1-12 shall take effect on July 1, 2017 2018.

* * *

SENATE CHANGE: Report by DMH, DAIL, DOC examining 2014 Act 158 (An act relating to the commitment of a criminal defendant who is incompetent to stand trial because of traumatic brain injury) implications and implementation. (KM).

Sec. E.300.3 CRIMINAL DEFENDANTS WITH TRAUMATIC BRAIN INJURY; IMPLEMENTATION; REPORT

(a) On or before November 30, 2016, the Department of Mental Health, the Department of Disabilities, Aging, and Independent Living, and the Department of Corrections shall report to the Health Reform Oversight Committee and the Joint Legislative Justice Oversight Committee on the Departments' examination of the implications of 2014 Acts and Resolves No. 158 and the Departments' proposals for strengthening the act to help ensure its successful implementation. The report shall include recommendations for defining traumatic brain injury for purposes of determining when it is permissible to challenge a defendant's sanity at the time of the alleged offense or a defendant's mental competency to stand trial for the alleged offense. The report shall also identify appropriate treatment options and venues for criminal defendants with traumatic brain injury and shall assess the funding that would be required to implement 2014 Acts and Resolves No. 158 or, in the alternative, to develop and support the Departments' recommendations.

Sec. E.300.3.1 2014 Acts and Resolves No. 158, Sec. 16 is amended to read:

Sec. 16. EFFECTIVE DATES

(a) Secs. 1-12 shall take effect on July 1, ~~2017~~ 2018.

* * *

CONFERENCE CHANGE: DMH, DAIL, and DOC shall report on implementation of 2014 Act 158, including recommendation for defining traumatic brain injury (TBI) for purposes of determining sanity in legal proceedings, while also identifying appropriate treatment options for criminal defendants. (KM)

Sec. E.300.4 SUSTAINABILITY OF TOBACCO PROGRAMS AND PLAN TO REPLACE LOSS OF STRATEGIC CONTRIBUTION FUNDS

(a) The Secretary of Administration or designee, the Secretary of Human Services or designee, the Tobacco Evaluation and Review Board, and participating stakeholders in the implementation of the tobacco control programs shall develop an action plan for tobacco program funding at a level necessary to maintain the gains made in preventing and reducing tobacco use that have been accomplished since their inception. In addition, the plan shall consider utilizing a percentage of tobacco revenues and the inclusion of monies that have been withheld by tobacco manufacturers but which may be received by the State of Vermont in future years.

(b) The Secretary of Human Services shall present this plan to the Joint Fiscal Committee at its November 2016 meeting.

SENATE CHANGE: Directs review of tobacco program funding creating an action plan for decreasing contributions. (KM).

Sec. E.300.5 DESIGNATED AND SPECIALIZED AGENCIES; RATE INCREASE

(a) The funds allocated in this act shall be to increase the amounts paid to designated agencies and specialized service agencies, and shall be used by those agencies to increase total compensation for direct care workers and non-executive level staff. For the purposes of this section, direct care workers shall include case managers, service coordinators and independent direct care support workers. Up to 10% of the funds may be used for administrative expenditures such as hiring, training and performance management systems. Of this amount, priority shall be given to total compensation

of direct care workers and non-executive staff. Each designated and specialized service agency shall report to the Agency of Human Services how it has complied with this provision.

SENATE CHANGE: Increases the amount paid to DAs and SSAs for compensation of direct care workers and non-executive level staff. (KM)

Sec. E.300.6 RATE INCREASE FOR NONDESIGNATED SERVICE HOME-AND COMMUNITY-BASED PROVIDERS

(a) Of the Global Commitment Funds funds appropriated to the Agency of Human Services Central Office, \$1,751,313 \$707,156 in general funds and \$648,110 of additional match shall be used to provide an across-the-board reimbursement rate increase not to exceed 2 percent for: nondesignated service providers that include choices for care home and community based providers, area agencies on aging and group home providers in the Department for Children and Families. This appropriation shall be transferred to the respective departments upon determination of the appropriate amounts for transfer.

(1) home-and community-based service providers that provide the following services under the Choices for Care program: case management; adult day; respite; homemaker and personal care attendant (PCA); and

(2) group home providers in the Department for Children and Families.

(b) This appropriation shall be transferred to the respective departments upon determination of the appropriate amounts for transfer.

(b)(c) The Agency may use any funds unallocated in subsection (a) of this section to establish a method of short term financial assistance for home health agencies at risk of insolvency and closure where such relief would allow an agency to transition to long term financial viability.

(c)(d) Agencies receiving funds allocated as result of subsection (a) of this section, shall utilize the funds to increase total compensation for direct care workers and non-executive level staff. For the purposes of this section, direct care workers shall include case managers, service coordinators and independent direct care support workers. Up to 10% of the funds may be used for administrative expenditures such as hiring, training and performance management systems. The funds allocated in this act shall be used to increase the amounts paid to the agencies referenced in subsection (a) of this section. Of this amount, priority shall be given to total compensation of direct care workers and non-executive staff. Each provider shall report to the Agency of Human Services regarding how they have complied with this provision. The Agency shall report to the House and Senate Committees on Appropriations in January 2017 on the implementation of this section.

SENATE CHANGE: Increased rate for non-DA direct care service providers. Unallocated funds could be used for short term financial assistance for home health agencies at the risk of closure. (KM)

CONFERENCE CHANGE: Funds rate increase for Home and Community Based Providers, GF \$707,156 and \$648,110 additional match, priority given to direct care/non-executive employees. Providers will report to AHS regarding compliance with direct care provision and AHS will report to the legislature in January 2017. (KM)

Sec. E.300.7 VERMONT LAW SCHOOL; LEGAL CLINIC SUPPORT

(a) The Secretary shall issue grants of \$135,000 in the last quarter of fiscal year 2016 and the first quarter of fiscal year 2017 to the Vermont Law School Legal Clinic to support its legal services programs and strengthen its services in domestic violence and veterans-related issues.

SENATE CHANGE: Grant to Vermont Law School.

CONFERENCE CHANGE: Language struck and appropriation to VLS moved to the Agency of Administration.

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

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

(b) In addition to the State funds appropriated in this section, a total estimated sum of \$29,633,326 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$18,500,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$21,999,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) \$4,091,214 certified State match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$1,883,273 certified State match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-age children.

(4) \$2,731,052 certified State match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) \$2,427,387 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

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

Sec. E.304 3 V.S.A. § 3091(h) is amended to read:

(h)(1) Notwithstanding subsections (d) and (f) of this section, the Secretary shall review all Board decisions and orders concerning TANF, TANF-EA, office of child support cases, ~~and Medicaid, and~~ the Vermont Health Benefit Exchange. The Secretary shall:

(A) adopt a Board decision or order, except that the Secretary may reverse or modify a Board decision or order if:

(i) the Board's findings of fact lack any support in the record; or
 (ii) the decision or order implicates the validity or applicability of any Agency policy or rule.

(B) issue a written decision setting forth the legal, factual or policy basis for reversing or modifying a Board decision or order.

(2) Notwithstanding subsections (d) and (f) of this section, a Board decision and order concerning TANF, TANF-EA, Office of Child Support, ~~or~~ Medicaid, and the Vermont Health Benefit Exchange shall become the final and binding decision of the Agency upon its approval by the Secretary. The Secretary shall either approve, modify or reverse the Board's decision and order within 15 days of the date of the Board decision and order. If the Secretary fails to issue a written decision within 15 days as required by this subdivision, the Board's decision and order shall be deemed to have been approved by the Secretary.

* * *

EXPLANATION: The Secretary of AHS has final decision-making authority over a Human Services Board (HSB) decision or order concerning Medicaid. The Secretary may reverse or modify such a decision or order if the HSB's findings of fact lack support in the record or if the decision or order implicates the validity or applicability of an agency policy or rule. The Secretary does *not* have similar authority over VHC cases (e.g., cases concerning the amount of APTC or CSR someone is entitled to receive). The Secretary should have authority to reverse or modify HSB decisions and orders in VHC cases to ensure that the applicable state and federal rules are properly interpreted and applied.

Sec. E.306 18 V.S.A. § 9351 is amended to read:

§ 9351. HEALTH INFORMATION TECHNOLOGY PLAN

(a) The Secretary of Administration or designee shall be responsible for the overall coordination of Vermont's statewide Health Information Technology Plan. The Plan shall be updated every five years to create a strategic vision for clinical health information technology. The Secretary or designee shall administer ~~and update~~ the Plan ~~as needed~~, which shall include the implementation of an integrated electronic health information infrastructure for the sharing of electronic health information among health care facilities, health care professionals, public and private payers, and patients. The Plan shall include standards and protocols designed to promote patient education, patient privacy, physician best practices, electronic connectivity to health care data, and, overall, a more efficient and less costly means of delivering quality health care in Vermont.

* * *

(b) The Health Information Technology Plan shall:

* * *

(5) recommend funding mechanisms for the ongoing development and maintenance costs of a statewide health information system, including funding options ~~and an implementation strategy for a loan and grant program;~~

* * *

(7) integrate the information technology components of the Blueprint for Health established in chapter 13 of this title, the Agency of Human Services' Enterprise Master Patient Index, and all other Medicaid management information systems being developed by the Department of Vermont Health Access, information technology components of the quality assurance system, ~~the program to capitalize with loans and grants electronic medical record systems in primary care practices,~~ and any other information technology initiatives coordinated by the ~~secretary~~ Director of Health Care Reform in the Agency of Administration pursuant to 3 V.S.A. § 2222a; and

* * *

(c) The Secretary of Administration or designee ~~shall~~ may update the ~~plan annually~~ Plan as needed to reflect emerging technologies, the State's changing needs, and such other areas as the Secretary or designee deems appropriate. The Secretary or designee shall solicit recommendations from Vermont Information Technology Leaders, Inc. (VITL) and other entities in order to update the Health Information Technology Plan pursuant to this section, including applicable standards, protocols, and pilot programs, and may enter into a contract or grant agreement with VITL or other entities to update some or all of the Plan. Upon approval by the Secretary, the updated Plan shall be distributed to the Commissioner of Information and Innovation; ~~the Commissioner of Financial Regulation;~~ the Commissioner of Vermont Health Access; the Secretary of Human Services; the Commissioner of Health; the Commissioner of Mental Health; the Commissioner of Disabilities, Aging, and Independent Living; the Senate Committee on Health and Welfare; the House Committee on Health Care; affected parties; and interested stakeholders. Unless major modifications are required, the Secretary may present updated information about the Plan to the Green Mountain Care Board and legislative committees of jurisdiction in lieu of creating a written report.

* * *

~~(f) Qualified applicants may seek grants to invest in the infrastructure necessary to allow for and promote the electronic exchange and use of health information from federal agencies, including the Office of the National Coordinator for Health Information Technology, the Health Resources and Services Administration, the Agency for Healthcare Research and Quality, the Centers for Medicare and Medicaid Services, the Centers for Disease Control and Prevention, the U.S. Department of Agriculture, and the Federal Communications Commission. The Secretary of Administration or designee shall require applicants for grants authorized pursuant to Section 13301 of Title XXX of Division A of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, to submit the application for State review pursuant to the process established in federal Executive Order 12372, Intergovernmental Review of Federal Programs. Grant applications shall be consistent with the goals outlined in the strategic plan developed by the Office of the National Coordinator for Health Information Technology and the statewide Health Information Technology Plan. [Repealed.]~~

EXPLANATION: The deleted language was included in statute to operationalize a federal program. That federal program has been defunded.

SENATE CHANGE: (KM) SAC removed changes to (b)

Sec. E.306.1 18 V.S.A. § 9352(h) is amended to read:

(h) ~~Loan and grant programs. VITL shall solicit recommendations from the Secretary of Administration or designee, health insurers, the Vermont Association of Hospitals & Health~~

~~Systems, Inc., the Vermont Medical Society, Bi-State Primary Care Association, the Council of Developmental and Mental Health Services, the Behavioral Health Network, the Vermont Health Care Association, the Vermont Assembly of Home Health Agencies, other health professional associations, and appropriate departments and agencies of State government, in establishing a financing program, including loans and grants, to provide electronic health records systems to providers, with priority given to Blueprint communities and primary care practices serving low income Vermonters. Health information technology systems acquired under a grant or loan authorized by this section shall comply with data standards for interoperability adopted by VITL and the State Health Information Technology Plan. An implementation plan for this loan and grant program shall be incorporated into the State Health Information Technology Plan. [Repealed.]~~

EXPLANATION: The deleted language was included in statute to operationalize a federal program. That federal program has been defunded.

Sec. E.306.2 18 V.S.A. § 706(c) and (d) are amended to read:

(c)(1) The Blueprint payment reform methodologies shall include per-person per-month payments to medical home practices by each health insurer and Medicaid for their attributed patients and for contributions to the shared costs of operating the community health teams. Per-person per-month payments to practices shall be based on the official National Committee for Quality Assurance's Physician Practice Connections--Patient Centered Medical Home (NCQA PPC-PCMH) score to the extent practicable and shall be in addition to their normal fee-for-service or other payments.

(2) Consistent with the recommendation of the Blueprint expansion design and evaluation committee, the director of the Blueprint may ~~implement~~ recommend to the Commissioner of the Department of Vermont Health Access changes to the payment amounts or to the payment reform methodologies described in subdivision (1) of this subsection, including by providing for enhanced payment to health care professional practices which operate as a medical home, including primary care naturopathic physicians' practices; payment toward the shared costs for community health teams; or other payment methodologies required by the Centers for Medicare and Medicaid Services (CMS) for participation by Medicaid or Medicare.

* * *

(d) An insurer may appeal a decision ~~of the director~~ to require a particular payment methodology or payment amount to the ~~commissioner~~ Commissioner of Vermont health access Health Access, who shall provide a hearing in accordance with 3 V.S.A. chapter 25. An insurer aggrieved by the decision of the ~~commissioner~~ Commissioner may appeal to the ~~superior court~~ Superior Court for the Washington district within 30 days after the ~~commissioner~~ Commissioner issues his or her decision.

EXPLANATION: The statutory language above has been amended to reflect the fact that the Commissioner of DVHA is responsible for the DVHA budget; any changes to Blueprint payment methodologies should be recommended to and approved by the Commissioner of DVHA.

Sec. E.306.3 2014 Acts and Resolves No.179, Sec. E.306.1 as amended by, 2015 Acts and Resolves No. 58, Sec. E.306, is further amended to read:

Sec. E. 306.1 EMERGENCY RULES

(a) The Agency of Human Services shall adopt rules pursuant to 3 V.S.A. chapter 25 prior to June 30, ~~2016~~ 2017 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The rules shall be adopted to achieve timely compliance with federal laws and guidance and shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

EXPLANATION: This amendment was made to No. 179, Sec. E. 306.1 during the 2014 legislative session (authority was extended to June 30, 2016). Federal rules regulating the operation of the Vermont Health Benefit Exchange will continue to be promulgated after June 30, 2016. Providing an extension to emergency rulemaking authority through the end of SFY 2017 will help to ensure that the State can comply with timelines set in forthcoming federal regulations.

SENATE CHANGE: Emergency rule making authority is critical for DVHA operations, will recommend that this be reinstated by the Senate. (KM)

Sec. E.306.3 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2017, but only in the event that new federal guidance or regulations require Vermont to amend or adopt its rules in a timeframe that cannot be accomplished under the traditional rulemaking process. An emergency rule adopted under these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

CONFERENCE CHANGE: AHS may use, 3 V.S.A § 844, emergency rules prior to June 30, 2017 if new federal guidance or regulation require Vermont amend or adopt rules in a timeframe that cannot be accomplished under the traditional rulemaking process. (KM)

Sec. 306.4 33 V.S.A. 1811(l) is added to read:

(l) ~~To the extent permitted under federal law,~~ A a registered carrier shall allow for the enrollment of a pregnant individual, and any individual who is or who may become eligible for coverage under the terms of the health benefit plan because of a relationship to the pregnant individual, at any time after the commencement of the pregnancy and prior to birth, as certified by a physician licensed pursuant to 26 V.S.A. chapter 23 or 33, a physician assistant certified pursuant to 26 V.S.A. chapter 31, or an advanced practice registered nurse certified pursuant to 26 V.S.A. chapter 28 acting within the scope of his or her practice. Coverage shall be effective as of the first of the month in which the individual receives certification of the pregnancy.

EXPLANATION: All pregnant individuals and their families, regardless of income, will now have a special enrollment period during pregnancy in the small group and individual health insurance markets.

HOUSE CHANGE: Would like to keep pregnancy special enrollment period (SEP) language. Couple of issues with the new language: 1) CMS allowed a pregnancy SEP, federal law does not expressly permit it; feds are relying on state law for defining SEPs. Additionally, it would be helpful for DVHA to have a certification process. (KM) check this change with Robin and Devon

SENATE CHANGE: (KM) Removed by SAC

Sec. E.306.5 33 V.S.A. § 1901(c) is amended to read:

(c) The Secretary may charge a monthly premium, in amounts set by the General Assembly, per family for pregnant women and children eligible for medical assistance under Sections 1902(a)(10)(A)(i)(III), (IV), (VI), and (VII) of Title XIX of the Social Security Act, whose family income exceeds ~~185~~ 195 percent of the federal poverty level, as permitted under section 1902(r)(2) of that act. Fees collected under this subsection shall be credited to the State Health Care Resources Fund established in section 1901d of this title and shall be available to the Agency to offset the costs of providing Medicaid services. Any co-payments, coinsurance, or other cost sharing to be charged shall also be authorized and set by the General Assembly.

EXPLANATION: This legislation is to clarify that the premium levels start at 195% FPL due to changes required under the ACA. Prior to MAGI (modified adjusted gross income) the State applied income disregards and now must follow MAGI income requirements. The current statute states that the Secretary may charge a monthly premium at a level above 185% FPL. Vermont Medicaid has approval from CMS under the 1115 Global Commitment for Health Waiver to charge premiums to families enrolled in Dr. Dynasaur with income above 195% FPL. The state does not charge premiums to pregnant women.

HOUSE CHANGE: removed due to rejection of the change for pregnant women. (KM) check this change with Robin and Devon

Sec. E.306.6 ~~Sec. E.306.5~~ 33 V.S.A. § 1901e(c) is amended to read:

(c) ~~At the close of the fiscal year~~ Annually on or before October 1, the Agency shall provide a detailed report to the Joint Fiscal Committee which describes the managed care organization's investments under the terms and conditions of the Global Commitment for Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.

EXPLANATION: To specify due date for the report submitted by AHS to the JFC.

Sec. E.306.6 33 V.S.A. § 1901h is amended to read:

§1901h. PROSPECTIVE PAYMENT; HOME HEALTH SERVICES

(a) On or before ~~July 1, 2016~~ July 1, 2017 and upon approval from the Centers for Medicare and Medicaid Services, the Department of Vermont Health Access shall modify reimbursement methodologies to home health agencies, as defined in section 1951 of this title, in order to implement prospective payments for the medical services paid for by the Department under the Global Commitment to Health waiver, and to replace fee-for-service payment methodologies. The Department shall determine an appropriate schedule for determining a revised base calculation for the payment.

HOUSE CHANGE: No comment. (KM) *Need an explanation of what it does*

Sec. E.306.7 33 V.S.A. § 1908 is amended to read:

§ 1908. MEDICAID; PAYER OF LAST RESORT; RELEASE OF INFORMATION

(a) Any clause in an insurance contract, plan or agreement which limits or excludes payments to a recipient is void.

(b) Medicaid shall be the payer of last resort to any insurer which contracts to pay health care costs for a recipient.

(c) Every applicant for or recipient of Medicaid under this subchapter is deemed to have authorized all third parties to release to the Agency all information needed by the agency to secure or enforce its rights under this subchapter. The Agency shall inform an applicant or recipient of the provisions of this subsection at the time of application for Medicaid benefits.

(d) ~~At the agency's request, an insurer shall provide the agency with the information necessary to determine whether an applicant or recipient of Medicaid under this subchapter is or was covered by the insurer and the nature of the coverage, including the member, subscriber, or policyholder information necessary to determine third party liability and other information required under 18 V.S.A. § 9410(h). The agency may require the insurer to provide the information electronically. On or after November 1, 2015~~ July 1, 2016, any insurer shall accept the Agency's right of recovery and the assignment of rights and shall not charge the Agency or any of its authorized agents fees for the processing of claims or eligibility requests as required by 18 V.S.A. § 9410(h). Data files requested by or provided to the Agency shall provide the Agency with eligibility and coverage information that will enable the Agency to determine the existence of third-party coverage for Medicaid recipients, and the necessary information to determine during what the period during which Medicaid recipients may be or may have been covered by the health insurer, and the nature of the coverage that is or was provided, including information such as the name, address, and identifying number of the plan.

(e)(1) The insurer shall transmit to the Agency, monthly and as otherwise requested Upon request, to the extent permitted under the federal Health Insurance Portability and Accountability Act and other federal privacy laws and notwithstanding any State privacy law to the contrary, an insurer shall transmit to the Agency, in a manner prescribed by the Centers for Medicare and Medicaid Services or as agreed between insurer and the Agency, an electronic file of all identified subscribers or policyholders, or and their dependents, for whom there is data corresponding to the information contained in this section.

(2) An insurer shall comply with a request under the provisions of this subsection no later than sixty (60) 60 days after following the date of request by the Agency's request and shall only be required to provide the Agency with only the information required by this section.

(3) The Agency shall request the data from an insurer once each month. The Agency shall not request subscriber or policyholder enrollment data that precede the date of the request by more than three years.

(4) The Agency shall use the data collected pursuant to this section solely for the purposes of determining whether a Medicaid recipient also has or has had coverage with the insurer providing the data.

(5) The Agency shall ensure that all data collected and maintained pursuant to this section are collected and stored securely and that such data are stored no longer than necessary to determine

whether Medicaid benefits may be coordinated with the insurer, or as otherwise required by law. Insurers shall not be liable for any security incidents caused by the Agency in the collection or maintenance of the data.

(f)(1) Each insurer shall ~~maintain~~ submit a file ~~system~~ containing information required to coordinate benefits, such as the name, address, group policy number, coverage type, Social Security number, and date of birth of each subscriber or policyholder, and each dependent ~~of the subscriber or policyholder~~ covered by the insurer, including policy effective and termination dates, claim submission address, and employer's mailing address.

(2) Data files requested by or provided to the Agency shall provide the Agency with eligibility and coverage information that will enable the Agency to determine the existence of third party coverage for Medicaid recipients and the necessary information to determine during what period Medicaid recipients may be or may have been covered by the health insurer and the nature of the coverage that is or was provided, including the name, address, and identifying number of the plan.

(g) (2) The Agency shall adopt rules governing the exchange of information under this section. Such ~~The~~ rules shall be consistent with ~~all~~ laws relating to the confidentiality or privacy of personal information or ~~and~~ medical records including, but not limited to, provisions under the federal ~~the~~ Health Insurance Portability and Accountability Act (HIPAA).

(e) ~~(h)~~(g) From funds recovered pursuant to this subchapter, the federal government shall be paid a portion equal to the proportionate share originally provided by the federal government to pay for medical assistance to a recipient or minor.

EXPLANATION: DVHA needs private insurer data files in a Medicaid format that CMS now uses to allow DVHA to determine whether members have private insurance that should pay for medical claims before DVHA pays claims. Further, federal law requires that the state shall provide assurances to the Secretary that it has in effect laws requiring health insurers to provide data regarding who is enrolled in private coverage and dates of coverage and benefits.

HOUSE CHANGE: No issue with this language. Minor technical correction, (e) (3) provides, should be not. (KM)

Sec. E.306.8 33 V.S.A. § 111(a) is amended to read:

(a)(1) The names of or information pertaining to applications for or recipients of assistance or benefits, including information obtained under section 112 of this title, shall not be disclosed to anyone, except for the purpose directly connected with the administration of the Department or when required by law.

(2) Names of or information pertaining to applicants for or recipients of Medicaid shall be subject to confidentiality provisions set forth in section 1902a of this title.

HOUSE CHANGE: Statutory housecleaning and increases confidentiality (KM)

Sec. E.306.8 ~~Sec. E306.9~~ 33 V.S.A. § ~~1904~~1902a is added to read:

§ 19041902a. CONFIDENTIALITY OF MEDICAID APPLICATIONS AND RECORDS; DISCLOSURE TO AUTHORIZED REPRESENTATIVE

(a) All applications and records created under the authority of this chapter concerning any applicant ~~for~~ or recipient of Medicaid ~~established by chapter 19 of this Title~~ shall be ~~are~~ confidential

and shall be open to inspection **be made available** only to persons authorized by the **Agency**, Department, this **the** State, or the United States for purposes directly related to plan administration. In addition, the Department **Agency** shall maintain a process to allow a Medicaid applicant or recipient or his or her authorized representative to have access to confidential information when necessary for an eligibility determination and the appeals process.

(b) Applications and records considered confidential are those which disclose:

- (1) the name and address of the applicant or recipient;
- (2) The medical services provided;
- (3) the applicant or recipient's social and economic circumstances;
- (4) the Agency's evaluation of personal information;
- (5) The medical data, which includes but is not limited to **including** diagnosis and past history of disease and disability; or **and**
- (6) any information received for the purpose of verifying income eligibility and determining the amount of medical assistance payments.

(c) Violation of this statute shall result in **A person found to have violated this section may be assessed** an administrative penalty of not more than \$1,000.00 for a first violation and not more than \$2,000.00 for any subsequent violation.

(d) For purposes **As used in** this section:

(1) "Authorized representative" **shall** means any person designated by a Medicaid applicant or recipient to review confidential information about the Medicaid applicant or recipient pertaining to the eligibility determination and the appeals process.

(2) "Purposes directly related to plan administration" means establishing eligibility, determining the amount of medical assistance, providing services to recipients, conducting or assisting with an investigation or prosecution, or **and** civil or criminal proceedings, or audits, in relation **related** to the administration of the State Medicaid Program.

EXPLANATION: Federal law at 42 U.S.C. § 1396a (a)(7) and 42 C.F.R. § 431.301 requires a state statute imposing legal sanctions for the use and disclosure of Medicaid case information, other than for "program purposes." Vermont currently has no such statute.

HOUSE CHANGE: No comment. (KM) check this change with Robin and Devon

Sec. E.306.9 33 V.S.A. § 1910(1) is amended to read:

(1) In cases in which the court has determined the amount of recovery allocated for past medical expenses, the Agency's lien shall be limited to that amount. There shall be a presumption that the amount of any recovery allocated for past medical expenses is equal to the amount of the Agency's lien or, if the entire recovery is less than the amount of the Agency's lien, the entire recovery. Any more limited allocation for past medical expenses must be shown by clear and convincing evidence and the burden of proof is on the party challenging the presumption.

EXPLANATION: DVHA proposes to create a rebuttable presumption that some or all of a Medicaid beneficiary's recovery is allocated to medical expenses and therefore available to DVHA during recovery from a third-party to help ease the administrative burden on DVHA associated with third-party liability recoveries.

HOUSE CHANGE: No comment. (KM) check this change with Robin and Devon

Sec. E.306.10 33 V.S.A. § 2001(c) is amended to read:

§2001. LEGISLATIVE OVERSIGHT

(a) In connection with the Pharmacy Best Practices and Cost Control Program, the Commissioner of Vermont Health Access shall report for review by the ~~Health Reform Oversight Committee, prior to initial implementation, and~~ House Committee on Appropriations, on Health Care and on Human Services and the Senate Committees on Appropriations and on Health and Welfare prior to any subsequent modifications:

(1) the compilation that constitutes the preferred drug list or list of drugs subject to prior authorization or any other utilization review process;

(2) any utilization review procedures, including and prior authorization procedures; and

(3) the procedures by which drugs will be identified as preferred on the preferred drug list, and the procedures by which drugs will be selected for prior authorization or any other utilization review procedure.

(b) The ~~Health Reform Oversight Committee~~ Committees shall closely monitor implementation of the preferred drug list and utilization review procedures to ensure that the consumer protection standard enacted pursuant to section 1999 of this title are not diminished as a result of implementing the preferred drug list and the utilization review procedures, including any unnecessary delay in access to appropriate medications. The ~~Committee~~ Committees shall ensure that all affected interest, including consumers, health care providers, pharmacists, and other with pharmaceutical expertise have an opportunity to comment on the preferred drug list and procedures reviewed under this subsection.

(c) The Commissioner of Vermont Health Access shall report annually on or before ~~August 31~~ October 30 to the ~~Health Reform Oversight Committee~~ House Committee on Appropriations, on Health Care and on Human Services and the Senate Committees on Appropriations and on Health and Welfare concerning the Pharmacy Best Practices and Cost Control Program. Topics covered in the report shall include issues related to drug cost and utilization; the effect of national trends on the pharmacy program; comparisons to other states; and decisions made by the Department's Drug Utilization Review Board in relation to both drug utilization review efforts and the placement of drugs on the Department's preferred drug list.

EXPLANATION: This report is based on State Fiscal Years, a due date of August 31st does not provide sufficient time to collect and process the necessary data, compile the report, and properly review the report before submission. Changing the due date to October 30th allows enough time for data analysis and compilation of the report.

HOUSE CHANGE: No Comment. (KM) check this change with Robin and Devon

Sec. E.306.11 PRESCRIBING PRACTICES; CLINICAL UTILIZATION REVIEW BOARD; REPORT

(a) The Clinical Utilization Review Board in the Department of Vermont Health Access shall analyze data from prescriptions dispensed to Medicaid beneficiaries, including prescriptions written to treat mental health conditions, to determine whether health care providers routinely follow the U.S. Food and Drug Administration's recommended dosage amounts. On or before January 15, 2017, the Clinical Drug Utilization Review Board shall report its findings and any recommendations

to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare.

HOUSE CHANGE: DVHA supports CURB report but are interested in learning intent or sponsor behind request. (KM)

Sec. E.306.12 APPROPRIATION; AMBULANCE PROVIDER REIMBURSEMENT RATES

(a) The sum of Of the Funds appropriated to the Department of Vermont Health Access, \$2,300,000 in Global Commitment funds is appropriated to the Department of Vermont Health Access in fiscal year 2017 shall be allocated for the purpose of increasing emergency and non-emergency reimbursement rates to ambulance agencies beginning on July 1, 2016 for services provided to Medicaid beneficiaries.

(b) As part of the fiscal year 2017 budget adjustment the Department shall report on the impact of this reimbursement change and status of implementation and collection of the ambulance provider tax enacted in fiscal year 2017.

HOUSE CHANGE: DVHA would need an additional staff person, working with Health Care Reform Office to update language. (KM)

SENATE CHANGE: AHS requested language change, see technical and policy comment letter from 4/26/2016. (KM)

Sec. E.306.12 HOME HEALTH AGENCY MEDICAID COMPENSATION; REPORT

(a) The Department of Vermont Health Access shall design one or more mechanisms to provide additional reimbursement or compensation to home health agencies that serve a greater percentage of Medicaid patients than the median of home health agencies in this State. The Department shall use \$750,000 of the funds appropriated for payments to hospitals for Medicaid inpatient services to increase reimbursement or compensation to the home health agencies serving a greater percentage of Medicaid patients than the median using the mechanism or mechanisms designed for this purpose pursuant to this section.

(b) On or before December 1, 2016, the Department shall report its designs and any related recommendations to the House Committees on Appropriations, on Health Care, on Human Services, and on Ways and Means and the Senate Committees on Appropriations, on Health and Welfare, and on Finance.

HOUSE CHANGE: Design of one or more mechanisms to provide additional reimbursement compensation to home health agencies. No comment. (KM)

SENATE CHANGE: Home health agency funding provided for in E.300.6 (KM) **Removed By SAC**

Sec. E.306.13 PRIMARY CARE REALLOCATION

(a) Beginning in hospital budget year 2017 the Department of Vermont Health Access shall use up to \$4,000,000 to increase reimbursement rates to Medicaid participating providers for Medicaid primary care services delivered on or after October 1, 2016. The purpose of the increase shall be to restore in part the primary care rate increase that was provided with federal funds through the Affordable Care Act and that expired on December 31, 2014.

(b) To offset the increases required by subsection (a) of this section within the resources appropriated to the Department of Vermont Health Access by this act, the Department is authorized to adjust as needed the rates of payments for inpatient care, outpatient care, professional services,

and other Medicaid-covered services at academic medical centers providing tertiary care beginning on October 1, 2016.

(c) On or before November 1, 2016, the Department of Vermont Health Access shall provide a report on its implementation of this section to the Health Reform Oversight Committee and the Joint Fiscal Committee.

SENATE CHANGE: Increases Medicaid reimbursement rates for participating primary care providers, intended to restore ACA rate increase. (KM)

Sec. E.306.14 APPLIED BEHAVIOR ANALYSIS

(a) The Department of Vermont Health Access shall, in consultation with interested parties, examine its current network of providers of Applied Behavior Analysis (ABA) services to Vermonters with autism spectrum disorders and determine if the reimbursement rates currently in place are sufficient to sustain a provider network large enough to allow access to all Medicaid enrollees eligible to receive ABA services.

SENATE CHANGE: Calls for DVHA to examine ABA provider services rates to determine if sustainable. DVHA would like language added to identify existing provider network. (KM)

Sec. E.306.15 MEDICAID NON-EMERGENCY TRANSPORTATION

(a) In fiscal year 2017, when the General Assembly is not in session, prior to executing a contract to provide Medicaid Non-Emergency Transportation services, the Department of Vermont Health Access shall provide to the Joint Fiscal Committee for review and approval a detailed analysis that executing such a contract shall not compromise any State policy, including the coordinated delivery of transportation services of the Elderly and Disabled program and the Medicaid Non-Emergency Transportation program, that there will be no degradation of service to eligible individuals, and that the financial stability of the State's public transportation systems will be maintained. The analysis shall also include the impact of the Agency of Transportation investments in vehicles, technology, and other capital investments in the coordinated care delivery model.

SENATE CHANGE: Requests that DVHA report to the Joint Fiscal Committee on Non-Emergency Transportation contracts. DVHA is opposed, due to impacts on the program. (KM)

Sec. E.307 OUTPATIENT PSYCHOTHERAPY; UTILIZATION REVIEW

(a) Following a Medicaid beneficiary's 20th outpatient psychotherapy visit in the same calendar year, the Department of Vermont Health Access shall review the individual's case to determine whether he or she may benefit from enhanced case management services in order to ensure that the individual is receiving appropriate, high-quality, coordinated care that is tailored to the individual's specific health care needs.

Sec. E.307 GROUP THERAPY ANALYSIS

(a) The Department of Vermont Health Access shall, in consultation with interested parties, analyze utilization trends of individual and group psychotherapy to determine if the reimbursement rates currently in place for group therapy are sufficient to sustain access to cost-effective and appropriate psychotherapy services to all Medicaid enrollees eligible to receive services.

HOUSE CHANGE: AHS requests striking this language. (KM)

SENATE CHANGE: Substitute language requiring DVHA to determine if group psychotherapy rates are sustainable and appropriate. DVHA is opposed to this analysis due to the following implications: on State Plan and resource-based relative value scale (RBRVS), impact on other services, and evaluation of a single service. (KM)

Sec. E.307 INVESTING IN PRIMARY CARE SERVICES

(a) The sum of \$8,400,000.00 in Global Commitment funds is appropriated to the Department of Vermont Health Access in fiscal year 2017 to increase reimbursement rates to primary care providers beginning on July 1, 2016 for services provided to Medicaid beneficiaries.

EXPLANATION: This funding will restore the enhanced primary care payments as defined by the Affordable Care Act. These rates were in place from January 1, 2013 to December 31, 2014 and were fully funded by Federal dollars. 2015 Act 54, Sec. 57 appropriated \$1,000,667 to increase reimbursement rates to Primary Care providers. This funding coupled with the funding from 2015 Act 54 will restore primary care reimbursement rates to pre-December 31, 2014 levels.

HOUSE CHANGE: Removed by the House (KM)

Sec. E.307.1 INVESTING IN DENTAL CARE SERVICES

(a) The sum of \$2,200,000.00 in Global Commitment funds is appropriated to the Department of Vermont Health Access in fiscal year 2017 to increase reimbursement rates to practicing dentists beginning on July 1, 2016 for preventive services provided to Medicaid beneficiaries.

EXPLANATION: This section provides an 18% increase in reimbursements for preventive dental services including routine care such as restorations, fluoride treatment and cleanings.

HOUSE CHANGE: Removed by the House (KM)

Sec. E.307.1 MEDICARE SUPPLEMENTAL PLANS FOR DUAL ELIGIBLE MEDICAID BENEFICIARIES

(a) The Department of Vermont Health Access shall explore the use of State or Global Commitment funds to purchase Medicare supplemental insurance plans for individuals eligible for both Medicare and Medicaid, including the feasibility of federal financial participation, the estimated savings to the State with and without federal financial participation, and the benefits both of providing Medicare supplemental plans to the entire population of dual eligible individuals and of providing the plans to only a subset of the highest utilizers of all or a specific set of services.

(b) If the Department determines that savings can be achieved, then as part of its recommendations for fiscal year 2017 budget adjustment, the Department shall propose a plan for implementing the purchase of Medicare supplemental insurance plans for the dual eligible in a manner that is the most cost-effective for the State and that provides the greatest benefits for the dual eligible population.

HOUSE CHANGE: Proposed purchase of supplemental insurance plan to leverage savings for the dual eligible population. AHS concerned with administrative burden of conducting this study and the mandate for FY17 BAA. Additional resources would be needed to implement. Health Care Reform Office may be able to help with this study. (KM)

SENATE CHANGE: Language removed. (KM)

Sec. E.307.1 MEDICARE SUPPLEMENTAL PLANS FOR DUAL ELIGIBLE MEDICAID BENEFICIARIES; REPORT

(a) The Department of Vermont Health Access, in collaboration with the Department of Financial Regulation, shall explore the use of State or Global Commitment funds to purchase Medicare supplemental insurance plans for individuals eligible for both Medicare and Medicaid, including:

- (1) the feasibility of federal financial participation;
- (2) the estimated savings to the State with and without federal financial participation;
- (3) a comparison of the benefits of providing Medicare supplemental plans to the entire population of dual eligible individuals and of providing the plans to only a subset of the highest utilizers of all or a specific set of services; and

(4) the projected impact of purchasing Medicare supplemental plans for dual eligible individuals on the premium rates for other purchasers of the plans.

(b) The Department of Vermont Health Access shall provide its findings and recommendations as part of its fiscal year 2018 budget presentation to the House and Senate Committees on Appropriations.

CONFERENCE CHANGE: DVHA and DFR to review the use of State or GC funds to purchase Medicare supplemental insurance plans for dual eligible beneficiaries. DVHA will report findings and recommendation as part of FY2018 budget presentation. (KM)

Sec. E.307.2 MENTAL HEALTH PARITY; MEDICAID

(a) The Department of Vermont Health Access shall ensure its clinical utilization review practices with respect to mental health services are consistent with State and federal mental health parity laws.

CONFERENCE CHANGE: DVHA to check State and federal mental health parity laws for clinical utilization review process. (KM)

Sec. E.307.3 2013 Acts and Resolves No. 79, Sec. 53(d), as amended by 2014 Acts and Resolves No. 179, Sec. E.307, as amended by 2015 Acts and Resolves No. 58, Sec. E.307, is further amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the ~~Department of Vermont Health Access~~ Agency of Human Services may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and VPharm programs is not operational by that date, but no later than December 31, ~~2016~~ 2017

CONFERENCE CHANGE: (KM)

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

(a) In the Choices for Care program, “savings” means the difference remaining at the conclusion of fiscal year 2016 between the amount of funds appropriated for Choices for Care, excluding allocations for the provision of acute care services, and the sum of expended and obligated funds, less an amount equal to one percent of the fiscal year 2016 total Choices for Care expenditure. The

one percent shall function as a reserve to the Choices for Care – Long Term Care base budget be used in the event of a fiscal need to freeze Moderate Needs Group enrollment to cover unanticipated expenditure trends thus potentially preventing or delaying the need to impose a High Needs waitlist be used in the event of a fiscal need to freeze the Moderate Needs Group enrollement. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

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

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

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

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

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

(C) Subsequent to the assessment required by subsection (c) of this section As part of its fiscal year 2017 budget adjustment presentation, the Department shall recommend make recommendations regarding the allocation of and savings between increased rates or base funding support for home- and community- based providers but shall be no greater than 20 % of total savings rates, an allocation to bring equity in funding and moderate needs group capacity across the adult day providers, and an allocation for increasing capacity to accommodate higher caseload needing home and community based services base funding to expand capacity to accommodate additional enrollees in home- and community-based services, and equitable funding for adult day providers, including whether some amount, up to 20 percent of the total savings, should be used to increase provider rates.

(D) Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

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

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an assessment of the adequacy of the provider system for delivery of home-and community-based services and nursing home services. On or before October 1,

2016, the Department of Disabilities, Aging, and Independent Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare in order to inform the reinvestment of savings during the budget adjustment process.

(d) On or before January 15, 2017, the Department of Disabilities, Aging, and Independent Living shall propose reinvestment of the savings calculated pursuant to this section to the General Assembly as part of the Department's proposed budget adjustment presentation.

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

HOUSE CHANGE: See changes submitted by AHS, for SFY16 Moderate Needs base budget didn't include the two year \$3M reinvestment into the Moderate Needs Group (MNG), thus requiring the 1%. In the SFY17 Governors Recommend, \$1,241,748 was requested as base budget to backfill SFY16 one-time funds.

Additionally, prior year language referenced "a fiscal need to freeze Moderate Needs Group enrollment" - the only freeze DAIL could impose, if a fiscal need presented itself, would be a High Needs waitlist. The Moderate Needs Group is managed by annual provider allocations and is essentially capped. (KM)

SENATE CHANGE: AHS/DAIL concerned that language allows for an increase in base expenditures, funding would be one-time, and there would be base budget pressure in the future. (KM)

Sec. E.308.1 CHOICES FOR CARE; HOME-DELIVERED MEALS

(a) The Secretary of Human Services shall request approval from the Centers for Medicare and Medicaid Services for an amendment to Vermont's Global Commitment to Health waiver that allows home-delivered meals to be a reimbursable covered service under the Choices for Care program when the meals determine the amount of existing non-federal dollars currently expended by Area Agencies on Aging to provide home-delivered meals to Choices for Care recipients that could be matched with federal Medicaid dollars without adversely affecting other Choices for Care recipients or individuals receiving home-delivered meals who are not in Choices for Care:

(1) are part of a participant's service plan of care; and

(2) meet the Vermont's area agencies on aging's nutrition requirements in accordance with the Older Americans Act, 42 U.S.C. §§ 3001–30058ff.

(b) Participants of the Choices for Care program receiving home-delivered meals pursuant to a service plan of care shall not have their personal care hours reduced as a result of receiving home-delivered meals On or before February 1, 2017, the Secretary of Human Services shall submit to the Chairs of the House Committees on Appropriations, Human Services, and Health Care and the Senate Committees on Appropriations and Health and Welfare a plan for seeing an amendment to the Choices for Care Waiver and the anticipated fiscal impact after offsetting the non-federal funds referenced in subsection (a) of this section. .

SENATE CHANGE: Directs AHS to get CMS approval for home delivered meals as a reimbursable service under Medicare Global Commitment to Health waiver. AHS opposes this expansion due to lack of funding. (KM)

CONFERENCE CHANGE: By 2/1/2017, AHS will report on existing non-federal dollars currently expended by Area Agencies on Aging to provide home-delivered meals to Choices for Care recipients that could be matched with federal Medicaid dollars. (KM)

Sec. E.311 RULEMAKING

(a) The Commissioner of Health shall amend the Department's rules pertaining to food service establishments pursuant to 3 V.S.A. chapter 25 to define "occasional" as it pertains to registered charitable nonprofit organizations to mean not more than:

(1) four days in a month;

(2) two consecutive days at a time; and

(3) 12 days total in any calendar year. **four times a month and not more than 12 days in total in any calendar year.**

SENATE CHANGE: Changes to time table to allow for food service establishments (i.e. church bake sales) to sell on a more frequent basis in compliance with food safety rules and regulations. (KM)

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2017 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

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

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

(4) In fiscal year 2017, the Department of Health shall provide grants in the amount of \$100,000 in General Funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall

be used for HIV/AIDS prevention purposes, including syringe exchange programs, improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2017, the Department of Health shall provide grants in the amount of \$150,000 in general funds to the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2017. Grant reporting shall include outcomes and results.

(b) The funding for tobacco cessation and prevention activities in fiscal year 2017 shall include funding for tobacco cessation programs that serve pregnant women.

EXPLANATION: Annual language outlining grants for HIV and AIDS services.

HOUSE CHANGE: VDH wants to be able to fund any qualified syringe exchange program that meets a public health need, and the language limits that to AIDS service organizations only. (KM)

SENATE CHANGE: VDH proposed language specifying AIDS service organizations and approved syringe exchange programs. (KM)

Sec. E.314 18 V.S.A. Chapter 181 is amended to read:

Chapter 181. Judicial Proceedings

* * *

§ 7612a. Probable cause review

(a) Within three days after an application for involuntary treatment is filed, the Family Division of the Superior Court shall conduct a review to determine whether there is probable cause to believe that the person was a person in need of treatment at the time of his or her admission. The review shall be based solely on the application for an emergency examination and accompanying certificate by a licensed physician and the application for involuntary treatment.

(b) If, based on a review conducted pursuant to subsection (a) of this section, the Court finds probable cause to believe that the person was a person in need of treatment at the time of his or her admission, the person shall be ordered held in the temporary custody of the Commissioner for further proceedings in accordance with Part 8 of this title. If probable cause is not established, the person shall be ordered discharged or released from the hospital and returned to the place from which he or she was transported or to such place as the person may reasonably direct.

(c) An application for involuntary treatment shall not be dismissed solely because the probable cause review is not completed within the time period required by this section if there is good cause for the delay.

* * *

§ 7614. Psychiatric examination

As soon as practicable after notice of the commencement of proceedings is given, the court ~~on its own motion or~~ upon the motion of the proposed patient or his or her attorney or the state of Vermont shall may authorize one examination (this includes when applications for involuntary treatment and applications for involuntary medication are consolidated) of the proposed patient by a psychiatrist other than the physician making the original certification only if the examination can be completed so as to not cause a delay of the hearing. The examination and subsequent report or reports shall be paid for by the state of Vermont. The physician shall report his or her finding to the party requesting the report or to the court if it requested the examination.

§ 7615. Hearing on application for involuntary treatment

(a) Upon receipt of the application, the Court shall set a date for the hearing to be held within ~~10~~ 7 days from the date of the receipt of the application ~~or 20 days from the date of the receipt of the application if a psychiatric examination is ordered under section 7614 of this title unless the hearing is continued by the Court pursuant to subsection (b) of this section.~~

~~(2)(A) The applicant or a person who is certified as a person in need of treatment pursuant to section 7508 of this title may file a motion to expedite the hearing. The motion shall be supported by an affidavit, and the Court shall rule on the motion on the basis of the filings without holding a hearing. The Court:~~

~~(i) shall grant the motion if it finds that the person demonstrates a significant risk of causing the person or others serious bodily injury as defined in 13 V.S.A. § 1021 even while hospitalized, and clinical interventions have failed to address the risk of harm to the person or others;~~

~~(ii) may grant the motion if it finds that the person has received involuntary medication pursuant to section 7624 of this title during the past two years and, based upon the person's response to previous and ongoing treatment, there is good cause to believe that additional time will not result in the person establishing a therapeutic relationship with providers or regaining competence.~~

~~(B) If the Court grants the motion for expedited hearing pursuant to this subdivision, the hearing shall be held within ten days from the date of the order for expedited hearing.~~

~~(3) If a hearing on the application for involuntary treatment has not occurred within 60 days from the date of the Court's receipt of the application, the Commissioner shall request that the Court and both parties' attorneys provide the reasons for the delay. The Commissioner shall submit a report to the Court, the Secretary of Human Services, and the patient's attorney that either explains why the delay was warranted or makes recommendations as to how delays of this type can be avoided in the future.~~

(b) For hearings held pursuant to subdivision (a)(1) of this section, the Court may grant each party a onetime extension of up to seven five days for good cause.

(2) The Court may grant one or more additional seven day continuances if:

~~(A) the Court finds that the proceeding or parties would be substantially prejudiced without a continuance; or~~

~~(B) the parties stipulate to the continuance.~~

* * *

§ 7617. Findings; order

* * *

(e) Prior to ordering the hospitalization of a person, the court shall inquire into the adequacy of treatment to be provided ~~to the person by the~~ at a designated hospital. Hospitalization shall not be ordered unless the hospital in which the person is to be hospitalized can provide him or her with treatment which is adequate and appropriate to his or her condition.

~~(f) Preference between available hospitals shall be given to the hospital which is located nearest to the person's residence except when the person requests otherwise or there are other compelling reasons for not following the preference.~~

* * *

§ 7624. Application for involuntary medication

(a) The Commissioner may commence an action for the involuntary medication of a person who is refusing to accept psychiatric medication, of the type or in the amount prescribed by the treating psychiatrist, and meets any one of the following ~~six conditions~~:

(1) has been placed in the Commissioner's care and custody pursuant to section 7619 of this title or subsection 7621(b) of this title;

(2) has previously ~~received treatment~~ been hospitalized under an order of hospitalization and is currently under an order of nonhospitalization, including a person on an order of nonhospitalization who resides in a secure residential recovery facility;

(3) has been committed to the custody of the Commissioner of Corrections as a convicted felon and is being held in a correctional facility which is a designated facility pursuant to section 7628 of this title and for whom the Departments of Corrections and of Mental Health have determined jointly that involuntary medication would be appropriate pursuant to 28 V.S.A. § 907(4)(H); or

(4) has an application for involuntary treatment pending or for whom an application for involuntary treatment and application for involuntary medication are jointly filed, ~~for which the Court has granted a motion to expedite pursuant to subdivision 7615(a)(2)(A)(i) of this title;~~

(5)(A) has an application for involuntary treatment pending;

~~(B) waives the right to a hearing on the application for involuntary treatment until a later date; and~~

~~(C) agrees to proceed with an involuntary medication hearing without a ruling on whether he or she is a person in need of treatment; or~~

~~(6) has had an application for involuntary treatment pending pursuant to subdivision 7615(a)(1) of this title for more than 26 days without a hearing having occurred and the treating psychiatrist certifies, based on specific behaviors and facts set forth in the certification, that in his or her professional judgment there is good cause to believe that:~~

~~(A) additional time will not result in the person establishing a therapeutic relationship with providers or regaining competence; and~~

~~(B) serious deterioration of the person's mental condition is occurring.~~

(b)(1) ~~Except as provided in subdivisions (2), (3), and (4) of this subsection, an application for involuntary medication shall be filed in the Family Division of the Superior Court in the county in which the person is receiving treatment.~~

~~(2) If the application for involuntary medication is filed pursuant to subdivision (a)(4)-(5) of this section,:~~

~~(A) the application shall be filed in the county in which the application for involuntary treatment is pending; and shall be consolidated for hearing with the application for involuntary treatment if the application for involuntary medication was filed on the same day or within 48 hours of the filing of the application for involuntary treatment. The Court shall rule on the application for involuntary treatment before ruling on the application for involuntary medication.~~

~~(B) the Court shall consolidate the application for involuntary treatment with the application for involuntary medication and rule on the application for involuntary treatment before ruling on the application for involuntary medication.~~

~~(3) (2) If the application for involuntary medication is filed pursuant to subdivisions (a)(5)-(1) through (4) or (a)(6) of this section, the application shall be filed in the county in which the application for involuntary treatment is pending person is present. In instances where an application for involuntary medication is filed and there is an application for continued treatment pending, both matters shall be consolidated for hearing. The Court shall rule on the application for continued treatment before ruling on the application for involuntary medication.~~

~~(3) When an application for involuntary medication is consolidated for hearing with either an application for involuntary treatment or an application for continued treatment, the consolidated hearing shall occur no later than seven days from the date the application for involuntary medication is filed.~~

~~(4) Within 72 hours of filing an application for involuntary medication pursuant to subdivision (a)(6) of this section, the Court shall determine, based solely upon a review of the psychiatrist's certification and any other filings, whether the requirements of that subdivision have been established. If the Court determines that the requirements of subdivision (a)(6) of this section have been established, the Court shall consolidate the application for involuntary treatment with the application for involuntary medication and hear both applications within ten days of the date that the application for involuntary medication is filed. The Court shall rule on the application for involuntary treatment before ruling on the application for involuntary medication. Subsection 7615(b) of this title shall apply to applications consolidated pursuant to this subdivision.~~

~~(c) The application shall include a certification from the treating physician, executed under penalty of perjury, that includes the following information:~~

~~* * *~~

~~(4) the necessity for involuntary medication, including the grounds for the person's commitment to the Commissioner of Mental Health's care and custody pursuant to 13 V.S.A. § 4822,* * *~~

~~§ 7625. Hearing on application for involuntary medication; burden of proof~~

~~(a) Unless consolidated with an application for involuntary treatment or an application for continued treatment pursuant to subdivision 7624(b)(1) or (2) or (b)(4) of this title, a hearing on an application for involuntary medication shall be held within seven days of filing and shall be~~

conducted in accordance with sections 7613, 7614, and 7616 and subsections 7615 (b)-(e) of this title.

* * *

§ 7627. Court findings; orders

* * *

(f)(1) If the Court grants the application, in whole or in part, the Court shall enter an order authorizing the Commissioner to administer involuntary medication to the person. The order shall specify the types of medication, the permitted dosage range, length of administration, and method of administration for each. The order for involuntary medication shall not include electric convulsive therapy, surgery, or experimental medications. ~~A long-acting injection shall not be ordered without clear and convincing evidence, particular to the patient, that this treatment is the most appropriate under the circumstances.~~

EXPLANATION: Proposed changes to Title 18 regarding court-ordered medication and assuring timely access to treatment for persons who are involuntarily hospitalized.

HAC CHANGE: Language transferred to Committee Bill. Not included in any bill that passed the House.

Sec. E.318 CHILD CARE SERVICES PROGRAM; WAITLIST

(a) Prior to implementing a waitlist for or cap on the number of subsidized child care slots in fiscal year 2017, the The Department for Children and Families shall report at the November 2016 meeting of the Joint Fiscal Committee on the status of the caseload of the Child Care Financial Assistance Program (CCFAP) caseload, the caseload projection, and available funding. Regardless of a subsidy waitlist or cap implementation, the The Department shall report on the inventory and availability of subsidized child care slots and whether access is limited in any region of the State on the number and size of programs accepting child care subsidies in each AHS region and on the number of children residing in each AHS region participating in child care subsidies.

EXPLANATION: Requires that DCF report to the Joint Fiscal Committee before implementing a waitlist or cap on subsidized child care slots.

SENATE CHANGE: AHS proposed language to clarify. (KM)

CONFERENCE CHANGE: Amends Senate language to clarify subsidy status check report of Child Care Financial Assistance Program(CCFAP) caseload reporting. (KM)

Sec. E.318.1 SUBSIDIZED INFANT CHILD CARE RATE ADJUSTMENT

(a) The Commissioner is authorized to adjust rates as needed for subsidized infant child care to ensure adequate client access and provider viability within the existing appropriation for the child care financial assistance program.

SENATE CHANGE: AHS would like more clarity, DCF already has the authority to do this. (KM)

CONFERENCE CHANGE: Removed subsidized infant child care rate adjustment language. (KM)

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) For State fiscal year 2017, the Agency of Human Services may continue a housing assistance program within the General Assistance program to create flexibility to provide these General Assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. The program shall operate in a consistent manner within existing statutes and rules and policies effective on July 1, 2013, and any succeeding amendments thereto, and may create programs and provide services consistent with these policies. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

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

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

EXPLANATION: Same language as 2015 Act 58 Sec. E.321; this language allows DCF to continue to fund programs and issue grants to serve clients with housing needs.

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2017 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The cold weather exception policy issued by the Department for Children and Families' Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

EXPLANATION: Same language as 2015 Act 58 Sec. E.321.1. This language authorizes the General Assistance program to continue the cold weather exception policy. This language also ensures that when the cold weather exception policy does not apply, the adopted administrative rules still apply and have the force and effect of law.

Sec. E.321.2 2013 Acts and Resolves No. 50, Sec. E.321.2(c), as amended by 2015 Acts and Resolves No. 58, Sec.E.321.2, is further amended to read:

(c) On or before ~~January 31 and~~ July 31 of each year beginning in ~~2015~~ 2016, the Agency of Human Services shall report statewide statistics related to the use of emergency housing vouchers during the preceding ~~calendar half-year~~ calendar half-year State fiscal year, including demographic information, deidentified client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing, and such other relevant data as the Secretary deems appropriate. When the General Assembly is in session, the Agency shall provide its report to the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and

General Affairs, and the House and Senate Committees on Appropriations. When the General Assembly is not in session, the Agency shall provide its report to the Joint Fiscal Committee.

EXPLANATION: Recommendation to provide one annual General Assistance report per year, on July 31, which we believe will provide a better picture of the overall program.

Sec. E. 323 33 V.S.A. § 1106 is amended to read:

§ 1106. REQUIRED SERVICES TO PARTICIPATING FAMILIES

(a) The Commissioner shall provide participating families case management services, periodic reassessment of service needs and the family development plan, and referral to any agencies or programs that provide the services needed by participating families to improve the family's prospects for job placement and job retention, including the following:

* * *

(3) Career counseling, education, and training, and job search assistance consistent with the purposes of this chapter, including detailed information on the postsecondary education program pursuant to section 1122 of this chapter.

Sec. E.323 33 V.S.A. § 1108(d) is amended to read:

(d) Notwithstanding subsection (a) of this section, a participating family that does not have a qualifying deferment under section 1114 of this title and that has exceeded the cumulative 60-month lifetime eligibility period set forth in subsection (a) of this section shall qualify for a hardship exemption that allows the adult member of the participating family to receive:

(1) a wage equivalent to that of the participating family's cash benefit under the Reach Up program for participation in community service employment any of the work activities listed in subsection (28) of section 1101 of this title, with the exception of subsection (28)(L); or

* * *

HAC CHANGE: No comment. (KM)

SENATE CHANGE: Allows more access to hardship exemption. (KM)

Sec. E.323.1 33 V.S.A. § 1134 is amended to read:

§ 1134. PROGRAM EVALUATION

On or before January 31 of each year, the Commissioner shall design and implement procedures to evaluate, measure, and report to the Governor and the General Assembly the Department's progress in achieving the goals of the programs provided for in sections 1002, 1102, and 1202 of this title. The report shall include:

* * *

(7) a description of the current basic needs budget and housing allowance, the current maximum grant amounts, and the basic needs budget and housing allowance adjusted to reflect an annual cost-of-living increase; ~~and~~

(8) a description of the families, during the last fiscal year, that included an adult family member receiving financial assistance for 60 or more months in his or her lifetime, including:

(A) the number of families and the types of barriers facing these families; and

(B) the number of families that became ineligible for the Reach Up program pursuant to subsection 1108(a) of this title, and the types of income and financial assistance received by those families that did not return to the Reach Up program within 90 days of becoming ineligible; and

(9) a description of the families in the postsecondary education program pursuant to section 1122 of this chapter, including the number of participating families and any barriers to their further participation.; and

(10) a description of how the inclusion of \$125.00 of Supplemental Security Income for the purpose of calculating Reach up eligibility and benefit levels pursuant to subdivision 1103(c)(9) of this title has affected participating families

HAC CHANGE: The House amended the proposed appropriations bills to include language requiring DCF to report the impact on families affected by the decision to count \$125 of SSI income with respect to Reach Up benefits, “(10) a description of how the inclusion of \$125.00 of Supplemental Security Income for the purpose of calculating Reach Up eligibility and benefit levels pursuant to subdivision 1103(c)(9) of this title has affected participating families”

In order to study the qualitative effect of this change on families, DCF would need a contractor to conduct research and survey families. This would be an additional cost to the program which we will estimate for you as soon as possible. We recommend asking the Senate to include money for such study or eliminating the requirement. (KM)

SENATE CHANGE: The Department currently provides PSE information in the annual Reach Up report, including the number of PSE participants. DCF may be able to provide more information regarding household composition, but will need to consult further with the Economic Services Division’s Process and Performance Director on that question. (KM)

Sec. E.323.2 33 V.S.A. § 1103(c) is amended to read:

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

* * *

(9) The amount of ~~\$125.00~~ \$105.00 \$115.00 of the Supplemental Security Income payment received by a parent excluding payments received on behalf of a child shall count toward the determination of the amount of the family's financial assistance grant.

SENATE CHANGE: This \$20 change will result in a small increase to the Reach Up benefit, offset by a reduction in the Three Squares benefit by an average of \$9/household. (KM)

CONFERENCE CHANGE: Reduction of \$10 to \$115 v \$20 Supplemental Security Income payment. (KM)

Sec. E.323.3 33 V.S.A. § 1106 is amended to read:

§ 1106. REQUIRED SERVICES TO PARTICIPATING FAMILIES

(a) The Commissioner shall provide participating families case management services, periodic reassessment of service needs and the family development plan, and referral to any agencies or programs that provide the services needed by participating families to improve the family’s prospects for job placement and job retention, including the following:

* * *

(3) Career counseling, education, and training, and job search assistance, and postsecondary education consistent with the purposes of this chapter.

* * *

CONFERENCE CHANGE: Amends Reach Up, General Provisions, subsection (3), career counseling to include postsecondary education. (KM)

Sec. E.324 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2016, and for program administration, the Commissioner of Finance and Management shall transfer \$2,550,000 from the Home Weatherization Assistance Fund to the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the Home Weatherization Fund from the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the Home Weatherization Assistance Fund be necessary for the 2016–2017 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2016 and if LIHEAP funds awarded as of December 31, 2016 for fiscal year 2017 do not exceed \$2,550,000, subsequent payments under the Home Heating Fuel Assistance Program shall not be made prior to January 30, 2017. Notwithstanding any other provision of law, payments authorized by the Department for Children and Families' Economic Services Division shall not exceed funds available, except that for fuel assistance payments made through December 31, 2016, the Commissioner of Finance and Management may anticipate receipts into the Home Weatherization Assistance Fund.

HAC CHANGE: (KM)

Sec. E.324.1 EXPEDITED CRISIS FUEL ASSISTANCE

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

EXPLANATION: This is annual language and allows for expedited basis for eligible recipients so they do not run out of fuel. Counts towards one crisis fuel grant per household.

Sec. E.324.2 LIHEAP AND WEATHERIZATION

(a) Notwithstanding 33 V.S.A. §§ 2603 and 2501, in fiscal year 2017, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer up to 15 percent of the federal fiscal year 2017 federal Low Income Home Energy Assistance Program (LIHEAP) block grant from the federal funds appropriation in Sec. B.324 of this act to the Home Weatherization Assistance appropriation in Sec. B.326 of this act to be used for weatherization in State fiscal year 2017. An equivalent appropriation transfer ~~less \$1,200,000~~ shall be made to Sec. B.324 of this act, Low Income Home Energy Assistance Program, from the Home Weatherization Assistance Fund in Sec. B.326 of this act to provide home heating fuel benefits in State fiscal year 2017. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next meeting.

EXPLANATION: The FY17 budget only includes federal funds for LIHEAP; this language allows DCF to meet costs that are solely state funded to cover benefits for recipients over 150 percent of the federal poverty limit as well as administration costs in excess of ten percent of the federal award.

HAC CHANGE: More info from CO. (KM)

SENATE CHANGE: We recommend deletion of subsections E.324 and E.324.1. The most appropriate language to include is E.324.2. This is the language that was included in the Governor's Recommend and reflects the swap between LIHEAP and Weatherization. (KM)

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

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

EXPLANATION: Annual language, included in 2015 Act 58 Sec. E.325.

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

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

EXPLANATION: Annual language, included in 2015 Act 58 Sec. E.326.

Sec. E.335 ELECTRONIC MONITORING

(a) The Commissioner of Corrections may expend funds to contract for electronic monitoring in fiscal year 2017 in any region of the State where an electronic monitoring program is operational and would result in concurrent savings to the Department that at a minimum is sufficient to offset the costs of the contracts to the Department.

SENATE CHANGE: allows corrections to expand electronic monitoring (KM)

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

§ 120. DEPARTMENT OF CORRECTIONS EDUCATION PROGRAM; INDEPENDENT SCHOOL

(a) Authority. An education program is established within the Department of Corrections ~~for the education of~~ for the education of persons who have not completed secondary education to provide educational, vocational, and risk reduction services to persons who have not completed secondary education and who are committed to under the custody of the Commissioner who are eligible or required to participate in the program pursuant to subsection (h) of this section or are assess to have a moderate-to-high criminogenic need by one or more corrections risk assessments and who are committed to the custody of the Commissioner.

(b) Applicability of education provisions. The education program shall be approved by the State Board of Education as an independent school under 16V.S.A. § 166, ~~shall comply with the education quality standards provided by 16 V.S.A. § 165,~~ and shall be coordinated with adult education, special education, and career technical education.

(c) Program supervision. The Commissioner of Corrections shall ~~appoint a Director of Corrections Education, who shall be hire~~ a licensed ~~as an~~ administrator under 16 V.S.A. chapter 51; to serve as the ~~Superintendent of the Community High School of Vermont~~ Headmaster of Corrections Education and coordinate use of other education programs by persons under the ~~supervision-custody~~ supervision of the Commissioner.

(d) Curriculum. The education program shall offer a minimum course of study, as defined in 16 V.S.A. § 906, and special education programs ~~as required in 16 V.S.A. chapter 101 at each correctional facility and Department service center, but is not required to offer a driver training course or a physical educational course~~ in accordance with the program description used for independent school approval.

(e) [Repealed]

(f) Reimbursement payments. The provision of 16 V.S.A. § 4012, relating to payment for State-placed students, shall not apply to the Corrections education program.

(g) [Repealed]

(h) ~~Required participation~~ Participation Required Participation. ~~All persons~~ Any person All persons under the custody of the Commissioner is eligible to participate in the education program described in subsection (a) of this section; provided, however, that participation is mandatory for all persons who are under ~~the age of~~ the age of 23 years of age and have not received a high school diploma, ~~shall participate in an education program~~ or are assessed to have a moderate-to-high criminogenic need and are within 24 months of re-entry shall participate in an education program unless exempted by the Commissioner. The Commissioner may approve the participation of other students, including individuals who are enrolled in an alternative justice or diversion program.

HAC CHANGE: Changes to community high school language

SENATE CHANGE: (KM)

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of \$146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

CONFERENCE CHANGE: Application of PILOT Special Fund for supplemental facility payments, funding derived from local option tax revenues. (KM)

Sec. E.338.1 CALEDONIA COUNTY WORK CAMP; ELIGIBILITY

(a) It is the intent of the General Assembly that the Department of Corrections shall continue to utilize the North Unit of the Caledonia County Work Camp (CCWC) for offenders who are work camp eligible under 28 V.S.A. §817.

(b) It is the intent of the General Assembly that the Department of Corrections shall utilize 50 beds within the CCWC South Unit for offenders who:

(1) are classified as minimum custody as scored by the Department's custody level instrument;
and

(2) have completed their minimum sentence and are eligible for furlough or parole, but lack appropriate housing.

(c) An offender who is serving time for a sex offense conviction shall not be deemed to satisfy the criteria set forth in subsection (b) of this section unless the offender is a resident of St. Johnsbury.

(a) The Department will seek to reach an agreement with the community in which:

(1) Department of Corrections continues to utilize the North Unit of the Caledonia County Work Camp (CCWC) for offenders who are work camp eligible under 28 V.S.A. § 817; and

(2) Department of Corrections achieves full utilization of the facility by assigning no more than 50 beds in the South Unit for offenders who:

(A) are classified as minimum custody as scored by the Department's custody level instrument;

(B) have completed their minimum sentence and are eligible for furlough or parole, but lack appropriate housing; and

(C) an offender who is serving time for a sex offense conviction shall not be deemed to satisfy the criteria set forth in this subdivision of this section unless the offender is a resident of St. Johnsbury.

(3) there are mutually acceptable resolutions to community concerns regarding:

(A) security cameras and fencing;

(B) the annual community facility hosting payment from the State; and

(C) the educational and training programs for inmates at the facility who will be re-entering the community. Such programs may include high school completion studies, ServSafe kitchen certification, lead abatement training, OSHA certification and a partnership with the Agency of Transportation for a transportation academy.

HAC CHANGE: intent around Caledonia work camp

SENATE CHANGE: (KM)

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

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

(b) The executive director Chief Executive Officer shall provide a written report to Joint Fiscal Committee in November 2016 that provides information on the overall census, the call out rate, use of overtime for State employees, and the use of temporary employees and contractors for State fiscal year 2016 compared to fiscal year 2015 and a status update on these issues for fiscal year 2017 to date.

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

SENATE CHANGE: (KM)

Sec. E.345 Green mountain care board

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

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

Sec. E.345.1 GREEN MOUNTAIN CARE BOARD; ALL PAYER MODEL AGREEMENT

(a) In the event that an agreement is reached with the federal government for an All Payer Model (APM) for the State of Vermont prior to the 2017 legislative session, the Emergency Board is authorized to transfer General Funds of up to \$155,540 \$293,192 to the Green Mountain Care Board or Agency of Human Services. If sufficient matching funds are transferred, excess receipts of up to \$247,585 \$533,670 in Global Commitment Funds and \$63,665 \$124,775 in special funds can be authorized by the Commissioner of Finance and Management for additional analysis and contracting necessary to create the additional regulatory infrastructure required to ensure consumer protection and to comply with the terms of the agreement. The amount of general funds transferred shall be restored as needed in the budget adjustment process.

SENATE CHANGE: GMCB would like to keep Senate language and workout difference in conference committee. Recommendation to go back to the House version to preserve flexibility if All Payer Model deal reached and authorized. (KM) *check with robin's office... might have a different view than GMCB....*

CONFERENCE CHANGE: Added back in the amount needed for Accountable Care Organization (ACO) regulation regardless of All Payer Model (APM) outcome. Contingent language section – allows for AMP funding if authorized. The intent was not want to create a BAA need. (KM)

*** * * LABOR * * ***

Sec. E.400 WORKFORCE EDUCATION AND TRAINING STUDY COMMITTEE

(a) Intent and purpose:

(1) 2013 Acts and Resolves No. 81, Sec. 1 created a Workforce Development Work Group charged with the duty to research, inventory, and collect certain data concerning workforce education and training programs and activities in Vermont. The Work Group met several times and worked diligently and cooperatively with State entities involved in workforce education and training programs but ultimately had insufficient time and resources to complete a full inventory. The purpose of this section is to continue and complete the work of the 2013 Work Group.

(b) There is created a Workforce Education and Training Study Committee composed of the following members:

- (1) two members of the Senate appointed by the President Pro Tempore of the Senate;
- (2) two members of the House of Representatives appointed by the Speaker of the House;
- (3) the Secretary of Commerce and Community Development or designee;
- (4) the Commissioner of Labor or designee;
- (5) the Secretary of Education or designee; and
- (6) one member appointed by the State Workforce Development Board.

(c) The Committee shall:

- (1) coordinate with the State Workforce Development Board, the Department of Labor, and other entities that are gathering the data and information specified in this section;
- (2) research and inventory all workforce education and training programs and activities taking place in Vermont;

(3) identify the number of individuals served by each of the programs and activities, and estimate the number of individuals in the State who could benefit from these programs and activities;

(4) identify the mechanics by which these programs and activities are evaluated for effectiveness and outcomes;

(5) provide a summary for each program or activity of its delivery model, including how the program or activity aligns with employment opportunities located in Vermont;

(6) identify current statutory provisions concerning coordination, integration, and improvement of workforce education and training programs, including identification of the entities responsible for performing those duties;

(7) identify overlaps in existing workforce education and training programs and activities;

(8) research and inventory all programs and activities taking place in the State, both public and private, that identify and evaluate employers' needs for employees, including the skills, education, and experience required for available and projected jobs;

(9) indicate who is responsible for these activities and how they are funded;

(10) specify the data collection activities that are taking place;

(11) identify overlaps in programs, activities, and data collection that identify and evaluate employers' needs for employees;

(12) undertake any other research and gather other data and information as the Work Group deems necessary and appropriate to complete its work consistent with this act;

(13) evaluate the efficacy of consolidating all State-funded workforce education and training programs within the Department of Labor.

(d)(1) The Committee shall convene its first meeting no later than June 15, 2016.

(2) The Committee shall have the administrative, legal, and fiscal support of the Department of Labor, Office of Legislative Council, and the Joint Fiscal Office.

(e)(1) In order to perform its duties pursuant to this act, the Committee shall have the authority to request and gather data and information as it determines is necessary from entities that conduct workforce education and training programs and activities, including agencies, departments, and programs within the Executive Branch and from nongovernmental entities that receive State-controlled funding.

(2) Unless otherwise exempt from public disclosure pursuant to State or federal law, a workforce education and training provider shall provide the data and information requested by the Committee within a reasonable time period.

(3) On or before January 15, 2017, the Committee shall submit its findings and work product to the House Committees on Commerce and Economic Development and on Appropriations, and to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations.

(4) Legislative members of the Committee shall be eligible for per diem compensation, mileage reimbursement, and other necessary expenses as provided in 2 V.S.A. § 406.

HAC CHANGE: (SW) Section added by the House to take an inventory of all state funded workforce training, education and improvement programs. None of the participating departments were particularly keen to address this language. They recommended language that the Administration submitted to SAC with some recommended changes.

SENATE CHANGE: (SW) Senate has removed this provision, which is the action that the departments requested.

Sec. E.400 WORKFORCE EDUCATION AND TRAINING REPORT

(a) 2013 Acts and Resolves No. 81, Sec. 1 created a Workforce Development Work Group charged with the duty to research, inventory, and collect certain data concerning workforce education and training programs and activities in Vermont. Representing the Administration on that work group were: the Secretary of Commerce and Community Development, the Secretary of Education, and the Commissioner of Labor. The purpose of this section is to require a report which will inform the General Assembly on the status of this and other similar efforts being carried out by the Administration.

(1) The Secretary of Commerce and Community Development, the Secretary of Education, the Secretary of Human Services, and the Commissioner of Labor shall jointly report, on or before December 15, 2016, to the House Committees on Commerce and Economic Development and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations the following:

(A) A summary of the work product of the 2013 Workforce Development Work Group referenced in this subsection (a);

(B) A detailed report on the follow-up to that effort, including the resulting work product; and

(C) Summaries of all other related initiatives and activities taking place in the State in which these four agencies are involved, including: the joint agency employer workforce needs assessment; the 10 V.S.A. § 540(1)(B) requirement that the Commissioner of Labor, in consultation with the State Workforce Development Board, create and maintain an inventory of all existing workforce education and training programs in the State; and the Workforce Innovation and Opportunity Act (WIOA) requirements which include the Unified State Plan and the development of common intake and common performance evaluations.

CONFERENCE CHANGE: (SW) Establishes report by Administration on its follow-up to the 2013 workforce report.

Sec. E.400.1 21 V.S.A. § 487 is added to read:

§ 487. RULES

The Commissioner may adopt rules to implement the provisions of this subchapter.

CONFERENCE CHANGE: (SW)

* * * K-12 EDUCATION * * *

Sec. E.500 Education – finance and administration

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

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

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

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,566,029 shall be used by the Agency of Education in fiscal year 2017 as funding for 16 V.S.A. § 2967(b)(2) – (6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$192,805 may be used by the Agency of Education for its participation in the higher education partnership plan.

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

Sec. E.503 Education – state-placed students

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

EXPLANATION: Allows payments for pregnant and parenting teens to be made to the Independence Place program of the Lund Family Center. Same as in FY 2016.

Sec. E.504 Education – adult education and literacy

(a) Of this appropriation, \$4,000,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$600,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of ~~\$25,000~~ \$30,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act; and

(2) \$100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

EXPLANATION: Language ensures that education funds are paid directly to school districts to fund the high school completion program, to help fund the dual enrollment program created in 16 V.S.A. Sec 944, and to support distance learning in Vermont schools. The dual-enrollment funding in this section is a partial appropriation and adds to the amount provided through the Next Generation Fund.

SENATE CHANGE: (SW) Matches the \$5,000 increase to stipends in Next Gen. section of the bill.

Sec. E.505 Education - adjusted education payment

(a) Of this appropriation, \$15,000 shall be used to provide grants to K-12 public schools in the Caledonia Central Supervisory Union which are initiating programs through the International Baccalaureate program in an effort to maintain the viability of its educational programs and to enhance enrollment. Grants under this subsection may be made only for professional training and necessary materials.

SENATE CHANGE: (SW) Provides funding for the SU to start offering students the IB program.

Sec. E.513 16 V.S.A. § 4025(a)(2) is amended to read:

(2) For each fiscal year, the amount of the general funds appropriated ~~or~~ and transferred to the Education Fund shall be ~~\$277,400,000.00~~ \$305,900,000.00, to be increased annually beginning for fiscal year 2018 by the ~~most recent New England economic project cumulative price index, as of November 15, for state and local government purchases of goods and services from fiscal year 2012~~ consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent.

EXPLANATION: Rebasing the GF transfer to the EF is required by the waterfall statute (32 V.S.A. Sec. 308c(d)). This language is based on language used in Act 179 of 2014 Sec.E.513.1.

SENATE CHANGE: (SW) Modification of language back to the correct language in the Gov. Rec. to rebase the GF transfer to EF and then calculate the inflator based upon the NIPA index provided by Jeff Carr and Tom Kavet.

Sec. E.513.1 Appropriation and transfer to education fund

(a) Pursuant to 16 V.S.A. § 4025(a)(2) as amended by Sec. E.513 of this act, there is appropriated in fiscal year 2017 from the General Fund for transfer to the Education Fund the amount of \$305,902,634.

EXPLANATION: Statutory transfer from the General Fund to the Education Fund. This amount is adjusted per the statutory formula.

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$82,659,576 of which \$78,959,576 shall be the State's contribution and \$3,700,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$8,327,249 is the "normal contribution," and \$74,332,327 is the "accrued liability contribution."

EXPLANATION: Same language as prior years.

SENATE CHANGE: (DB) The change in language supports the \$3.7M changes in the related sections B.514 and B.515 from an estimate of local schools' contributions to the STRS resulting from charging the teachers' pension benefits against the federal grants funding those teachers. The \$3.7M in federal funding could reduce the Administration's pension annual required contribution (ARC) but the Treasurer and the former Commissioner of F&M apparently agreed to use the GF freed up by these federal funds to fund the RTHMB, the Retired Teachers' Health and Medical Benefits fund.

Sec. E.514.1 16 V.S.A. § 1944(c) is amended to read:

(c) State contributions, earnings, and payments.

* * *

(4) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability to the System. Beginning July 1, 2008, until until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ending June 30, 2038, from July 1, 2008, provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution after June 30, 2009, shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent greater than the preceding annual basic accrued liability contribution per year;

(B) Beginning July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year; and

(C) Any variation in the contribution of normal or unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

SENATE CHANGE: (DB) Statutory changes to increase the amount of the payments in the near term for the STRS Unfunded Liability and thereby, like a home mortgage, pay the balance down sooner and at less total cost. The Treasurer proposed this methodology and language.

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

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$18,322,584 \$22,022,584 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

EXPLANATION: Same language as prior year.

SENATE CHANGE: (DB) This is the \$3.7M GF as explained in Section E.514, freed up as pension payments and shifted to fund the RTHMB, the Retired Teachers' Health and Medical Benefits fund.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

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

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

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

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont,

deliver high quality health care services to Medicaid beneficiaries and to the uninsured or underinsured persons, or both, in Vermont and across the nation.

EXPLANATION: Standard language for the University of Vermont.

Sec. E.600.1 REPEAL THREE YEAR SUSPENSION REPEAL; UNIVERSITY OF VERMONT 40 PERCENT RULE

(a) 16 V.S.A. § 2282 (limit on tuition for Vermont students) is repealed on July 1, 2016 is suspended for three-academic-year period from 2017-2018 through 2019-2020.

(b) The University of Vermont shall report to the House and Senate Committees on Appropriations and Education with its fiscal year 2018 budget submission on the planned in-state and out-of-state tuition charged for the fall and spring semesters of the 2017/2018 academic year and the proposed tuitions for subsequent semesters through the Spring semester of 2020.

HAC CHANGE: (SW) This removes from statute the law that prevents UVM from charging in-state students more than 40% of the tuition cost that out-of-state students are charged. UVM requested this change and gave testimony during the session about how this rule limits their ability to competitively price their out-of-state tuition product. They said they didn't want to raise in-state tuition but wanted to be able to lower the sticker price for out-of-staters. Can discuss this policy change in some more detail if you would like me to.

SENATE CHANGE: (SW) Turns House change to remove the 40% rule into a 3-year test and requires reports on the results.

CONFERENCE CHANGE: (SW) Reverts to house version of the bill where the 40% rule is repealed.

Sec. E.600.2 UNIVERSITY OF VERMONT REPORTING

(a) The University of Vermont will include in its Annual Report to the General Assembly specific information on the impact of repealing 16 V.S.A. § 2282, the 40 percent tuition requirement. The University shall report changes to its in-state and out-of-state tuition rates, the rationale for those changes, and the impact on student admissions and revenues, and shall include a comparison to relevant national and regional tuition metrics and relevant information from the U.S. Department of Education College Affordability and Transparency Calculator.

(b) The University shall submit a comprehensive multi-year tuition review as part of its Annual Report to the General Assembly on or before January 1, 2022. This report shall include the information required by subsection (a) of this section, as compiled over the relevant period.

CONFERENCE CHANGE: (SW) Requires a report by UVM on the impacts of the 40% rule change.

Sec. E.600.2 16 V.S.A. § 2885 is amended to read:

§ 2885. VERMONT HIGHER EDUCATION ENDOWMENT TRUST FUND

(a) A Vermont Higher Education Endowment Trust Fund is established in the ~~office~~ Office of the State Treasurer to comprise the following:

(1) appropriations made by the General Assembly;

(2) in any fiscal year in which a General Fund surplus exists and the General Fund Stabilization Reserve is funded to its required statutory level, funds raised by the estate tax levied

under 32 V.S.A. chapter 190 that are more than ~~425~~ 115 percent of the amount projected by the Emergency Board in the July annual forecast made pursuant to 32 V.S.A. § 305a; and
 (3) contributions from any other sources.

SENATE CHANGE: (SW) Lowers the threshold for estate tax revenue projection overages that are moved to the VT Higher Ed. Trust Fund.

CONFERENCE CHANGE: (SW)

Sec. E.602 Vermont state colleges

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

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

EXPLANATION: This is standard language that is included in the bill every year. It details the payment schedule to the State Colleges.

Sec.E.602.1 STEP UP PROGRAM

(a) Program creation. There is created a statewide Step Up Program to provide outreach, supportive advising, and up to five free courses toward a college degree to young Vermonters who have graduated from high school but have not continued on to college. The Program shall include college courses offered on the campus of an accredited public postsecondary institution. The Program may include online college courses or components.

(b) Students.

(1) A Vermont resident who has completed grade 12 and has received a high school diploma is eligible to participate in the Program if:

(A) the student:

(i) is age 18 - 25; and

(ii) and has completed the Governor's Career Readiness Program at the Community College of Vermont;

(B) the postsecondary institution has determined that the student is sufficiently prepared to succeed in a postsecondary course, which can be determined in part by the assessment tool or tools identified by the participating postsecondary institution.

(2) An eligible student may enroll in up to five courses for which neither the student nor the student's parent or guardian shall be required to pay tuition. A student is not required to enroll in five courses in one semester but shall enroll in a minimum of one course in each consecutive semester in order to remain eligible for additional tuition-free courses.

(c) Public postsecondary institutions. The Vermont State Colleges and the University of Vermont shall work together to provide Step Up opportunities throughout the State.

(1) The public postsecondary institution shall maintain the postsecondary academic record of each participating student and provide transcripts on request.

(2) To the extent permitted under the Family Educational Rights and Privacy Act, the public postsecondary institution shall collect and send data related to student participation and success to

the Vermont Secretary of Education and shall send data to the Vermont Student Assistance Corporation necessary for the Corporation's federal reporting requirements.

(3) The public postsecondary institution shall accept as full payment the tuition set forth in subsection (e) of this section.

(d) Program management. The Community College of Vermont (CCV) shall manage or may contract for the management of the Step Up Program in Vermont by:

(1) marketing the Step Up Program to Vermont students and their families including changing the name of the Program;

(2) assisting postsecondary partners to develop memoranda of understanding, when requested;

(3) convening regular meetings of interested parties to explore and develop improved student support services;

(4) coordinating the use of technology to ensure access and coordination of the Program;

(5) reviewing program costs;

(6) evaluating all aspects of the Step Up Program and ensuring overall quality and accountability; and

(7) performing other necessary or related duties.

EXPLANATION: Establishes and outlines the Governor's step up program to help individuals attend higher education institutions. This program is funded through an appropriation in the Next Generation Fund.

HAC CHANGE: Sent to policy committee. Did not pass the House in any bills.

Sec. E.602.1 Vermont state colleges – supplemental aid

(a) Of this appropriation, \$600,000 \$700,000 shall be used to increase aid and support to for Vermont students with social and economic barriers to enrollment and completion. The Community College of Vermont shall use funds allocated to them from this appropriation for a college Step Up program. The Chancellor shall provide a written report to the Joint Fiscal Committee in November 2016 on how these funds are used for this purpose for the 2016-2017 school year and the plan to continue use of these funds for this purpose in future years.

SENATE CHANGE: (SW) Senate added language around Step Up

CONFERENCE CHANGE: Conference committee increased the funding available for this section and directs the community college to use their allocation for the Step Up Program.

Sec. E.603 Vermont state colleges – allied health

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

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

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

Sec. E.605 Vermont student assistance corporation

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

(b) Of the appropriated amount remaining after accounting for subsections (a) and (d) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

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

(d) Of this appropriation, not more than \$100,000 \$200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

(e) The Vermont Student Assistance Corporation shall conduct a review of the Non-Degree Grant program utilizing the Results Based Accountability approach. This review shall be submitted to the House and Senate Committees on Appropriations as part of the Vermont Student Assistance Corporation fiscal year 2018 budget submission.

(f) Notwithstanding the provisions 2015 Acts and Resolves No. 45, Secs. 2-4, codified at subchapter 8 of chapter 87 of Title 16 16 V.S.A. Chapter 87, subchapter 8., the Vermont Student Assistance Corporation shall not be required to establish the Vermont Universal Children's Higher Education Savings Account Program until sustainable sources of annual funding have been identified and secured in amounts sufficient to provide meaningful initial and matching deposits for eligible families to open and make ongoing contributions to a children's savings account.

EXPLANATION: Standard language for VSAC. (a) of this section is an appropriation to a trust fund that provides annual grant support to students attending VSC, UVM or a VT independent college that do not have parental support. Language also specifies use of National Guard Ed. Assistance fund, and the amount that VSAC can use to cover administrative expenses from (a) and (d) of this section.

HAC CHANGE: (SW) Requires VSAC to use RBA to demonstrate results of their Next Gen. funded non-degree grants.

SENATE CHANGE: (SW) Removes from VSAC the requirement to establish universal child savings accounts until funding is made available. This will likely eliminate that program unless a major fundraising effort is established.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of \$50,000 \$60,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) \$25,000 \$30,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need based stipend purposes).

(2) \$25,000 \$30,000 from Sec. E.504(a)(1) (adult education and literacy funds appropriated for dual enrollment and need based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for

program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House and Senate Committees on Education and on Appropriations on or before January 15, 2017.

EXPLANATION: Language transfers money to be used to “need based” dual-enrollment stipends to VSAC and they manage those stipends in conjunction with the Agency of Education.

SENATE CHANGE: (SW) Changes match Senate funding changes earlier in the bill.

Sec. E.605.2 EARLY COLLEGE ENROLLMENT

(a) Notwithstanding any provision to the contrary in 2013 Acts and Resolves No. 77, Sec. 11, as amended by 2015 Acts and Resolves No. 45, Sec. 1, in fiscal year 2017, should the Vermont Academy of Science and Technology enroll fewer than 60 Vermont students, that number of available student enrollment fewer than 60 may, as determined by the Chancellor of the Vermont State Colleges, in consultation with the President of the Vermont Technical College, be enrolled in early college programs at Castleton University, Johnson State College, and Lyndon State College, which may result in the total early college enrollment among these three institutions exceeding 54 students.

CONFERENCE CHANGE: Allows the state colleges to enroll students in early college programs if there are less than 60 students enrolled at the Vt Academy of Science and Technology.

*** NATURAL RESOURCES ***

Sec. E. 701 32 V.S.A. § 3708 is amended to read:

§ 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE AGENCY OF NATURAL RESOURCES

(a) All ANR land, excluding buildings or other improvements thereon, shall be appraised at fair market value by the Director of Property Valuation and Review and listed separately in the grand list of the town in which it is located. Annually, the State shall pay to each municipality an amount of 0.5 percent of the Director's appraisal value for the current year for ANR land. The State shall annually pay to each municipality a payment in lieu of taxes (PILOT) that shall be the base payment as set forth herein, for all ANR land, excluding buildings or other improvements thereon, as of April 1 of the current year.

(1) one percent of the Director's appraisal value for the current year for ANR land; or

(2) one percent of the current year use value of ANR land controlled by the Agency of Natural Resources in the Use Value Appraisal Program under chapter 124 of this title before January 1999; except that no municipality shall receive in any taxable year a State payment in lieu of property taxes for ANR land in an amount less than it received in the fiscal year 1980.

(b) "ANR land" in this section means lands held by the Agency of Natural Resources. The State shall establish the base payment for all ANR land, excluding buildings or other improvements thereon, as follows:

(1) On parcels acquired before April 1, 2016, 0.6 percent of the fair market value as appraised by the Director of Property Valuation and Review as of fiscal year 2015;

(2) On parcels acquired on or after April 1, 2016, the municipal tax rate of the fair market

value as assessed by the municipality in which it is located.

(c) ~~"Municipality" in this section means an incorporated city, town, village, or unorganized town, grant or gore in which a tax is assessed for noneducational purposes. Annually each base payment will be adjusted by the rolling three year average of the statewide median municipal tax rate change as determined by the Director of Property Valuation and Review. The adjusted base payment will become the base payment for the next fiscal year. This subsection shall take effect in fiscal year 2022.~~

(d) ~~"Fair market value" in this section shall be based upon the value of the land at its highest and best use determined without regard to federal conservation restrictions on the parcel or any conservation restrictions under a state agreement made with respect to the parcel. Any adjustment to the acreage of any existing ANR parcel will result in the change of the base payment for the year that change occurs in. A per acre payment will be determined for the parcel. This per acre payment will be either added or subtracted from the base payment as necessary for the number of acres that need to be adjusted.~~

(e) ~~The Selectboard of a town aggrieved by the appraisal of property by the Division of Property Valuation and Review under this section subsection (b) (1) may, within 21 days after the receipt by the town listers of notice of the appraisal of its property by the Division of Property Valuation and Review in fiscal year 2017 only, appeal from that appraisal to the Superior Court of the district in which the property is situated.~~

As used in this subchapter:

(1) "ANR land" in this section means lands held by the Agency of Natural Resources.

(2) "Fair market value" in this section shall be based upon the value of the land at its highest and best use determined without regard to federal conservation restrictions on the parcel or any conservation restrictions under a State agreement made with respect to the parcel.

(3) "Municipality" in this section means an incorporated city, town, village, or unorganized town, grant, or gore in which a tax is assessed for noneducational purposes.

(b) The State shall annually pay to each municipality a payment in lieu of taxes (PILOT) that shall be the base payment as set forth herein, for all ANR land, excluding buildings or other improvements thereon, as of April 1 of the current year.

(c) The State shall establish the base payment for all ANR land, excluding buildings or other improvements thereon, as follows:

(1) On parcels acquired before April 1, 2016, 0.55 0.60 percent of the fair market value as appraised by the Director of Property Valuation and Review as of April 1 of fiscal year 2015;

(2) On parcels acquired after April 1, 2016, the municipal tax rate of the fair market value as assessed on April 1 in the year of acquisition by the municipality in which it is located.

(d) Beginning in fiscal year 2022, and thereafter in periods of no less than three years and no greater than five years, the Secretary of Natural Resources shall recommend an adjustment to update the base payments established under subsection (c) of this section consistent with the statewide municipal tax rate or other appropriate indicators. For years that the Secretary of Natural Resources recommends an adjustment under this subsection, a request for funding the adjustment shall be included as part of the budget report required under section 306 of this title.

(e) Any adjustment to the acreage of any existing ANR parcel will result in the change of the base payment for the year in which the change occurs. A per acre payment will be determined for the parcel. This per acre payment will be either added or subtracted from the base payment as necessary for the number of acres that need to be adjusted.

(f) The selectboard of a town aggrieved by the appraisal of property by the Division of Property Valuation and Review under subdivision (c)(1) of this section may, within 21 days after the receipt by the town lists of notice of the appraisal of its property by the Division of Property Valuation and Review in fiscal year 2017 only, appeal that appraisal to the Superior Court of the district in which the property is situated.

EXPLANATION: See Explanation in Sec. E.701.1

HAC CHANGE: (JA)

Sec. E.701.1 2015 Acts and Resolves No. 58, Sec. E.701.2 is amended to read:

Sec. E.701.2 PAYMENT IN LIEU OF TAXES FOR AGENCY OF NATURAL RESOURCES LANDS IN FISCAL YEARS 2017, ~~AND 2018, 2019, 2020 AND 2021~~

(a) Notwithstanding the requirements of 32 V.S.A. § 3708(c)(1) to the contrary, for purposes of payment in lieu of taxes (PILOT) for lands ~~held~~ held-acquired by the Agency of Natural Resources before April 1, 2016, the State shall pay to each municipality:

(1) in fiscal year 2017, the PILOT amount received by the municipality in fiscal year 2016 plus or minus ~~one-third-one-fourth~~ of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708(c)(1), ~~as amended by Sec. E.701.1 of this act;~~ and;

(2) in fiscal year 2018, the PILOT amount received by the municipality in fiscal year 2016 plus or minus ~~two-thirds~~ one-fourth one-half of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708(c)(1), ~~as amended by Sec. E.701.1 of this act.~~ and

(3) in fiscal year 2019, the PILOT amount received by the municipality in fiscal year 2016 plus or minus three-fourths of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708(c)(1).

(b) If the Agency of Natural Resources acquires land in a municipality after April 1, ~~2015-2016~~, the State shall make a PILOT payment on the newly acquired land to the municipality under ~~Sec. E.701.1 of this act~~ 32 V.S.A. § 3708(c)(2), and the newly acquired land shall not be subject to this section.

(c) If the PILOT amount to be received by a municipality under 32 V.S.A. § 3708(c)(1), as of April 1, 2016, is:

(1) more than \$25,000 less than that municipality's PILOT payment in fiscal year 2016 the municipality will receive an additional payment of \$3,000 in fiscal years 2017, 2018, 2019, 2020 and 2021;

(2) between \$25,000 and \$20,000 less than that municipality's PILOT payment in fiscal year 2016 the municipality will receive an additional payment of \$2,500 in fiscal years 2017, 2018, 2019, 2020 and 2021;

(3) between \$19,999 and \$15,000 less than that municipality's PILOT payment in fiscal year

2016 the municipality will receive an additional payment of \$2,000 in fiscal years 2017, 2018, 2019, 2020 and 2021;

(4) between \$14,999 and \$10,000 less than that municipality's PILOT payment in fiscal year 2016 the municipality will receive an additional payment of \$1,500 in fiscal years 2017, 2018, 2019, 2020 and 2021;

(5) between \$9,999 and \$7,500 less than that municipality's PILOT payment in fiscal year 2016 the municipality will receive an additional payment of \$1,000 in fiscal years 2017, 2018, 2019, 2020 and 2021;

(6) between \$7,499 and \$5,000 less than that municipality's PILOT payment in fiscal year 2016 the municipality will receive an additional payment of \$500 in fiscal years 2017, 2018, 2019, 2020 and 2021;

(7) more than \$25,000 more than that municipality's PILOT payment in fiscal year 2016 the municipality will receive \$3,000 less in fiscal years 2017, 2018, 2019, 2020 and 2021;

(8) between \$24,999 and \$20,000 more than that municipality's PILOT payment in fiscal year 2016 the municipality will receive \$2,500 less in fiscal years 2017, 2018, 2019, 2020 and 2021;

(9) between \$19,999 and \$15,000 more than that municipality's PILOT payment in fiscal year 2016 the municipality will receive \$2,000 less in fiscal years 2017, 2018, 2019, 2020 and 2021;

(10) between \$14,999 and \$10,000 more than that municipality's PILOT payment in fiscal year 2016 the municipality will receive \$1,500 less in fiscal years 2017, 2018, 2019, 2020 and 2021;

(11) between \$9,999 and \$7,500 more than that municipality's PILOT payment in fiscal year 2016 the municipality will receive \$1,000 less in fiscal years 2017, 2018, 2019, 2020 and 2021;

(12) between \$7,499 and \$5,000 more than that municipality's PILOT payment in fiscal year 2016 the municipality will receive \$500 less in fiscal years 2017, 2018, 2019, 2020 and 2021.

EXPLANATION: Sections B. 701 and 701.1 implement Agency of Natural Resources and the Division of Property Valuation and Review (PVR) recommendations for PILOT for State Lands. The FY 2016 big bill, Act 58 included language that would implement "Option A" as outlined in the November 15, 2014 Report on Annual Payments In Lieu of Taxes to Towns For Land Owned By the Agency of Natural Resources. This was not done as a result of preference for "Option A", but rather to have a default option ready pending further study. ANR worked with the stakeholders to develop an optimally fair methodology for PILOT accordingly: base PILOT payment for parcels acquired by ANR before April 1, 2016 will be 1% of the Fair Market Value (FMV) as determined by PVR, prorated to 60%. Base PILOT payment for parcels acquired by the Agency of Natural Resources after April 1, 2016 will be the municipal tax rate multiplied by the town assessed FMV for the most recent tax year. Each base payment will be adjusted by the rolling three-year average of the statewide median municipal tax rate change as determined by the Director of Property Valuation and Review annually. The adjusted base payment will become the base payment for the next fiscal year. This new formula will be phased in over 4 years. A buffer is put on towns receiving the biggest gains and losses during the phase in. This option is estimated to control growth in PILOT payments compared to a system based on periodic reappraisal.

HAC CHANGE: (JA)

SENATE CHANGE: Senate restored the 0.60 percent of fair market value base payment reduced by the House to 0.55 percent. (JA)

Conference committee did not restore the annual adjuster that would follow changes in municipal rates as requested in the letter to conference. Otherwise, and in aggregate, this language is OK.

Sec E.701.2 REPEAL

(a) 2015 Acts and Resolves No.58, Sec. E.701.1 is repealed.

HAC CHANGE: (JA)

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

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

EXPLANATION: Annual language last included in 2015 Act 58 Sec. E.704.

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

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

EXPLANATION: Annual language last included in 2015 Act 58 Sec. E.706.

Sec. E. 709 AUTHORIZATION FOR EXPENDITURES AT ELIZABETH MINE SUPERFUND SITE

(a) Notwithstanding the \$100,000 limitation on the expenditure of funds from the Environmental Contingency Fund established pursuant to 10 V.S.A. § 1283, the Secretary of the Agency of Natural Resources may expend funds to accomplish activities authorized under 10 V.S.A. § 1283(b)(9) at the Elizabeth Mine Superfund Site.

EXPLANATION: This language authorizes the Agency of Natural Resources to expend more than the statutory cap from the Environmental Contingency Fund if the remediation expenditures at the Elizabeth Mine Site exceed the cap. Section 1283(b) of Title 10 limits expenditures from each spending category to \$100,000 “*unless the secretary has received the approval of the general assembly, or the joint fiscal committee ...*”. Similar language was authorized by the legislature in 2007 Act 65 Sec. 298.

Sec. E.709.1 AUTHORIZATION FOR EXPENDITURE RELATED TO PFOA DRINKING WATER CONTAMINATION

(a) Notwithstanding the \$100,000 limitation on the expenditure of funds from the Environmental Contingency Fund established pursuant to 10 V.S.A. § 1283, the Secretary of Natural Resources may expend funds to accomplish activities authorized under 10 V.S.A. § 1283(b) to address PFOA drinking water contamination.

SENATE CHANGE: (JA) This change was made at Administration request.

Sec. E.709.2 24 V.S.A. § 4753(a) is amended to read:

(a) There is hereby established a series of special funds to be known as:

(5) The Vermont Drinking Water Planning Loan Fund which shall be used to provide loans to municipalities and privately owned, nonprofit community water systems, ~~with populations of less than 10,000,~~ for conducting feasibility studies and for the preparation of preliminary engineering

planning studies and final engineering plans and specifications for improvements to public water systems in order to comply with State and federal standards and to protect public health. The Secretary may forgive up to \$50,000.00 of the unpaid balance of a loan made from the Vermont Drinking Water Planning Loan Fund to municipalities after project construction is substantially completed. The Secretary shall establish amounts, eligibility, policies, and procedures for loan forgiveness in the annual State Intended Use Plan (IUP) with public review and comment prior to finalization and submission to the U.S. Environmental Protection Agency.

SENATE CHANGE: (JA) This change was made at Administration request.

Sec. E.712 AUTHORIZATION FOR EXPENDITURES; CONNECTICUT RIVER VALLEY FLOOD CONTROL COMMISSION

(a) Notwithstanding 10 V.S.A. §1158, the Department of Environmental Conservation may make payment up to \$2,500 in any one year to the Connecticut River Valley Flood Control Commission for the purposes set forth in 10 V.S.A. §1158.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 ECONOMIC DEVELOPMENT; BENNINGTON COUNTY ECONOMIC DEVELOPMENT PLANNING; APPROPRIATION

(a) The Secretary shall have flexibility in awarding a grant of \$25,000 to Bennington County for economic development and marketing efforts with the objective of providing maximum benefit to the region.

(a) In fiscal year 2017, the amount of \$50,000 is appropriated from the General Fund to the Bennington County Regional Commission, which the Commission shall use to:

(1) identify Bennington County region businesses, institutions, individuals, and resources that are critical for building a partnership with the Windham County region;

(2) establish a steering committee of interested parties, consistent with guidelines established by the U.S. Economic Development Administration for Comprehensive Economic Development Strategy steering committees, to serve as the foundation for economic development work in the Bennington County region;

(3) focus the steering committee, the private sector, and municipalities on the process required for developing a Comprehensive Economic Development Strategy, and solicit commitments, as appropriate, from these parties for performing the work;

(4) publicize the initiative to build support for performing regional economic development work; and

(5) partner with the Windham County region to host a Southern Vermont Economic Development Summit to share economic success stories from southern Vermont and present the steps needed to develop the Southern Vermont Comprehensive Economic Development Strategy.

SENATE CHANGE: Sears amendment

CONFERENCE CHANGE: (DB) Earmark for regional economic development. No performance measures and general, easy to accomplish goals. ACCD will comply.

Sec. E.800.1 REFUGEE RESETTLEMENT

(a) Included in this appropriation is \$3,000 which shall be granted to the City of Rutland for refugee resettlement support. The funds shall be made available for educational materials and training of those involved in facilitating the resettlement effort.

CONFERENCE CHANGE: (DB) Small incentive payment to show support for regional proposal.

Sec. E.801 2014 Acts and Resolves No. 179, Sec. G.100(b), as amended by 2015 Acts and Resolves No. 51, Sec. G.9, is amended to read:

(b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax years 2014, ~~and~~ 2015, and 2016.

SENATE CHANGE: (DB) Extends wood products manufacture incentive

Sec. E.804 Community development block grants

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

EXPLANATION: This language allows grant funds received in FY 2017 to be carried forward until grants are fully expended. Same as 2015 Act 58 Sec. E.804.

Sec. E.807 VERMONT LIFE MAGAZINE DEFICIT AND OPERATIONAL REVIEW

(a) The Vermont Life Magazine Fund deficit was reported at \$2,840,146 in the June 30, 2015 Comprehensive Annual Report. The deficit is projected to grow during the 2016 and 2017 fiscal years. The Secretary of Administration and the Secretary of Commerce and Community Development shall submit a joint review of Vermont Life, which will include other operational models and a plan relative to the magazine's future which will address the growing shortfall of the enterprise.

(b) If the proposal envisions a continued operating deficit, the Agency of Commerce and Community Development shall propose a plan to eliminate the operating deficit within two fiscal years.

(c) The operating deficit plan and any proposals shall be submitted to the House and Senate Committees on Appropriations as part of the fiscal year 2018 budget.

SENATE CHANGE: Adds report on Vermont life appropriation

Sec. E.808 Vermont council on the arts

(a) Notwithstanding 2015 Acts and Resolves No. 26, Sec. 23, the Department of Buildings and General Services may continue to charge the Vermont Council on the Arts a below market rent provided that the Council continues to receive a federal match for value between the rent charged and the market rate.

(b) This provision shall take effect on passage and continue through June 30, 2019.

SENATE CHANGE: (DB) Authorizes BGS to be able to charge a below-market lease rate to the Arts Council.

Sec. E.811 10 V.S.A. § 325b is added to read:

§ 325b. STATE OF VERMONT EXECUTORY INTEREST IN EASEMENTS

(a) As used in this section:

(1) “Qualified organization” shall have the same meaning as in section 6301a of this title;
and

(2) “State agency” shall have the same meaning as in section 6301a of this title.

(b) The Agency of Agriculture, Food and Markets may hold an executory interest in agricultural conservation easements acquired by the Board under chapter 155 of this title when the acquisition of an interest in the agricultural conservation easement was financed by monies expended, in whole or in part, from the Housing and Conservation Trust Fund.

(c) An agricultural conservation easement acquired by the Board under chapter 155 of this title with monies expended, in whole or in part, from the Fund shall be subject to a memorandum of understanding between the Board, the Agency of Agriculture, Food and Markets, and any other co-holder of the agricultural conservation easement regarding oversight, performance, and enforcement of the agricultural conservation easement.

(d) The Agency of Agriculture, Food and Markets may exercise its executory interest in an agricultural conservation easement interest acquired under chapter 155 of this title if:

(1) the Board ceases to exist and its interest in the agricultural conservation easement is not otherwise released and conveyed in accordance with law;

(2) the Board releases and conveys its agricultural conservation easement interests, in whole or in part, to a State agency, municipality, qualified holder, or qualified organization in accordance with the laws of the State of Vermont; or

(3) a significant violation of the terms and conditions of an agricultural conservation easement is not resolved in accordance with the memorandum of understanding required under subsection (c) of this section for the agricultural conservation easement.

(e) The Board annually shall monitor or cause to be monitored a conserved property subject to an agricultural conservation easement for compliance with the terms and conditions of the agricultural conservation easement. The Board shall report a significant violation of the terms and conditions of an agricultural conservation easement to the Secretary of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets may recommend to the Board or the Attorney General a course of action to be taken to address a violation of the terms and conditions of an agricultural conservation easement in accordance with the memorandum of understanding required under subsection (c) of this section.

CONFERENCE CHANGE: (DB) Adds language to VHCB statute regarding the State’s interest in executory easements. AGO reviewed and approved this language.

* * * TRANSPORTATION * * *

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,390,351 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

EXPLANATION: 19 V.S.A Sec 13(c) requires the amount to be distinctly appropriated annually.

Sec. E.915 Transportation – town highway aid program

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

EXPLANATION: Annual language last included in 2015 Act 58 Sec. E.915.

PAY ACT

* * * Exempt Employees in the Executive Branch * * *

Sec. F1. COST-OF-LIVING ADJUSTMENTS

(a) Exempt employees in the Executive Branch may receive cost-of-living increases not to exceed 3.7 percent in fiscal year 2017 and not to exceed 3.95 percent in fiscal year 2018.

Sec. F2. RATE OF ADJUSTMENT

(a) For purposes of determining annual salary adjustments, special salary increases, and bonuses under 32 V.S.A. §§ 1003(b) and 1020(b), “the total rate of adjustment available to classified employees under the collective bargaining agreement” shall be 3.7 percent in fiscal year 2017 and 3.95 percent in fiscal year 2018.

Sec. F3. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

(a) Each elective officer of the Executive Department is entitled to an annual salary as follows:

| | <u>Annual Salary</u> <u>as of July 13,</u> <u>2014</u> | <u>Annual Salary</u> <u>as of July 12,</u> <u>2015</u> | <u>Annual Salary</u> <u>as of July 10,</u> <u>2016</u> | <u>Annual Salary</u> <u>as of July 09,</u> <u>2017</u> |
|---------------------|--|--|--|--|
| Governor | \$155,019 | \$160,135 | \$166,060 | \$172,619 |
| Lieutenant Governor | 65,803 | 67,975, | 70,490 | 73,274 |
| Secretary of State | 98,296 | 101,540 | 105,297 | 109,456 |
| State Treasurer | 98,296 | 101,540 | 105,297 | 109,456 |
| Auditor of accounts | 98,296 | 101,540 | 105,297 | 109,456 |
| Attorney General | 117,674 | 121,557 | 126,055 | 131,034 |

(b) The Governor may appoint each officer of the Executive Branch listed in this subsection at a starting salary ranging from the base salary stated for that position to a salary which does not exceed the maximum salary unless otherwise authorized by this subsection. The maximum salary for each appointive officer shall be 50 percent above the base salary. Annually, the Governor may grant to each of those officers an annual salary adjustment subject to the maximum salary. The annual salary adjustment granted to officers under this subsection shall not exceed the average of the total rate of adjustment available to classified employees under the collective bargaining agreement then in effect. In addition to the annual salary adjustment specified in this subsection, the Governor may grant a special salary increase subject to the maximum salary, or a bonus, to any officer listed in this subsection whose job duties have significantly increased, or whose contributions to the State in the preceding year are deemed especially significant. Special salary increases or bonuses granted to any

individual shall not exceed the average of the total rate of adjustment available to classified employees under the collective bargaining agreement then in effect.

(1) Heads of the following Departments and Agencies:

| | | Base Salary as of July 13, 2014 | Base Salary as of July 12, 2015 | <u>Base Salary</u> as of July 10, 2016 | <u>Base Salary</u> as of July 09, 2017 |
|-----|--|--|--|--|--|
| (A) | Administration | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (B) | Agriculture, Food, and Markets | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (C) | Financial Regulation | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (D) | Buildings and General Services | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (E) | Children and Families | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (F) | Commerce and Community Development | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (G) | Corrections | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (H) | Defender General | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (I) | Disabilities, Aging, and Independent living | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (J) | Economic Development | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (K) | Education | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (L) | Environmental Conservation | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (M) | Finance and Management | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (N) | Fish and Wildlife | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (O) | Forests, Parks, and Recreation | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (P) | Health | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (Q) | Housing and Community Development | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |

| | | | | | |
|------|-------------------------------------|---------------------|---------------------|------------------|------------------|
| (R) | Human Resources | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (S) | Human Services | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (T) | Information and Innovation | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (U) | Labor | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (V) | Libraries | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (W) | Liquor Control | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (X) | Lottery | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (Y) | Mental Health | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (Z) | Military | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (AA) | Motor vehicles | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (BB) | Natural Resources | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (CC) | Natural Resources Board Chairperson | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (DD) | Public Safety | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (EE) | Public Services | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (FF) | Taxes | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (GG) | Tourism and Marketing | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (HH) | Transportation | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (II) | Vermont Health Access | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (JJ) | Veterans' Home | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |

(2) The Secretary of Administration may include the Director of the Office of Professional Regulation in any pay plans ~~which~~ that may be established under the authority of subsection 1020(c) of this title, provided the minimum hiring rate does not fall below a base salary, as of ~~July 13, 2014,~~ ~~of~~ ~~\$67,392.00~~ July 10, 2016, of \$72,192.00 and as of ~~July 12, 2015, of~~ ~~\$69,616.00~~ July 09, 2017, of \$75,044.00.

* * *

* * * Judicial Branch * * *

Sec. F4. 32 V.S.A. § 1003(c) is amended to read:

(c) The officers of the Judicial Branch named below shall be entitled to annual salaries as follows:

| | | <u>Annual Salary as of July 13, 2014</u> | <u>Annual Salary as of July 12, 2015</u> | <u>Annual Salary as of July 10, 2016</u> | <u>Annual Salary as of July 09, 2017</u> |
|-----|---|--|--|--|--|
| (1) | Chief Justice of Supreme Court | \$149,200 | \$154,124 | \$159,827 | \$166,140 |
| (2) | Each Associate Judge | 142,396 | 147,095 | 152,538 | 158,563 |
| (3) | Administrative Judge | 142,396 | 147,095 | 152,538 | 158,563 |
| (4) | Each Superior Judge | 135,369 | 139,837 | 145,011 | 150,739 |
| (5) | [Repealed.] | | | | |
| (6) | Each Magistrate | 102,068 | 105,4436 | 109,337 | 113,656 |
| (7) | Each Judicial Bureau Hearing Officer | 102,068 | 105,4436 | 109,337 | 113,656 |

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (Dr. Dynasaur expansion study, report technical correction, PSAP, transition funding), Sec. C.101 (VIT surplus property), C.102 (fiscal year 2016 budget adjustment, AHS-Secretary's office – global commitment), C.103 (fiscal year 2016 budget adjustment AHS-Secretary's Office – global commitment), C.104 (fiscal year 2016 budget adjustment, AHS function total), C.105 (fiscal year 2016 budget adjustment, Education-adjusted education payment), C.106 (fiscal year 2016 budget adjustment, General Education function total), C.107 (fiscal year 2016 budget adjustment, Transportation, maintenance state system), C.108 (fiscal year 2016 budget adjustment, AOT function total), C.104 C.109 (fiscal year 2016 budget adjustment, General Fund transfers), C. 105 C.110 (fiscal year 2016 General Fund reversions), C.111 (fiscal year 2016 contingent General Fund appropriations), C.112 (contingent Transportation Fund appropriations), C.113 (VSAC, reallocation of funds authorization), E.100(c) (Secretary of State, conversion of limited service position), Sec. E.106, E.108, E.108.1, E.108.2, and E.108.3 (Transfer for Payroll Duties from the Department of Finance and Management to the Department of Human Resources), E.126.1 (legislative dental coverage, buy in), E.141 (Lottery Commission rulemaking authority, lottery product sales locations), E.300.7 (Vermont Law School, legal clinic support), E.308.1 (Choices for Care waiver, home delivered meals), E.311 (Health Department rulemaking clarification), E.400 (Workforce Education and Training Study Committee), and E.701.2 (2015 Acts and Resolves No. 58, Sec. E.701.1) E.701.2 (Repeal of 2015 Acts and Resolves No. 58, Sec. E.701.1) E.709.1 (authorization for expenditure related to PFOA drinking water contamination),

E.709.2 (removal of population cap on Vermont Drinking Water Planning Loan Fund), and E.808 (Vermont council on the arts) of this act shall take effect on passage.

(b) Secs. E.126.3 (Speaker and President Pro Tempore compensation and expense reimbursement) and E.126.4 (General Assembly compensation and expense reimbursement) shall take effect on January 1, 2017.

(b)(c) All remaining sections shall take effect on July 1, 2016.

EXPLANATION: transfer of Payroll to Human Resources should take effect on passage, the remainder of the bill will take effect July 1, 2016.

HAC CHANGE: (EB)

SENATE CHANGE: Updated effective dates

Bill review for Governor's signature – 2016 H.875 – FY 2017 Appropriations Bill

Comments only for sections that are different from governor's original recommend.

Does not include Sec. B.100 through B.1001; these explanations are included the in the accompanying spreadsheet.

H.875

An act relating to making appropriations for the support of government

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2017

Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2017. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2016. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2017 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serve as the primary source and reference for appropriations for fiscal year 2017.

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

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2017.

Sec. A.103 DEFINITIONS

(a) As used in this act:

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

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

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

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

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

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

Sec. A.105 OFFSETTING APPROPRIATIONS

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

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2017, the Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may allocate all or any portion of such federal funds for any

purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2017, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2016 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to Legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2017 except for new positions authorized by the 2016 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot

Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d) as amended by 2015 Acts and Resolves No. 4, Sec. 74, and further amended by Sec. E.100.2 of this act.

Sec. A.108 LEGEND

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

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

actions

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

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND
TRANSFERS

(a) In fiscal year 2017, \$2,909,900 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

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

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

(B) Adult Career Technical Education Programs. The amount of \$360,000 is appropriated to the Department of Labor in consultation with the State Workforce Investment Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to

provide adult career technical education, as that term is defined in
16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

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

(2) Loan repayment. The amount of \$57,900 as follows:

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

(B) Science Technology Engineering and Math (STEM) incentive.
The amount of \$27,900 is appropriated to the Agency of Commerce and
Community Development for an incentive payment pursuant to 2011 Acts and
Resolves No. 52, Sec. 6, as amended by Sec. B.1100.2 of this act.

(3) Scholarships and grants. The amount of \$1,274,500 as follows:

(A) Nondegree VSAC grants. The amount of \$494,500 is
appropriated to the Vermont Student Assistance Corporation. These funds
shall be for the purpose of providing nondegree grants to Vermonters to

improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

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

(C) Dual enrollment programs and need-based stipend. The amount of \$600,000 is appropriated to the Agency of Education for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and \$30,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need-based stipends pursuant to Sec. E.605.1 of this act.

EXPLANATION OF CC DIFF FROM GOV REC: The Governor's two recommended programs Step-Up and College Savings accounts were removed in House Appropriations. Vermont Strong Scholars was also removed from the bill. Funds for the dual enrollment stipend increased by \$5,000.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR
FISCAL YEAR 2018 NEXT GENERATION FUND
DISTRIBUTION

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the State Workforce Investment Board, shall recommend to the Governor on or before December 1, 2016 how \$2,909,900 from the Next Generation Fund should be allocated or appropriated in fiscal year 2018 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

EXPLANATION OF CC DIFF FROM GOV REC: Technical adjustments to reflect the amount of funds available in FY 2017 to be recommended for distribution in FY 2018.

Sec. B.1100.2 2011 Acts and Resolves No. 52, Sec 6 is amended to read:

Sec. 6. SCIENCE, TECHNOLOGY, ENGINEERING, AND
MATHEMATICS (STEM) INCENTIVE PROGRAM

* * *

~~(b)(4) The secretary shall award up to a maximum of \$75,000.00 per year for incentives in accordance with this section, which shall be made in the order in which they are claimed, as determined by the secretary in his or her discretion, and not to exceed a total program cap of \$375,000.00. [Repealed.]~~

* * *

EXPLANATION OF CC DIFF FROM GOV REC: The funding historically used for the short term STEM incentive program was not repurposed for the Vermont Strong Scholars Program.

Sec. B.1101 FISCAL YEAR 2017 ONE-TIME GENERAL FUND

APPROPRIATIONS

(a) The sum of \$425,000 is appropriated to the Secretary of State for 2016 primary and general elections.

(b) The sum of \$65,000 is appropriated to the Department of Finance and Management for the Governor's transition. These funds are for costs incurred by the transition of the Executive Office. No funds shall be used for inaugural celebrations. Any unexpended portion of these funds shall revert to the General Fund at the end of fiscal year 2017.

EXPLANATION OF CC DIFF FROM GOV REC: The funding for the transition team was reduced by \$10K to align with the actual spending that occurred during the Shumlin transition.

(c) The sum of \$500,000 is appropriated to the Secretary of Administration for allocation across State government for security improvements as determined by the Secretary. The Secretary shall develop site-specific workplace security and risk reduction plans for State office buildings. These plans shall enhance security through improved workplace management practices, employee training, and building security improvements, including parking lots. The Secretary shall report to the Joint Fiscal Committee in September 2016 on the status of these plans and the uses of this appropriation

and potential need for adjustment to this appropriation in the fiscal year 2017 budget adjustment process.

EXPLANATION OF CC DIFF FROM GOV REC: Funding for security upgrades we reduced by \$500k and a reporting requirement was added.

(d) The sum of \$135,000 is appropriated to the Secretary of Administration in the first quarter of fiscal year 2017 for a grant to the Vermont Law School Legal Clinic to support its legal services programs and strengthen its services in domestic violence and veterans-related issues.

EXPLANATION OF CC DIFF FROM GOV REC: Funding was added for the Vermont Law School Legal clinic. The Legislature did not include the Governor's recommendation for funding of Video Arraignments (\$101IK). The Legislature also shifted additional funding for Tax IT security to the computer modernization fund.

(e) The sum of \$100,000 is appropriated to the Secretary of Administration for transfer as needed to the Secretary of Human Services to support the Dr. Dynasaur expansion study and report pursuant to Sec. C.112 of this act. Up to \$50,000 in donations or grant funds may be used to support this study. Any donations or grant funds shall be deposited into the general fund. These amounts shall be matched through Global Commitment managed care investments up to a total of \$329,000.

EXPLANATION OF CC DIFF FROM GOV REC: Funding was added so that the Secretary of Administration could do a study on the expansion of Dr. Dyansaur to all kids under 26 years. Additionally, language was added to allow the Administration to accept donations to be used as matching funds for Global Commitment investments.

Sec. B.1102 FISCAL YEAR 2017; ONE-TIME GENERAL FUND

APPROPRIATION; HOMELESSNESS STUDY; REPORT

(a) The sum of \$40,000 is appropriated to the Agency of Human Services, Secretary's Office for a homelessness study with the following goals in mind: a comprehensive and actionable roadmap to reduce homelessness, technical assistance to State agencies and community housing and homeless service providers, and training on best practices for housing and human services collaboration. This appropriation represents funding for partial cost of this work and the remaining funding shall be provided by partner organizations.

(1) In partnership with the partner organizations, the Secretary shall contract with a nationally recognized organization with expertise in analyzing homelessness expenditures to conduct a comprehensive analysis of current State expenditures on homelessness. The analysis also shall examine savings in other program expenditures resulting from the provision of homelessness services, including savings in health care expenditures. The analysis shall also include a comprehensive plan for substantially reducing homelessness in Vermont, including necessary strategic investments and concrete recommendations for implementation with benchmarks to measure progress. The contractor shall further provide technical assistance to State agencies and community housing and homeless service providers in implementing the

roadmap to reduce homelessness. The technical assistance shall include training on best practices for housing and human services collaboration.

(2) On or before January 15, 2017, the Secretary shall submit this report and recommendations to the House Committees on Appropriations, on Health Care, on Housing, General and Military Affairs, and on Human Services and to the Senate Committees on Appropriations, on Health and Welfare, and on Economic Development, Housing and General Affairs.

EXPLANATION OF CC DIFF FROM GOV REC: Funds a Homelessness study and report at AHS Central office.

Sec. B.1103 FISCAL YEAR 2017 RISK MANAGEMENT SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund for a total of \$500,000 due to savings generated from improved risk management processes which are under way in the administration of the State's risk management programs.

EXPLANATION OF CC DIFF FROM GOV REC: Legislature booked a savings of \$500K as a result of changes in the Division of Risk Management.

Sec. B.1104 FISCAL YEAR 2017 ONE-TIME 53RD WEEK OF

MEDICAID COST FUNDING

(a) In fiscal year 2017, \$5,287,591 of general funds is appropriated to the Agency of Administration for transfer to the Agency of Human Services

Global Commitment upon determination of the Commissioner of Finance and Management of the amount necessary to fund the 53rd week of Medicaid expenditures. Any remaining general funds from this appropriation shall be placed in the 27/53 Reserve established as 32 V.S.A. § 308e by Sec. B.1105 of this act. As provided by 32 V.S.A. § 511, the Commissioner of Finance and Management may approve expenditures of Global Commitment and federal Funds for the 53rd week of Medicaid.

(b) The Commissioner of Finance and Management shall report to the Joint Fiscal Committee in July 2016 on the status of funds appropriated in this section.

EXPLANATION OF CC DIFF FROM GOV REC: Amounts updated to reflect actual funding needed in FY 2017 for the 53rd week.

Sec. B.1105 32 V.S.A. § 308e is added to read:

§ 308e. 27/53 RESERVE

(a)(1) There is hereby created within the General Fund the 27/53 Reserve. The purpose of this reserve is to meet the liabilities of the recurring 27th State payroll and the 53rd week of Medicaid payments. These liabilities will be funded by reserving a prorated amount of general funds each year, before the liability comes due.

(2) Beginning in September 2016 and annually thereafter at the September Joint Fiscal Committee meeting, the Commissioner of Finance and

Management shall report on the anticipated liability for the next 27th payroll and 53rd week of Medicaid payments, providing the current reserve balance and a schedule of annual amounts needed to meet the obligation of these payments.

(b) As part of the Governor's budget submission under section 306 of this title, the amount prorated for the upcoming fiscal year identified in subdivision (a)(2) of this section shall be included as a budgeted transfer to the 27/53 Reserve.

(c) In a fiscal year where a 27th State payroll or 53rd week of Medicaid payment is due, the General Assembly shall appropriate the funds from the 27/53 Reserve to meet the expenditures within the year in which these payments are due.

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes from the Governor's Proposed language.

Sec. B.1106 SECRETARY OF ADMINISTRATION; FISCAL YEAR 2017

EXEMPT PERSONNEL COST SAVINGS AND EXEMPT
POSITIONS

(a) The Secretary of Administration shall identify exempt positions within the Executive Branch to be eliminated. The Secretary may consider the legal services evaluation report required by Sec. E.100.6 of this act, the agencies and departments that have experienced the greatest growth in exempt positions

since 2011, the level of State funding associated with the position, the length of time a position has been in existence, and the ongoing need for the position within the agency. The Secretary shall report the exempt positions identified for elimination to the Joint Fiscal Committee in November 2016. The Administration shall indicate which exempt positions require statutory change for elimination. As of January 7, 2017, all exempt positions identified for elimination that do not require statutory change are abolished.

(b) The Secretary of Administration shall reduce fiscal year 2017 appropriations and make transfers to the General Fund for a total of \$550,000 for savings associated with positions abolished in subsection (a) of this section and shall include the appropriation reductions and transfers in the report to the Joint Fiscal Committee in November 2016.

EXPLANATION OF CC DIFF FROM GOV REC: Language requires the Secretary of Administration to achieve budgetary savings through the elimination of exempt positions in state government.

Sec. B.1107 FISCAL YEAR 2017 APPROPRIATED RESERVE

(a) It is the intent of the General Assembly that the funds appropriated in this section shall be available to address contingent expenditure needs or potential revenue risks in fiscal year 2017.

(b) \$1,200,000 in general funds is appropriated to the Secretary of Administration to be reserved for expenditures or other actions subject to approval by the Joint Fiscal Committee, including the following:

(1) offsetting revenue shortfalls due to a revenue downgrade;

(2) funding Emergency Board-authorized expenditures, including:

(A) for Green Mountain Care Board implementation costs for the All Payer waiver; or

(B) funding needs of the LIHEAP program.

(c) Any remaining funds not approved for expenditure by December 15, 2016 shall be available for the fiscal year 2017 budget adjustment process.

EXPLANATION OF CC DIFF FROM GOV REC: Creates a \$1.2M one-time appropriation to be used in the event that there is a revenue downgrade in FY 2017, or to cover All Payer Waiver, or LIHEAP needs.

Sec. C.100 2015 Acts and Resolves No. 58, Sec. B.1117 is amended to read:

Sec. B.1117 PSAP; TRANSITION FUNDING

(a) In addition to the PSAP funding in Sec. B.235 of this act, in fiscal year 2016, \$425,000 of ~~E-911 funds~~ Vermont Universal Service Funds held by the fiscal agent under 30 V.S.A. chapter 88 is transferred to the E-911 Special Fund and is appropriated to the Department of Public Safety for the purposes of Sec. E.208.1 of this act.

EXPLANATION OF CC DIFF FROM GOV REC: Technical adjustment to FY 2016 budget language requiring a transfer of USF funds to E-911 special fund then to Public Safety to cover costs associated with the PSAP transition.

Sec. C.101 VERMONT INTERACTIVE TECHNOLOGIES; SURPLUS
PROPERTY

(a) Pursuant to 29 V.S.A. chapter 59, all property owned by Vermont Interactive Technologies (VIT) that was funded in whole or in part by the State shall be transferred as surplus property to the Department of Buildings and General Services.

(b) Notwithstanding 29 V.S.A. § 1556, on or before June 30, 2016, the Commissioner of Buildings and General Services is authorized to sell any property described in subsection (a) of this section to an elementary school; secondary school; or public, educational, and government (PEG) channel that was a VIT hosting site, for \$1.00 per item, provided that the Judiciary shall be offered the right to purchase before any other sale.

EXPLANATION OF CC DIFF FROM GOV REC: Allows BGS to sell any remaining VIT equipment. Judiciary and school districts get the right of first refusal on any remaining equipment.

Sec. C.102 VERMONT LAW SCHOOL; LEGAL CLINIC SUPPORT

(a) The sum of \$135,000 in general funds is appropriated to the Secretary of Administration for a grant in the last quarter of fiscal year 2016 to the

Vermont Law School Legal Clinic to support its legal services programs and
strengthen its services in domestic violence and veterans-related issues.

EXPLANATION OF CC DIFF FROM GOV REC: One-time appropriation in FY 2017 to the
Vermont Law School Legal Clinic.

Sec. C.103 2015 Acts and Resolves No. 58, Sec. B.301, as amended by 2016
Acts and Resolves No. 68, Sec. 13, is further amended to read:

Sec. B.301 Secretary's office - global commitment

| | | |
|--------------------|----------------------|----------------------|
| Operating expenses | 7,884,268 | 7,884,268 |
| Grants | <u>1,434,250,041</u> | <u>1,434,250,041</u> |
| Total | 1,442,134,309 | 1,442,134,309 |

Source of funds

| | | |
|----------------------------------|------------------------|---------------|
| General fund | 217,281,414 | 213,542,009 |
| Special funds | 27,899,279 | 27,899,279 |
| Tobacco fund | 28,079,458 | 29,579,458 |
| State health care resources fund | 282,705,968 | 284,945,373 |
| Federal funds | 886,128,190 | 886,128,190 |
| Interdepartmental transfers | <u>40,000</u> | <u>40,000</u> |
| Total | 1,442,134,309 | 1,442,134,309 |

EXPLANATION OF CC DIFF FROM GOV REC: Updated to reflect additional Tobacco
Settlement funds available in FY2016.

Sec. C.104 2015 Acts and Resolves No. 58, Sec. B.346, as amended by 2016

Acts and Resolves No. 68, Sec. 36, is further amended to read:

Sec. B.346 Total human services

Source of funds

| | | |
|----------------------------------|--------------------------|---------------|
| General fund | 677,913,668 | 674,174,263 |
| Special funds | 97,129,681 | 97,129,681 |
| Tobacco fund | 31,952,069 | 33,452,069 |
| State health care resources fund | 282,705,968 | 284,945,373 |
| Education fund | 3,886,204 | 3,886,204 |
| Federal funds | 1,388,932,032 | 1,388,932,032 |
| Global commitment fund | 1,379,045,585 | 1,379,045,585 |
| Internal service funds | 1,816,195 | 1,816,195 |
| Interdepartmental transfers | 34,112,598 | 34,112,598 |
| Permanent trust funds | <u>25,000</u> | <u>25,000</u> |
| Total | 3,897,519,000 | 3,897,519,000 |

EXPLANATION OF CC DIFF FROM GOV REC: Summary appropriation updated to reflect change made in C.103.

Sec. C.105 2015 Acts and Resolves No. 58, Sec. B.505 is amended to read:

Sec. B.505 Education – adjusted education payment

| | | |
|--------|---------------------------------|----------------------|
| Grants | <u>1,289,600,000</u> | <u>1,290,470,000</u> |
|--------|---------------------------------|----------------------|

| | | |
|-----------------|---------------------------------|----------------------|
| Total | 1,289,600,000 | 1,290,470,000 |
| Source of funds | | |
| Education fund | <u>1,289,600,000</u> | <u>1,290,470,000</u> |
| Total | 1,289,600,000 | 1,290,470,000 |

EXPLANATION OF CC DIFF FROM GOV REC: Updated to reflect updated estimates for cost of Act 46 grants in FY 2016.

Sec. C.106 2015 Acts and Resolves No. 58, Sec. B.516 is amended to read:

Sec. B.516 Total general education

| | | |
|-----------------------------|--------------------------|------------------|
| Source of funds | | |
| General fund | 401,590,419 | 401,590,419 |
| Special funds | 20,407,726 | 20,407,726 |
| Tobacco fund | 766,541 | 766,541 |
| Education fund | 1,537,744,842 | 1,538,614,842 |
| Federal funds | 128,546,812 | 128,546,812 |
| Global commitment fund | 938,187 | 938,187 |
| Interdepartmental transfers | 1,265,933 | 1,265,933 |
| Pension trust funds | <u>9,304,818</u> | <u>9,304,818</u> |
| Total | 2,100,565,278 | 2,101,435,278 |

EXPLANATION OF CC DIFF FROM GOV REC: Summary appropriation updated to reflect change in C.105.

Sec.C.107 2016 Acts and Resolves No. 68, Sec. 53 is amended to read:

Sec. 53. FUND TRANSFERS

(a) Notwithstanding any provision of law to the contrary, in fiscal
year 2016:

(1) The following amounts shall be transferred to the General Fund from
the funds indicated:

| | | |
|--------------|---|---|
| 21638 | AG - Fees & Reimbursements - Court Order | 3,383,514.00 |
| 22005 | AHS Central Office earned federal receipts | 16,216,920.00 |
| 50300 | Liquor Control Fund | 1,080,623.00 |
| 62100 | Unclaimed Property Fund | 2,799,843.00 <u>3,074,843.00</u> |
| 21405 | Bond Investment Earnings Fund | 33,273.00 |
| 21928 | Secretary of State Services Fund | 1,636,419.00 |
| 21698 | Public Service Department - Regulation/Energy Efficiency | 134,946.00 |
| 21709 | Public Service Board - Special Funds | 75,426.00 |
| 21944 | Vermont Enterprise Fund | 1,424,697.00 |
| | Caledonia Fair | 5,000.00 |
| | North Country Hospital Loan | 24,250.00 |
| <u>21678</u> | <u>Mosquito Control Fund</u> | <u>142,000.00</u> |

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Updated to reflect additional transfers

from the Mosquito control fund and the unclaimed property fund.

Sec. C.108 2016 Acts and Resolves No. 68, Sec. 54 is amended to read:

Sec. 54. REVERSIONS

(a) Notwithstanding any provision of law to the contrary, in fiscal
year 2016:

(1) The following amounts shall revert to the General Fund from the
accounts indicated:

| | | |
|-------------------|---|---------------------|
| 1100891301 | Secretary of Administration - Independent Review of the Vermont Veterans' Home | 20,000.00 |
| 1140070000 | Use Tax Reimbursement Program | 302.39 |
| 1140330000 | Renter Rebates | 150,000.00 |
| 1240001000 | Lieutenant Governor's Office | 10,333.64 |
| 1250010000 | State Auditor's Office | 43,585.00 |
| 6120890802 | FW-Non-motorized Boat Access | 2,769.34 |
| <u>3330010000</u> | <u>Green Mountain Care Board</u> | <u>146,004.00</u> |
| <u>1260010000</u> | <u>State Treasurer</u> | <u>115,000.00</u> |
| <u>3400891102</u> | <u>Agency of Human Services - replace legacy technology</u> | <u>1,900,000.00</u> |

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Updated to reflect updated transfers from
GMCB, the Treasurer, and the Agency of Human Services.

Sec. C.109 2016 Acts and Resolves No. 68, Sec. 55a is amended to read:

Sec. 55a. FISCAL YEAR 2016 CONTINGENT GENERAL FUND

APPROPRIATIONS

(a) In fiscal year 2016, to the extent that the Commissioner of Finance and Management determines that General Fund revenues exceed the 2016 official revenue forecast and other fund receipts assumed for all previously authorized fiscal year 2016 appropriations and transfers necessary to ensure the stabilization reserve is at its maximum authorized level under 32 V.S.A. § 308, ~~\$10,300,000~~ the first \$12,000,000 is appropriated to the Agency of Administration in the following order:

(1) First, up to \$10,300,000 for transfer to the Agency of Human Services for Global Commitment upon determination of the Commissioner of Finance and Management of the amount necessary to fund the 53rd week of Medicaid expenditures- based on fiscal year 2016 end of the year Medicaid program closeout;

(2) Second, \$1,700,000 for transfer to the Department for Children and Families to provide low-income home energy assistance during the 2016-2017 heating season at a level not to exceed the estimated purchasing power of the average low-income home energy benefit provided during the 2015-2016 heating season;

(3) Any funds ~~remaining from this \$10,300,000 appropriation after this 53rd week payment~~ not used from the appropriation in this subsection shall revert to the General Fund and be distributed in accordance with the provisions of the same manner as prescribed in 32 V.S.A. § 308c(a).

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Update contingent FY 2016 appropriations based on the potential need for additional LIHEAP funding.

Sec. C.110 TRANSPORTATION PROGRAM DEVELOPMENT; FISCAL
YEAR 2017 CONTINGENT APPROPRIATION

(a) As used in this section:

(1) “Transportation Fund balance” means a positive balance of unreserved monies remaining in the Transportation Fund at the end of fiscal year 2016.

(2) “TIB Fund balance” means a positive balance of unreserved monies remaining in the Transportation Infrastructure Bond Fund at the end of fiscal year 2016.

(b) Subject to the funding of the Transportation Fund Stabilization Reserve in accordance with 32 V.S.A. § 308a and to the limitations of 19 V.S.A. § 11f (Transportation Infrastructure Bond Fund), and notwithstanding 32 V.S.A. § 308c(c) (Transportation Fund Balance Reserve), if a Transportation Fund balance, TIB Fund balance, or balance in both funds exists at the end of fiscal

year 2016, the appropriations in Sec. B.903 of this act shall be increased to the extent of the balance or balances, up to a total of \$1,194,573 in Transportation Funds or TIB funds, and by up to \$4,778,292 in matching federal funds.

EXPLANATION OF CC DIFF FROM GOV REC: Establishes a contingent appropriation in FY 2016 for the Transportation and the TIB fund. The funds shall be used to repay program development funds transferred to Public Safety for car replacement and to Town Highway Class 2 roads.

Sec. C.111 AUTHORIZATION FOR VERMONT STUDENT ASSISTANCE
CORPORATION; REALLOCATION OF FUNDS

(a) Notwithstanding anything to the contrary in 2015 Acts and Resolves No. 58, Sec. E.605.1, and Secs. B.1100(a)(3)(C) and E.504(a)(1), the Vermont Student Assistance Corporation may, in fiscal year 2016, reallocate up to \$10,000 of funds allocated for dual enrollment for the needs-based stipend to fund a stipend for eligible dual enrollment for spring and summer classes.

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes to reflect correct references and allows VSAC to use up to \$10K for needs-based-stipends in FY 2016.

Sec. C.112 DR. DYNASAUR EXPANSION STUDY; REPORT

(a) The Secretary of Administration shall analyze the financial implications of expanding Dr. Dynasaur, the State's children's Medicaid and Children's Health Insurance Program, to all Vermont residents up to 26 years of age. The

Secretary may contract with other individuals and entities as needed to provide actuarial services, economic modeling, and any other assistance the Secretary requires in carrying out the analysis described in this act.

(b)(1) Estimated program costs shall include the cost of coverage, one-time and ongoing operating costs, administrative costs, and reserves or reinsurance to the extent they are deemed advisable.

(2) The cost estimates shall be for a period of five years beginning on January 1, 2019, and shall assume a reasonable rate of health care spending growth.

(3) Estimated costs shall be offset by any cost reductions to State government spending and by any avoided State or federal tax liability that the State of Vermont would otherwise incur as an employer.

(4) The cost estimates shall include an analysis of any cost increases or reductions anticipated for municipalities and school districts, including impacts on projected education spending.

(5) The cost estimates shall project increasing provider reimbursement rates at regular intervals from 100 percent of Medicare rates up to commercial rates. Medicare and commercial rates shall be determined based on claims data from the Vermont's all-payer claims database.

(6) The cost estimates shall include the short-term and long-term impacts on both State revenues and State services. The revenue analysis shall

include the direct and indirect impact on State revenues. The analysis on State services shall include examining the impact on State resources available for other public programs and services.

(c)(1) On or before January 15, 2017, the Secretary shall submit a report to the House Committees on Health Care, on Appropriations, and on Ways and Means and the Senate Committees on Health and Welfare, on Appropriations, and on Finance comprising its analysis of the costs of expanding Dr. Dynasaur to all Vermont residents up to 26 years of age and potential plans for financing the expansion. The financing plans shall be consistent with the principles of equity expressed in 18 V.S.A. § 9371(11), which states that financing of health care in Vermont must be sufficient, fair, predictable, transparent, sustainable, and shared equitably. In developing the financing plans, the Secretary shall consider the following:

(A) all current sources of funding for State government, including taxes, fees, and assessments;

(B) existing health care revenue sources, including the claims tax levied pursuant to 32 V.S.A. chapter 243, the provider assessments imposed pursuant to 33 V.S.A. chapter 19, subchapter 2, and the employer assessment required pursuant to 21 V.S.A. chapter 25 to determine whether they are suitable for preservation or expansion to fund the program expansion;

(C) new revenue sources such as a payroll tax, gross receipts tax, or business enterprise tax, or a combination of them;

(D) expansion or reform of existing taxes;

(E) opportunities and challenges presented by federal law, including the Internal Revenue Code; Section 1332 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and Titles XIX (Medicaid) and XXI (SCHIP) of the Social Security Act, and by State tax law; and

(F) anticipated federal funds that may be used for health care services, including consideration of methods to maximize receipt of federal funds available for this purpose.

(2) The Secretary's report also shall include information on the impacts of the coverage and proposed tax changes on individuals, households, businesses, public sector entities, and the nonprofit community, including migration of coverage, insurance market impacts, financial impacts, federal tax implications, and other economic effects. The impact assessment shall cover the same five-year period as the cost estimates.

(d)(1) Agencies, departments, boards, and similar units of State government, including the Agency of Human Services, Department of Financial Regulation, Department of Labor, Director of Health Care Reform,

and Green Mountain Care Board shall provide information and assistance requested by the Secretary and its contractors to enable them to conduct the analysis required by this section.

(2) To the extent necessary to conduct the analysis required by this section, a health insurer licensed to do business in Vermont shall provide any information requested by the Secretary or its contractors within 30 days of the request. The Secretary may enter into a confidentiality agreement with an insurer if the data requested include personal health information or other confidential material.

(3) In the event that funds are not available to support a \$140,000 State share of the cost of the study, the Secretary of Administration is not required to meet all of the study requirements; however, the Secretary shall be required to accomplish as much of the study as is financially feasible.

EXPLANATION OF CC DIFF FROM GOV REC: Outlines the requirements of the Dr. Dynasaur study to be completed by the Administration.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

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

(1) The sum of \$518,000 is appropriated from the Current Use Administration Special Fund to the Department of Taxes for administration of

the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$518,000 from the property transfer tax that are deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of \$11,304,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above \$11,304,840 from the property transfer tax that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

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

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

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

(C) \$378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information.

Sec. D.100.1 2011 Acts and Resolves No. 45, Sec. 37(10) is amended to read:

(10) Sec. 35 (repeal of the allocation of property transfer tax revenue) shall take effect on July 1, ~~2016~~ 2017.

EXPLANATION OF CC DIFF FROM GOV REC: Delay's statutory change to decreasing the allowance for the PVR administration cost allocation to FY 2018.

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

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

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$2,909,900.

EXPLANATION OF CC DIFF FROM GOV REC: Transfer updated to reflect actual Next Generation Appropriation in B.1100.

(2) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. § 4803: \$1,943,000.

EXPLANATION OF CC DIFF FROM GOV REC: Updated to reflect updated revenue estimates for the Clean Water Fund.

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

(4) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. § 951a for the purpose of funding fiscal year 2018 transportation infrastructure bonds debt service: \$2,503,738.

(5) From the Evidence-Based Education and Advertising Fund established by 33 V.S.A. § 2004a to the General Fund. Notwithstanding any law to the contrary, the first \$500,000 of any cigarette tax receipts above the amount adopted in the forecast within the State Health Care Resources Fund in January 2016 by the Emergency Board for fiscal year 2016 shall be deposited in the Evidence Based Education and Advertising Fund: \$1,800,000.

EXPLANATION OF CC DIFF FROM GOV REC: Transfers evidence based practice funds to the general fund. Transfers the first \$500K of tobacco tax receipts to the evidence based fund.

(6) From the Pesticide Monitoring Fund (#21669) to the General Fund: \$275,000.

EXPLANATION OF CC DIFF FROM GOV REC: One-time transfer, funds no longer needed for capital purchases because funding was included in the capital bill.

(7) From the Feed Seeds and Fertilizer Fund (#21668) to the General Fund: \$75,000.

EXPLANATION OF CC DIFF FROM GOV REC: One-time transfer, funds no longer needed for capital purchases because funding was included in the capital bill.

(8) From the Agriculture Laboratory Testing Fund (#21667) to the General Fund: \$42,594.

EXPLANATION OF CC DIFF FROM GOV REC: One-time transfer, funds no longer needed for capital purchases because funding was included in the capital bill.

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2016 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a shall remain for appropriation in fiscal year 2017.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2017 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2017 is not negative shall be transferred in fiscal year 2017 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions, intended to support the implementation of the All Payer Model, is authorized in fiscal year 2017 only if the Centers for Medicaid and Medicare Services (CMS) approves Vermont's request for a waiver.

EXPLANATION OF CC DIFF FROM GOV REC: Restricts the establishment of these positions to when the federal government approves the all payer model.

(1) In the Green Mountain Care Board – one (1) Health Care Statistical Information Administrator, one (1) Health Facility Senior Auditor & Rate Specialist, and two (2) Reimbursement Analyst.

(b) The establishment of the following new permanent exempt positions is authorized in fiscal year 2017 as follows:

(1) In the Office of the Defender General – two (2) Staff Attorney.

(2) In the Department of State’s Attorneys – four (4) Deputy State’s Attorney.

(c) The conversion of classified limited service positions to classified permanent status is authorized in fiscal year 2016 as follows:

(1) In the Office of Secretary of State – one (1) Elections Administrator I.

EXPLANATION OF CC DIFF FROM GOV REC: Converts an elections administrator to permanent.

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

Sec. E.100.1 SHIFT DCF PILOT POSITIONS TO DVHA

(a) Notwithstanding 2014 Acts and Resolves No. 179, Sec. E.100(d)(3), positions at the Department for Children and Families Health Access Eligibility Unit established through the position pilot by 2014 Acts and Resolves No. 179, Sec. E.100(d)(1) shall be transferred to the Department of Vermont Health Access.

Sec. E.100.2 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, is further amended to read:

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the ~~Department of Environmental Conservation~~ Agency of Natural Resources, and the Department of Buildings and General Services, the Department of Labor, and the Department of Corrections shall not be subject to the cap on positions for the duration of the Pilot. The Department of Corrections is authorized to add only Correctional Officer I and II positions.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: The Legislature added the Department of Labor to the position pilot.

Sec. E.100.3 FUNDING FOR THE OFFICE OF THE HEALTH CARE
ADVOCATE

(a) Of the funds appropriated in Sec. B.100 of this act, \$1,457,406 shall be used for the contract with the Office of the Health Care Advocate.

EXPLANATION OF CC DIFF FROM GOV REC: Funding updated per the legislature change to the amount of funds available for bill back to industry.

Sec. E.100.4 ADMINISTRATION; PURCHASING AND CONTRACTING
REPORT

(a) Pursuant to 3 V.S.A. § 2222(a), the Secretary of Administration has issued Bulletin 3.5 establishing the general policy and minimum standards for soliciting, awarding, processing, executing, and overseeing contracts for service, as well as managing contract compliance. This Bulletin shall apply to the procurements of goods, products, and services of all State agencies in the Executive Branch. It is the intent of the General Assembly that the Executive Branch complies with the requirements of Bulletin 3.5. It is also the intent that the State shall streamline its purchasing and contracting services.

(b) The Secretary of Administration, the Commissioner of Buildings and General Services, and interested stakeholders shall evaluate the State purchasing and contracting process. The evaluation shall include recommendations from the Chief Performance Officer, the Director of the

Office of Purchasing and Contracting, the Commissioner of Finance and Management, and the Attorney General. As used in this subsection, “interested stakeholders” includes at least three vendors that regularly contract with the State, at least one Commissioner, and at least one Secretary.

(c) On or before November 15, 2016, the Secretary of Administration and the Commissioner of Buildings and General Services shall submit a plan for the State’s purchasing and contracting services that will result in improved State services and increased financial savings. The plan shall include recommendations for:

(1) creating a mechanism to enforce uniform compliance with State contracting law and procedures;

(2) achieving cost efficiencies; and

(3) implementing e-procurement and contract management systems.

(d) The plan described in subsection (c) of this section shall be submitted to the House and Senate Committees on Government Operations and on Appropriations, to the House Committee on Corrections and Institutions, and the Senate Committee on Institutions.

EXPLANATION OF CC DIFF FROM GOV REC: Legislatively mandated report on State Purchasing, specifies that Bulletin 3.5 only applies to executive branch. Language presumes that both operational and cost efficiencies can be achieved.

Sec. E.100.5 FEDERAL SINGLE AUDIT REVIEW

(a) At its July 2016 meeting, the Joint Fiscal Committee shall review the fiscal year 2015 Federal Single Audit. In doing so, the Committee shall consider the following:

(1) the audit findings of significant deficiencies, particularly those programs where material weaknesses are identified that result in an adverse opinion for the State;

(2) the Administration's response to such findings;

(3) any repeat findings which were made;

(4) specific plans for remediation of any audit deficiencies; and

(5) any implications for the fiscal year 2016 audit and implications for governmental operations generally.

EXPLANATION OF CC DIFF FROM GOV REC: Requires Departments to report their single audit finding to the Joint Fiscal Committee.

Sec. E.100.6 LEGAL SERVICES; EVALUATION; REPORT

(a) The Secretary of Administration shall evaluate the use of State government legal service positions, including general counsels, Assistant Attorneys General, Special Assistant Attorneys General, staff attorneys, and special counsels in the Executive Branch. The evaluation shall include the current number of positions, the change in the number of positions from 2006

to 2016, whether any positions duplicate services, and whether there are efficiencies to be gained by a different structure.

(b) On or before December 1, 2016, the Secretary of Administration shall submit a report based on the evaluation described in subsection (a) of this section to the House and Senate Committees on Appropriations.

EXPLANATION OF CC DIFF FROM GOV REC: Report on the use of legal service positions in State Government.

Sec. E.100.7 32 V.S.A. § 306 is amended to read:

§ 306. BUDGET REPORT

(a) The Governor shall submit to the General Assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the State Treasury. In the first year of the biennium, the budget shall relate to the two succeeding fiscal years. In the second year of the biennium, it shall relate to the succeeding fiscal year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(1) The Governor shall develop and publish annually for public review as part of the budget report a current services budget, providing the public with an estimate of what the current level of services is projected to cost in the next fiscal year.

* * *

(d) The Governor shall develop a process for public participation in the development of budget goals, as well as general prioritization and evaluation of spending and revenue initiatives.

EXPLANATION OF CC DIFF FROM GOV REC: Codifies language about public budget forum and current services budget.

Sec. E.100.8 REPEAL

(a) 2012 Acts and Resolves No. 162, Sec. E.100.2 (purpose of State budget) is repealed.

EXPLANATION OF CC DIFF FROM GOV REC: Repeals session law that is codified in E.100.7

Sec. E.100.9 REPORTING UNFUNDED BUDGET PRESSURES

(a) In an effort to better understand the current services obligations, as part of the budget report required under 32 V.S.A. § 306(a)(1), the Governor shall include an itemization of current services liabilities, including the total obligations and the amount estimated for full funding in the current year in which an amortization schedule exists. These shall include the following liabilities projected for the start of the budget fiscal year:

(1) pension liabilities for the Vermont State Employees' Retirement System (VSERS) and the Vermont State Teachers' Retirement System (VSTRS);

(2) other postemployment benefit liabilities under current law and relevant Government Accounting Standards Board standards for the systems in subdivision (1) of this subsection;

(3) child care fee scale funding requirements pursuant to 33 V.S.A. § 3512 to bring total year funding to current market rates and current federal poverty levels;

(4) Reach Up funding full benefit obligations prior to any rateable reductions made pursuant to 33 V.S.A. § 1103(a) which ensure that the expenditures for the programs shall not exceed appropriations;

(5) statutory funding levels from the Property Transfer Tax to the Current Use Administration Special Fund (32 V.S.A. § 9610(c)), the Vermont Housing and Conservation Fund (10 V.S.A. § 312), and the Municipal and Regional Planning Fund (24 V.S.A. § 4306(a));

(6) maintenance of transportation road and bridge infrastructure at current levels;

(7) projected fund liabilities of the funds identified in Note III.B. of the "Notes" section of the most recent Comprehensive Annual Financial Report

(CAFR), including the Workers' Compensation Fund, the State Liability Insurance Fund, the Medical Insurance Fund, and the Dental Insurance Fund;

(8) a summary of other nonmajor enterprise funds and internal service funds where deficits exist in excess of \$1,500,000, including: Vermont Life Magazine; the Copy Center Fund; the Postage Fund, the Facilities Operations Fund, and the Property Management Fund.

(b) Notwithstanding Sec. A.102(c) of this act, this section shall continue through fiscal year 2020.

EXPLANATION OF CC DIFF FROM GOV REC: Established specific reporting requirements in the budget presentation.

Sec. E.100.10 UNIVERSAL PRIMARY CARE; REPORT

(a) Regardless of any future developments in payment and delivery system reform, Vermont is likely to continue to have uninsured or underinsured residents. In order to provide the General Assembly with information about an option for mitigating this situation, the Secretary of Administration or designee shall:

(1) conduct a literature review of any savings realized by universal health care programs over time that are attributable to the availability of universal access to primary care;

(2) analyze the primary care payment models created through the development of the all-payer model in order to enable legislators to estimate

appropriate reimbursement amounts for health care providers delivering primary care services; and

(3) provide a potential implementation timeline for universal primary care, including the recommended timing for conducting cost analyses; developing financing options; projecting impacts on insurance markets, individuals, households, businesses, and others; and estimating one-time and ongoing administrative costs.

(b) On or before December 15, 2016, the Secretary or designee shall report the results of the universal primary care study required by subsection (a) of this section to the Health Reform Oversight Committee, the Joint Fiscal Committee, the House Committees on Health Care, on Appropriations, and on Ways and Means, and the Senate Committees on Health and Welfare, on Appropriations, and on Finance.

EXPLANATION OF CC DIFF FROM GOV REC: Directs the Secretary of Administration or designee to study implementation of universal primary care in Vermont.

Sec. E.100.11 ORGANIZATION OF HEALTH CARE ADMINISTRATION;
REPORT

(a) On or before January 15, 2017, the Chief of Health Care Reform and the Secretary of Administration, with support from the Director of Health Care Reform, shall provide a report to the House and Senate Committees on

Appropriations and on Government Operations on how to realign the health care functions currently located in multiple agencies across State government.

(b) The Chief and Secretary shall recommend a structure which will transform systems and operations within State agencies administering health services and other benefit programs; align policy development across health care and other benefit programs; provide appropriate resource allocation; promote increased accountability for decision-making; ensure streamlined and efficient operations; and achieve integration of eligibility and enrollment functions for health care and other benefit programs.

EXPLANATION OF CC DIFF FROM GOV REC: Report by Secretary of Administration and Chief of Health Care Reform on realignment of health care functions across State agencies and State government, recommend structure for transformation.

Sec. E.102 29 V.S.A. § 1408 is amended to read:

§ 1408. WORKERS' COMPENSATION INSURANCE

(a) The State Employees' Workers' Compensation Fund is created to provide a program for self-insurance coverage for all officers and State employees, as defined in 3 V.S.A. § 1101, of all State agencies, departments, boards, and commissions, as well as any other person defined as an employee pursuant to 21 V.S.A. chapter 9. All State agencies, departments, boards, and commissions shall participate in the program and contribute to the Fund. The Fund shall be administered by the Secretary of Administration who:

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Added per technical letter to JFO to align statute with supreme court decision about the definition of an Employee.

Sec. E.106 3 V.S.A. § 2281 is amended to read:

§ 2281. DEPARTMENT OF FINANCE AND MANAGEMENT

The Department of Finance and Management is created in the Agency of Administration and is charged with all powers and duties assigned to it by law, including the following:

* * *

(5) ~~To maintain a central payroll office which shall be the successor to and continuation of the payroll functions of the Department of Human Resources.~~ [Repealed.]

Sec. E.108 3 V.S.A. § 2283 is amended to read:

§ 2283. DEPARTMENT OF HUMAN RESOURCES

(a) The Department of Human Resources is created in the Agency of Administration. In addition to other responsibilities assigned to it by law, the Department is responsible for fulfilling the payroll functions and for the provision of centralized human resources management services for State government, including the administration of a classification and compensation system for State employees under chapter 13 of this title and the performance of duties assigned to the Commissioner of Human Resources under chapter 27

of this title. All agencies and departments of the State which receive services from the Department of Human Resources shall be charged for those services through an assessment payable to the Human Resources Internal Service Fund on a basis established by the Commissioner of Human Resources and with the approval of the Secretary of Administration.

(b) The Department of Human Resources shall maintain a central payroll office, which shall be the successor to and continuation of the payroll functions of the Department of Finance and Management.

(c)(1) There is established in the Department of Human Resources a Human Resource Services Internal Service Fund to consist of revenues from charges to agencies, departments, and similar units of Vermont State government and to be available to fund the costs of the consolidated human resource services in the Department of Human Resources.

* * *

Sec. E.108.1 TRANSFER OF POSITIONS AND APPROPRIATIONS

(a) The rules of the Department of Finance and Management relating to payroll in effect on the effective date of this act shall be the rules of the Department of Human Resources, until amended or repealed by that Department. All references in those rules to the "Commissioner" and the "Department of Finance and Management," shall be deemed to refer to the

“Commissioner of Human Resources” and the “Department of Human Resources.”

(b) All employees, professional and support staff, consultants, positions, and equipment, and the remaining balances of all appropriation amounts for personal services and operating expenses for the payroll function are transferred to the Department of Human Resources.

Sec. E.108.2 GENERAL AMENDMENTS

(a) The words “Commissioner of Finance and Management” are amended to read “Commissioner of Human Resources” in the following statutes:

(1) 3 V.S.A. § 631(a)(6)–(7), and 32 V.S.A. § 1261(a).

Sec. E.108.3 3 V.S.A. § 309 is amended to read:

§ 309. DUTIES OF COMMISSIONER OF HUMAN RESOURCES

(a) The Commissioner, as administrative head of the Department, shall direct and supervise all its administrative and technical activities. In addition to the duties imposed elsewhere in this chapter, it shall be the Commissioner’s duty:

* * *

(20) To maintain a central payroll office, personnel earnings records, and records on authorized deductions.

(21) To certify, by voucher, to the Commissioner of Finance and Management all necessary and appropriate disbursements associated with the payroll function.

* * *

Sec. E.108.4 CLASSIFICATION REPORT; UPDATE

(a) The Commissioner of Human Resources shall provide a status report to the Joint Fiscal Committee by November 1, 2016, regarding the State Employee Position Classification System consultant report required by 2015 Acts and Resolves No. 58, Sec. E.100.1. The status report shall include preliminary information including:

(1) based on the consultant report, recommended next steps and anticipated timeline;

(2) anticipated costs and resources to implement recommendations; and

(3) the total cost of the current classification system and number of positions impacted by the recommendations.

(b) The Commissioner of Human Resources shall provide a report to the General Assembly on or before January 15, 2017, as outlined in subsection

(a) of this section, to include anticipated required changes to statute, policy, system, and structural changes necessary to implement the recommendations, unless otherwise required by the Joint Fiscal Committee.

EXPLANATION OF CC DIFF FROM GOV REC: Provides the Commissioner of Human resources additional time to deliver results of classification study.

Sec. E.108.5 REVIEW OF POLICIES TO ADDRESS NONPUBLIC

SAFETY EMPLOYEE'S DEATH IN THE LINE OF DUTY

(a) The Commissioner of Human Resources shall review the policies in place to address specific incidents when a nonpublic safety employee dies in the line of duty. The results of this review and any recommendations shall be provided to the House and Senate Committees on Appropriations and on Government Operations on or before December 15, 2016.

(b) To the extent that funding is needed for any recommendations in fiscal year 2017, the funding shall come from the Security Appropriation in Sec. B.1101(c) of this act.

EXPLANATION OF CC DIFF FROM GOV REC: Language to review what happens to non-public safety employees in the line of duty. Allows the Secretary to distribute funds if needed based on findings.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

Sec. E.113 Buildings and general services – engineering

(a) The \$3,553,061 interdepartmental transfer in this appropriation shall be from the General Bond Fund appropriation in the Capital Bill of the 2015 legislative session, as amended by the 2016 legislative session.

Sec. E.126 Legislature

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Legislature and carried forward into fiscal year 2017, the amount of \$113,500 shall revert to the General Fund.

(b) It is the intent of the General Assembly that funding for the Legislature in fiscal year 2017 be included at a level sufficient to support an 18-week legislative session.

Sec. E.126.1 3 V.S.A. § 637 is added to read:

§ 637. DENTAL COVERAGE; MEMBERS OF THE GENERAL ASSEMBLY; BUY-IN

(a) A member of the General Assembly and a session employee of the General Assembly or the Legislative Council shall be eligible to participate in any group dental insurance program negotiated in a collective bargaining agreement with State employees. Premiums shall be paid by the legislator or employee at the full actuarial rate with no contributions from the State and shall be deducted from compensation due for services rendered during the legislative session or assessed and paid directly by the legislator or employee.

(b) A person who elects to participate in the group dental insurance program pursuant to this section shall notify the program's administrator, in writing, of such election. The enrollment period for persons electing pursuant to this section shall correspond with the enrollment period for State employees.

EXPLANATION OF CC DIFF FROM GOV REC: Provides the means for members of the General Assembly to receive dental insurance coverage.

Sec. E.126.2 32 V.S.A. § 1051 is amended to read:

§ 1051. SPEAKER OF THE HOUSE; AND PRESIDENT PRO TEMPORE
OF THE SENATE; COMPENSATION AND EXPENSE
REIMBURSEMENT

(a) The Speaker of the House and the President Pro Tempore of the Senate shall be entitled to receive annual compensation of \$10,080.00 for the 2005 Biennial Session and thereafter to be paid in biweekly payments; provided that, beginning on January 1, 2007, the annual compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement. In addition to the annual compensation, the Speaker and President Pro Tempore shall be entitled to receive:

(1) \$652.00 a week for the 2005 Biennial Session and thereafter, to be paid in biweekly payments during the regular and adjourned sessions of the General Assembly; provided that, beginning on January 1, 2007, the weekly

compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement;

(2) ~~\$130.00 a~~ an amount equal to one-fifth of the annually adjusted weekly compensation set forth in subdivision (1) of this subsection, rounded up to the nearest dollar, per day during a special session of the General Assembly which is called at any time following the 2005 Biennial Session; ~~provided that, beginning on January 1, 2007, the daily compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement; and~~

(3) mileage, meals, and rooms lodging expenses as provided to members of the General Assembly under subsection 1052(b) of this title during the biennial, adjourned, and special sessions of the General Assembly and in addition such other actual and necessary expenses incurred while engaged in duties imposed by law.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Wording changes around off-session compensation and expense reimbursement.

Sec. E.126.3 32 V.S.A. § 1052 is amended to read:

§ 1052. MEMBERS OF THE GENERAL ASSEMBLY; COMPENSATION
AND EXPENSE REIMBURSEMENT

(a)(1) Each member of the General Assembly, other than the Speaker of the House and the President Pro Tempore of the Senate, is entitled to a weekly salary of \$589.00 for the 2005 Biennial Session and thereafter; provided that, beginning on January 1, 2007, the weekly compensation shall be adjusted annually thereafter by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement. The salary of members shall be paid in biweekly installments.

(2) During a special session, a member is entitled to ~~\$118.00 a day~~ an amount equal to one-fifth of the annually adjusted weekly compensation set forth in subdivision (1) of this subsection, rounded up to the nearest dollar, for each day of a special session ~~which is called at any time following the 2005 biennial session for each day~~ on which the House of which he or she is a member shall sit.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Wording changes around off-session compensation and expense reimbursement. Additionally, housekeeping changes by making expense reimbursement a percentage of salary.

Sec. E.127 Joint fiscal committee

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Joint Fiscal Committee and carried forward into fiscal year 2017, the amount of \$50,000 shall revert to the General Fund.

Sec. E.127.1 RECOMMENDATIONS FOR THE FUTURE OF THE
VERMONT HEALTH BENEFIT EXCHANGE

(a)(1) The Joint Fiscal Office (JFO), in collaboration with one or more independent third parties pursuant to contracts negotiated for that purpose, shall conduct an analysis for the General Assembly on or before December 15, 2016 regarding the current functionality and long-term sustainability of the technology for Vermont Health Connect.

(2) The analysis shall include a review of the outstanding deficiencies in Vermont Health Connect functionality and customer support, an analysis of the Agency of Human Services' plans and actions to address these deficiencies, and a determination as to whether those plans and actions are likely to be effective.

(3) The analysis shall include an evaluation of the feasibility and cost-effectiveness of maintaining Vermont Health Connect either as a stand-alone system or as part of the technology for a larger, integrated eligibility system, including a comparison of these costs to those of other state-based exchanges. This analysis shall include a review of licensing costs and issues as they apply to both the commercial components and the software that make up Vermont Health Connect.

(4) The analysis shall provide a comparison of the costs of alternative approaches required to ensure a sustainable, effective State-based exchange

and, to the extent possible, shall provide specific recommendations and action steps for legislative consideration. Alternative approaches shall include any opportunity to build on other states' exchange technology, as well as a fully or partially federally facilitated exchange. Factors to be analyzed include required technological change, ease of transition, short-term and long-term costs for both the transition and the operation of the alternative, and implications for future developments of the Vermont health care system.

(5) Any options presented in this analysis shall be scored based upon the factors in subdivision (4) of this subsection.

(b) In conducting the analysis pursuant to this section, and in preparing any requests for proposals from independent third parties, the JFO shall consult with health insurers offering qualified health plans on Vermont Health Connect.

(c) The Secretary of Administration, the Secretary of Human Services, and the Chief Information Officer shall provide the JFO access to reviews conducted to evaluate Vermont Health Connect and any other information required to complete this analysis. The Executive Branch shall provide other assistance as needed. If necessary, the JFO shall enter into a memorandum of understanding with the Executive Branch relating to any reviews or other information that shall protect security and confidentiality.

(d) The Joint Fiscal Committee shall use up to \$250,000 of funds appropriated to it for procuring fiscal and policy expertise related to Vermont's health care system for the purpose of implementing this section.

EXPLANATION OF CC DIFF FROM GOV REC: Requires the JFC to complete a review of Vermont Health Connect.

Sec. E.128 Sergeant at arms

(a) Notwithstanding any other provision of law, from fiscal year 2016 funds appropriated to the Sergeant at Arms and carried forward into fiscal year 2017, the amount of \$10,000 shall revert to the General Fund.

Sec. E.128.1 2 V.S.A. § 63 is amended to read:

§ 63. SALARY

(a) The ~~base salary for the~~ a newly elected Sergeant at Arms shall be ~~\$47,917.00 as of January 1, 2015 provided that, beginning on July 1, 2015 set~~ by the Joint Rules Committee and annually thereafter, this compensation shall be adjusted ~~by the cost of living adjustment negotiated for State employees under the most recent collective bargaining agreement~~ in accordance with any annual increase provided for legislative employees, unless otherwise determined by the Joint Rules Committee.

(b) ~~The Joint Rules Committee may establish the starting salary for the Sergeant at Arms, ranging from the base salary to a salary that is 30 percent above the base salary. The maximum salary for the Sergeant at Arms shall be 50 percent above the base salary. [Repealed.]~~

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes.

Sec. E.131 STATE TREASURER; TEACHERS' RETIREMENT

PRESENTATION

(a) The State Treasurer shall work with the actuaries for the State Teachers' Retirement System and the State Employees' Retirement System and report to the General Assembly on the following:

(1) the percentage increase in the teachers and State employee salaries paid and the impact on the State Retirement Systems' funding assumptions; and

(2) the impact assessment for the current year contribution and the change to the long-term system obligation.

(b) Based on information provided by the Secretary of Education, the State Treasurer shall estimate the value of the teachers' contracts negotiated above 110 percent of the statewide average and calculate the impact of these contracts on the current year and future year payments of the Teachers' Retirement Fund.

(c) This report shall be submitted to the House and Senate Committees on Appropriations, on Education and on Government Operations as part of the State Treasurer's fiscal year 2018 budget submission.

EXPLANATION OF CC DIFF FROM GOV REC: Directs the State Treasurer to investigate options for the State pension system.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2017, investment fees shall be paid from the corpus of the Fund.

Sec. E.133.1 3 V.S.A. § 473(c) is amended to read:

(c) Employer contributions, earnings, and payments.

* * *

(4) ~~Until~~ Beginning on July 1, 2008, until the unfunded accrued liability is liquidated, the basic accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ~~from July 1, 2008, ending on June 30, 2038,~~ provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution after June 30, 2009, shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent greater than the preceding annual basic accrued liability contribution per year.

(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal, basic, unfunded accrued liability or additional unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

(5)-(7) [Repealed.]

EXPLANATION OF CC DIFF FROM GOV REC: Statutory language change suggested by the Treasurer to pay down pension debt sooner and save extra debt service costs in the long run.

Sec. E.141 31 V.S.A. § 654 is amended to read:

§ 654. POWERS AND DUTIES

The ~~commission~~ Commission shall ~~promulgate~~ adopt rules pursuant to 3 V.S.A. chapter 25 of ~~Title 3~~, governing the establishment and operation of the ~~state lottery~~ State Lottery. The rules may include, ~~but shall not be limited to,~~ the following:

* * *

(7) Ticket sales locations, which may include ~~state~~ State liquor stores and liquor agencies; private business establishments; fraternal, religious, and volunteer organizations; town clerks' offices; and ~~state~~ State fairs, race tracks and other sporting arenas;

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes to language governing lottery game locations.

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

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

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

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

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

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

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

restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$1,115,500 is appropriated in Sec. B.200 of this act.

Sec. E.204 PRIVATE CAUSE OF ACTION; EXTENSION OF DATE

(a) Notwithstanding 9 V.S.A. § 3048(b), a consumer may not, prior to July 1, 2017, bring a private cause of action under 9 V.S.A. chapter 63, subchapter 1, for a violation of the requirements of 9 V.S.A. chapter 82A.

EXPLANATION OF CC DIFF FROM GOV REC: Update to GMO labeling law and private cause of action.

Sec. E.208 Public safety – administration

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

(b) The Department of Public Safety shall continue to provide 911 call-taking services unless otherwise directed by legislative enactment.

(c) Notwithstanding 19 V.S.A. § 11a(b), of the funds appropriated to the Department under 19 V.S.A. § 11a(a) in fiscal year 2017 the amount of \$1,680,000 is allocated exclusively for the purchase, outfitting, assignment, and disposal of State Police vehicles.

EXPLANATION OF CC DIFF FROM GOV REC: (b) added to ensure that Public Safety continues to take 911 calls. (c) added to require Public Safety to comply with its own cruiser replacement schedule.

Sec. E.208.1 20 V.S.A. § 2063(c) is amended to read:

(c)(1) The Criminal History Record Check Fund is established and shall be managed by the Commissioner of Public Safety in accordance with the provisions of 32 V.S.A. chapter 7, subchapter 5. ~~The first \$200,000.00 of fees paid each year under this section shall be placed in the fund~~ Fund and used for ~~personnel and equipment~~ personal services and operating costs related to the processing, maintenance, and dissemination of criminal history records. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.

(2) ~~After the first \$200,000.00 of fees paid each year under this section are placed in the Criminal History Record Check Fund, all additional fees paid during that year under this section~~ At the end of each fiscal year, any undesignated surplus in the Fund shall go be transferred to the General Fund.

EXPLANATION OF CC DIFF FROM GOV REC: Allows Public Safety to use more of this fund to cover administration costs.

Sec. E.208.2 CRIMINAL HISTORY RECORDS; REVIEW

(a) The Joint Legislative Justice Oversight Committee shall review the State and federal requirements for criminal history background checks, the costs incurred by local social service entities in obtaining the checks, and the cost incurred by the State in providing them. The Vermont Crime Information Center shall provide the Committee financial, performance, and statistical information as needed to conduct this review. The Committee shall determine if there are changes or processes that could be implemented that maintain public safety while increasing cost effectiveness, giving particular consideration to changes that could reduce the financial burden on local social service agencies conducting multiple background checks on the same person within a short time span. The Oversight Committee shall provide any recommendations for legislation to the House and Senate Committees on Judiciary on or before January 15, 2017.

EXPLANATION OF CC DIFF FROM GOV REC: Public Safety to report on the costs incurred to conduct criminal records checks.

Sec. E.209 Public safety – state police

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

and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

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

Sec. E.212 Public safety – fire safety

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

Sec. E.215 Military – administration

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

Sec. E.219 Military – veterans’ affairs

(a) Of this appropriation, \$1,000 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor’s Veterans’ Advisory Council; \$7,500 shall be used for the Veterans’ Day parade; \$5,000 shall be granted to the Vermont State Council of the Vietnam Veterans of America to fund the Service Officer Program; \$5,000 shall be used for the Military, Family, and Community Network; and \$10,000 shall be granted to the American Legion for the Boys’ State and Girls’ State programs.

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

EXPLANATION OF CC DIFF FROM GOV REC: Reduced the amount of funding for the Vermont Medal Program.

Sec. E.220 Center for crime victims services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer \$55,021 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

Sec.E.222 ONE-TIME FUNDING; 2 PLUS 2 FARM SCHOLARSHIP
PROGRAM

(a) Included in the appropriation for the 2 Plus 2 Farm Scholarship Program in Sec. B.222 of this act is \$35,000 in one-time funds to provide funding in a timeframe that allows newly accepted students to consider all of the student aid offers available to them.

EXPLANATION OF CC DIFF FROM GOV REC: One time funding to give students enough time to review offered assistance.

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

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

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

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of \$800,000 in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for administrative expenses and investments in food and forest system businesses and service

providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

EXPLANATION OF CC DIFF FROM GOV REC: Adds additional funding to the Working lands appropriation and makes technical changes to the language.

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

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

Sec. E.228 INSURANCE REGULATORY AND SUPERVISION FUND;
PROJECTIONS; BALANCE TRANSFER; DISTRIBUTION
PILOT

(a) Notwithstanding 8 V.S.A. § 80(d):

(1) In September 2018, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Regulatory and Supervision Fund (Insurance Fund) for fiscal years 2019 and 2020. One-half of the projected balance shall be transferred from the Insurance Fund to the General

Fund in fiscal year 2019, and one-half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2020.

(2) In September 2020, the Commissioner of Finance and Management shall project the two-year balance in the Insurance Fund for fiscal years 2021 and 2022. One-half of the projected balance shall be transferred from the Insurance Fund to the General Fund in fiscal year 2021, and one-half shall be transferred from the Insurance Fund to the General Fund in fiscal year 2022.

(b) This section shall expire on June 30, 2022.

EXPLANATION OF CC DIFF FROM GOV REC: Language provides a mechanism to smooth the amount transferred from the Department of Financial Regulation annually.

Sec. E.232 RECORDS RETENTION AND ARCHIVING

(a) The State Archivist shall, in consultation with representatives of statewide criminal justice agencies, develop recommendations and action plans for these agencies to meet their records retention and evidence requirements. These recommendations and action plans shall consider industry best practice and cost efficiency and security, including available options for digital records.

(b) The State Archivist, in consultation with the Department of Information and Innovation, shall develop best practices for how and when to destroy electronic records that are no longer required to be maintained by State agencies and departments, including the Department of State's Attorneys and Sheriffs.

EXPLANATION OF CC DIFF FROM GOV REC: Requires State archivist to update State policies regarding records retention.

Sec. E.233 30 V.S.A. § 20 is amended to read:

§ 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

(a)(1) The Board or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services:

~~(i)~~(A) To assist the Board or Department in any proceeding listed in subsection (b) of this section.

~~(ii)~~(B) To monitor compliance with any formal opinion or order of the Board.

~~(iii)~~(C) In proceedings under section 248 of this title, to assist other State agencies that are named parties to the proceeding where the Board or Department determines that they are essential to a full consideration of the petition, or for the purpose of monitoring compliance with an order resulting from such a petition.

~~(iv)~~(D) In addition to the ~~above~~ services in subdivisions (1)(A)–(C) of this subsection (a), in proceedings under subsection 248(h) of this title, by contract with the regional planning commission of the region or regions affected by a proposed facility, to assist in determining conformance with local and regional plans and to obtain the ~~commissions~~ commission's data, analysis,

and recommendations on the economic, environmental, historic, or other impact of the proposed facility in the region.

~~(v)~~(E) To assist in monitoring the ongoing and future reliability and the postclosure activities of any nuclear generating plant within the State. ~~For the purpose of~~ In this subdivision section, “postclosure activities” includes planning for and implementation of any action within the State’s jurisdiction that shall or will occur when the plant permanently ceases generating electricity.

(2) The Agency of Natural Resources may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to:

(A) Assist the Agency of Natural Resources in any proceeding under section 248 of this title.

(B) Monitor compliance with an order issued under section 248 of this title.

(C) Assist the Board or the Department of Public Service in any proceedings described in subdivisions (b)(9) (Federal Energy Regulatory Commission) and (11) (Nuclear Regulatory Commission) of this section. Allocation of Agency of Natural Resources costs under this subdivision (C) shall be in the same manner as provided under subdivisions (b)(9) and (11) of this section. The Agency of Natural Resources shall report annually to the

Joint Fiscal Committee all costs incurred and expenditures charged under the authority of this subsection with respect to proceedings under subdivision (b)(9) of this section and the purpose for which such costs were incurred and expenditures made.

(D) Assist in monitoring the postclosure activities of any nuclear generating plant within the State.

(3) The Department of Health may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to assist in monitoring the postclosure activities of any nuclear generating plant within the State.

(4) The Department of Public Safety, Division of Emergency Management and Homeland Security may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, employees, and other research, scientific, or engineering services, or other planning expenses to assist in monitoring the postclosure activities of any nuclear generating plant within the State.

(5) The Agency of Agriculture, Food and Markets may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services to:

(A) assist the Agency of Agriculture, Food and Markets in any proceeding under section 248 of this title; or

(B) monitor compliance with an order issued under section 248 of this title.

(6) The personnel authorized by this section shall be in addition to the regular personnel of the Board or the Department of Public Service or other State agencies; and in the case of the Department of Public Service or other State agencies may be retained only with the approval of the Governor and after notice to the applicant or the ~~public service~~ company or companies involved. The Board or the Department of Public Service shall fix the amount of compensation and expenses to be paid such additional personnel, except that the Agency of Natural Resources, the Department of Health, Department of Public Safety, Division of Emergency Management and Homeland Security or the Agency of Agriculture, Food and Markets, respectively, shall fix the amount of compensation and expenses to be paid to additional personnel that it retains under subdivision (2), (3), (4), or (5) of this subsection.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Expands bill back process related to VY to ANR, DPS, and Agriculture.

Sec. E.233.1 30 V.S.A. § 21 is amended to read:

§ 21. PARTICULAR PROCEEDINGS AND ACTIVITIES; ASSESSMENT
OF COSTS

(a) ~~The Board, the Department, or the Agency of Natural Resources~~ An agency may allocate the portion of the expense incurred or authorized by it in retaining additional personnel ~~for the particular proceedings authorized in~~ pursuant to section 20 of this title to the applicant or the ~~public service~~ company or companies involved ~~in those proceedings~~. In this section, “agency” means an agency, board, or department of the State enabled to authorize or retain personnel under section 20 of this title.

(1) The Board shall upon petition of an applicant or ~~public service~~ company to which costs are proposed to be allocated, review and determine, after opportunity for hearing, having due regard for the size and complexity of the project, the necessity and reasonableness of such costs, and may amend or revise such allocations. Nothing in this section shall confer authority on the Board to select or decide the personnel, the expenses of whom are being allocated, unless such personnel are retained by the Board. Prior to allocating costs, the Board shall make a determination of the purpose and use of the funds to be raised hereunder, identify the recipient of the funds, provide for allocation of costs among companies to be assessed, indicate an estimated duration of the ~~proceedings~~ retention of personnel whose costs are being allocated, and estimate the total costs to be imposed. With the approval of the Board, such estimates may be revised as necessary. From time to time during the progress of the work of such additional personnel, the ~~Board, the~~

~~Department, or the Agency of Natural Resources~~ agency retaining the personnel shall render to the company detailed statements showing the amount of money expended or contracted for in the work of such personnel, which statements shall be paid by the applicant or the ~~public-service~~ company into the State Treasury at such time and in such manner as the ~~Board, the Department, or the Agency of Natural Resources~~ agency may reasonably direct.

(2) In any proceeding under section 248 of this title, the Agency of Natural Resources may allocate the portion of the expense incurred in retaining additional staff authorized in subsection 21(a) of this title only if the following apply:

(A) the Agency of Natural Resources does not have the expertise and the retention of such expertise is required to fulfill ~~the Agency's~~ its statutory obligations in the proceeding; and

(B) the Agency of Natural Resources allocates only that portion of the cost for such expertise that exceeds the fee paid by the applicant under section 248b of this title.

(b) When regular employees of ~~the Board, the Department, or the Agency of Natural Resources~~ an agency are employed in the particular proceedings and activities described in section 20 of this title, the ~~Board, the Department, or the Agency of Natural Resources~~ agency may also allocate the portion of ~~their~~ its costs and expenses to the applicant or the ~~public-service~~ company or

companies involved ~~in the proceedings~~. The costs of regular employees shall be computed on the basis of working days within the salary period, except that the Department of Public Safety, Division of Emergency Management and Homeland Security may allocate the full cost of the regular employee. The manner of assessment and of making payments shall otherwise be as provided for additional personnel in subsection (a) of this section. However, with respect to proceedings under section 248 of this title, the Agency of Natural Resources shall not allocate the costs of regular employees.

* * *

(e) ~~On or before January 15, 2011, and annually thereafter, the Agency of Natural Resources~~ Annually, on or before January 15, each agency shall report to the Senate and House Committees on Natural Resources and Energy the total amount of expenses allocated under this section during the previous fiscal year. The report shall include the name of each applicant or public service company to whom expenses were allocated and the amount allocated to each applicant or company. The Agency of Agriculture, Food and Markets also shall submit a copy of its report to the Senate Committee on Agriculture and the House Committee on Agriculture and Forests Products.

* * *

(g) ~~The Board, or the Department with the approval of the Governor, An~~ agency may allocate such portion of expense incurred or authorized by it in

compensating persons retained in the monitoring of postclosure activities of a nuclear generating plant pursuant to ~~subdivision 20(a)(1)(v)~~ subsection 20(a) of this title to the ~~nuclear generating~~ plant whose activities are being monitored. Except for the Board, the agency shall obtain the approval of the Governor before making such an allocation.

EXPLANATION OF CC DIFF FROM GOV REC: Expands bill back process related to VY to ANR, DPS, and Agriculture.

* * * HUMAN SERVICES * * *

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

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2017 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

Sec. E.300.1 3 V.S.A. § 3022a is added to read:

§ 3022a. IMPROVING GRANTS MANAGEMENT FOR RESULTS-BASED PROGRAMS

(a) The Secretary of Human Services shall compile a grants inventory using the Department of Finance and Management's master list of all grants awarded during the prior fiscal year by the Agency or any of its departments to any public and private entities. The inventory should reflect:

(1) the date and title of the grant;

(2) the amount of federal and State funds committed during the prior fiscal year;

(3) a summary description of each grant;

(4) the recipient of the grant;

(5) the department responsible for making the award;

(6) the major Agency program served by the grant;

(7) the existence or nonexistence in the grant of performance measures;

(8) the scheduled expiration date of the grant;

(9) the number of people served by each grant;

(10) the length of time the entity has had the grant; and

(11) the indirect rate of the entity.

(b) Annually, on or before January 15, the Agency shall submit the inventory to the General Assembly in an electronic format.

(c) The Secretary of Human Services and the Chief Performance Officer shall report to the Government Accountability Committee in September of each year and to the House and Senate Committees on Appropriations annually, on or before January 15, regarding the progress of the Agency in improving grant management in regard to:

(1) compilation of the inventory required in subsection (a) of this section;

(2) establishing a drafting template to achieve common language and requirements for all grant agreements, to the extent that it does not conflict with Agency of Administration Bulletin 5 – Policy for Grant Issuance and Monitoring or federal requirements contained in 2 C.F.R. Chapter I, Chapter II, Part 200, including:

(A) a specific format covering expected goals and clear concise performance measures that demonstrate results and which are attached to each goal; and

(B) providing both community organizations and the Agency the same point of reference in assessing how the grantees are meeting expectations in terms of performance;

(3) executing Designated Agency Master Grant agreements using the new drafting template;

(4) executing grant agreements with other grantees using the new drafting template; and

(5) progress in improving the overall timeliness of executing agreements.

EXPLANATION OF CC DIFF FROM GOV REC: updates requirements for AHS grant reporting.

Sec. E.300.2 REDUCING DUPLICATION OF AHS SERVICES;

PROGRESS REPORT

(a) On or before November 15, 2016, the Agency of Human Services shall report to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare regarding its progress in implementing the recommendations in the areas of case management, medication management, and diagnostic assessment and evaluation contained in the report on reducing duplication of services that the Agency submitted to the General Assembly on January 15, 2016 pursuant to 2015 Acts and Resolves No. 54, Sec. 25.

EXPLANATION OF CC DIFF FROM GOV REC: Requires AHS to report on the duplication of services in the Agency.

Sec. E.300.3 CRIMINAL DEFENDANTS WITH TRAUMATIC BRAIN
INJURY; IMPLEMENTATION; REPORT

(a) On or before November 30, 2016, the Department of Mental Health, the Department of Disabilities, Aging, and Independent Living, and the Department of Corrections shall report to the Health Reform Oversight Committee and the Joint Legislative Justice Oversight Committee on the Departments' examination of the implications of 2014 Acts and Resolves No. 158 and the Departments' proposals for strengthening the act to help ensure its successful implementation. The report shall include recommendations for defining traumatic brain injury for purposes of determining when it is permissible to challenge a defendant's sanity at the time of the alleged offense

or a defendant's mental competency to stand trial for the alleged offense. The report shall also identify appropriate treatment options and venues for criminal defendants with traumatic brain injury and shall assess the funding that would be required to implement 2014 Acts and Resolves No. 158 or, in the alternative, to develop and support the Departments' recommendations.

Sec. E.300.3.1 2014 Acts and Resolves No. 158, Sec. 16 is amended to read:

Sec. 16. EFFECTIVE DATES

(a) Secs. 1-12 shall take effect on July 1, ~~2017~~ 2018.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: DMH, DAIL, and DOC shall report on implementation of 2014 Act 158, including recommendation for defining traumatic brain injury (TBI) for purposes of determining sanity in legal proceedings, while also identifying appropriate treatment options for criminal defendants.

Sec. E.300.4 SUSTAINABILITY OF TOBACCO PROGRAMS AND
PLAN TO REPLACE LOSS OF STRATEGIC
CONTRIBUTION FUNDS

(a) The Secretary of Administration or designee, the Secretary of Human Services or designee, the Tobacco Evaluation and Review Board, and participating stakeholders in the implementation of the tobacco control programs shall develop an action plan for tobacco program funding at a level necessary to maintain the gains made in preventing and reducing tobacco use

that have been accomplished since their inception. In addition, the plan shall consider utilizing a percentage of tobacco revenues and the inclusion of monies that have been withheld by tobacco manufacturers but which may be received by the State of Vermont in future years.

(b) The Secretary of Human Services shall present this plan to the Joint Fiscal Committee at its November 2016 meeting.

EXPLANATION OF CC DIFF FROM GOV REC: Directs review of tobacco program funding creating an action plan for decreasing contributions.

Sec. E.300.5 DESIGNATED AND SPECIALIZED AGENCIES; RATE
INCREASE

(a) The funds allocated in this act shall be to increase the amounts paid to designated agencies and specialized service agencies. Of this amount, priority shall be given to total compensation of direct care workers and non-executive staff. Each designated and specialized service agency shall report to the Agency of Human Services and to the House and Senate Committees on Appropriations regarding how they have complied with this provision.

EXPLANATION OF CC DIFF FROM GOV REC: Increases the amount paid to DAs and SSAs for compensation of direct care workers and non-executive level staff.

Sec. E.300.6 RATE INCREASE FOR HOME-AND COMMUNITY-BASED
PROVIDERS

(a) Of the funds appropriated to the Agency of Human Services Central Office, \$707,156 in general funds and \$648,110 of additional match shall be used to provide an across-the-board reimbursement rate increase not to exceed two percent for:

(1) home-and community-based service providers that provide the following services under the Choices for Care program: case management; adult day; respite; homemaker and personal care attendant (PCA); and

(2) group home providers in the Department for Children and Families.

(b) This appropriation shall be transferred to the respective departments upon determination of the appropriate amounts for transfer.

(c) The Agency may use any funds unallocated in subsection (a) of this section to establish a method of short-term financial assistance for home health agencies at risk of insolvency and closure where such relief would allow an agency to transition to long-term financial viability.

(d) The funds allocated in this act shall be to increase the amounts paid to the agencies referenced in subsection (a) of this section. Of this amount, priority shall be given to total compensation of direct care workers and non-executive staff. Each provider shall report to the Agency of Human Services regarding how they have complied with this provision. The Agency shall report to the House and Senate Committees on Appropriations in January 2017 on the implementation of this section.

EXPLANATION OF CC DIFF FROM GOV REC: Provides frame for reimbursements

increase non-DA direct care workers.

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

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

(b) In addition to the State funds appropriated in this section, a total estimated sum of \$29,633,326 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$18,500,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$21,999,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment

Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A.

§ 2959a.

(2) \$4,091,214 certified State match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$1,883,273 certified State match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-age children.

(4) \$2,731,052 certified State match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) \$2,427,387 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.304 3 V.S.A. § 3091(h) is amended to read:

(h)(1) Notwithstanding subsections (d) and (f) of this section, the Secretary shall review all Board decisions and orders concerning TANF, TANF-EA, Office of Child Support Cases, ~~and Medicaid,~~ and the Vermont Health Benefit Exchange. The Secretary shall:

(A) adopt a Board decision or order, except that the Secretary may reverse or modify a Board decision or order if:

- (i) the Board's findings of fact lack any support in the record; or
- (ii) the decision or order implicates the validity or applicability of any Agency policy or rule.

(B) issue a written decision setting forth the legal, factual, or policy basis for reversing or modifying a Board decision or order.

(2) Notwithstanding subsections (d) and (f) of this section, a Board decision and order concerning TANF, TANF-EA, Office of Child Support, ~~or Medicaid,~~ and the Vermont Health Benefit Exchange shall become the final and binding decision of the Agency upon its approval by the Secretary. The Secretary shall either approve, modify, or reverse the Board's decision and order within 15 days of the date of the Board decision and order. If the Secretary fails to issue a written decision within 15 days as required by this subdivision, the Board's decision and order shall be deemed to have been approved by the Secretary.

* * *

Sec. E.306 18 V.S.A. § 9351 is amended to read:

§ 9351. HEALTH INFORMATION TECHNOLOGY PLAN

(a) The Secretary of Administration or designee shall be responsible for the overall coordination of Vermont's statewide Health Information Technology

Plan. The Plan shall be revised annually, and updated comprehensively every five years to provide a strategic vision for clinical health information technology. The Secretary or designee shall administer ~~and update~~ the Plan as ~~needed~~, which shall include the implementation of an integrated electronic health information infrastructure for the sharing of electronic health information among health care facilities, health care professionals, public and private payers, and patients. The Plan shall include standards and protocols designed to promote patient education, patient privacy, physician best practices, electronic connectivity to health care data, and, overall, a more efficient and less costly means of delivering quality health care in Vermont.

* * *

(c) The Secretary of Administration or designee ~~shall~~ may update the ~~plan~~ annually Plan as needed to reflect emerging technologies, the State's changing needs, and such other areas as the Secretary or designee deems appropriate. The Secretary or designee shall solicit recommendations from Vermont Information Technology Leaders, Inc. (VITL) and other entities in order to update the Health Information Technology Plan pursuant to this section, including applicable standards, protocols, and pilot programs, and may enter into a contract or grant agreement with VITL or other entities to update some or all of the Plan. Upon approval by the Secretary, the updated Plan shall be distributed to the Commissioner of Information and Innovation; the

Commissioner of Financial Regulation; the Commissioner of Vermont Health Access; the Secretary of Human Services; the Commissioner of Health; the Commissioner of Mental Health; the Commissioner of Disabilities, Aging, and Independent Living; the Senate Committee on Health and Welfare; the House Committee on Health Care; affected parties; and interested stakeholders.

Unless major modifications are required, the Secretary may present updated information about the Plan to the Green Mountain Care Board and legislative committees of jurisdiction in lieu of creating a written report.

* * *

~~(f) Qualified applicants may seek grants to invest in the infrastructure necessary to allow for and promote the electronic exchange and use of health information from federal agencies, including the Office of the National Coordinator for Health Information Technology, the Health Resources and Services Administration, the Agency for Healthcare Research and Quality, the Centers for Medicare and Medicaid Services, the Centers for Disease Control and Prevention, the U.S. Department of Agriculture, and the Federal Communications Commission. The Secretary of Administration or designee shall require applicants for grants authorized pursuant to Section 13301 of Title XXX of Division A of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, to submit the application for State review pursuant to the process established in federal Executive Order 12372, Intergovernmental~~

~~Review of Federal Programs. Grant applications shall be consistent with the goals outlined in the strategic plan developed by the Office of the National Coordinator for Health Information Technology and the statewide Health Information Technology Plan. [Repealed.]~~

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes

Sec. E.306.1 18 V.S.A. § 9352(h) is amended to read:

~~(h) Loan and grant programs. VITL shall solicit recommendations from the Secretary of Administration or designee, health insurers, the Vermont Association of Hospitals & Health Systems, Inc., the Vermont Medical Society, Bi-State Primary Care Association, the Council of Developmental and Mental Health Services, the Behavioral Health Network, the Vermont Health Care Association, the Vermont Assembly of Home Health Agencies, other health professional associations, and appropriate departments and agencies of State government, in establishing a financing program, including loans and grants, to provide electronic health records systems to providers, with priority given to Blueprint communities and primary care practices serving low income Vermonters. Health information technology systems acquired under a grant or loan authorized by this section shall comply with data standards for interoperability adopted by VITL and the State Health Information Technology Plan. An implementation plan for this loan and grant program shall be incorporated into the State Health Information Technology Plan. [Repealed.]~~

Sec. E.306.2 18 V.S.A. § 706(c) and (d) are amended to read:

(c)(1) The Blueprint payment reform methodologies shall include per-person per-month payments to medical home practices by each health insurer and Medicaid for their attributed patients and for contributions to the shared costs of operating the community health teams. Per-person per-month payments to practices shall be based on the official National Committee for Quality Assurance's Physician Practice Connections–Patient Centered Medical Home (NCQA PPC-PCMH) score to the extent practicable and shall be in addition to their normal fee-for-service or other payments.

(2) Consistent with the recommendation of the Blueprint expansion design and evaluation committee, the director of the Blueprint may ~~implement~~ recommend to the Commissioner of Vermont Health Access changes to the payment amounts or to the payment reform methodologies described in subdivision (1) of this subsection, including by providing for enhanced payment to health care professional practices which operate as a medical home, including primary care naturopathic physicians' practices; payment toward the shared costs for community health teams; or other payment methodologies required by the Centers for Medicare and Medicaid Services (CMS) for participation by Medicaid or Medicare.

* * *

(d) An insurer may appeal a decision of ~~the director~~ to require a particular payment methodology or payment amount to the ~~commissioner of Vermont health access~~ Commissioner of Vermont Health Access, who shall provide a hearing in accordance with 3 V.S.A. chapter 25. An insurer aggrieved by the decision of the ~~commissioner~~ Commissioner may appeal to the ~~superior court~~ Superior Court for the Washington district within 30 days after the ~~commissioner~~ Commissioner issues his or her decision.

Sec. E.306.3 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2017, but only in the event that new federal guidance or regulations require Vermont to amend or adopt its rules in a timeframe that cannot be accomplished under the traditional rulemaking process. An emergency rule adopted under these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

EXPLANATION OF CC DIFF FROM GOV REC: AHS may use, 3 V.S.A § 844, emergency rules prior to June 30, 2017 if new federal guidance or regulation require Vermont amend or

adopt rules in a timeframe that cannot be accomplished under the traditional rulemaking process.

Sec. E.306.4 [DELETED]

Sec. E.306.5 33 V.S.A. § 1901e(c) is amended to read:

(c) ~~At the close of the fiscal year~~ Annually, on or before October 1, the Agency shall provide a detailed report to the Joint Fiscal Committee which describes the managed care organization's investments under the terms and conditions of the Global Commitment for Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.

Sec. E.306.6 33 V.S.A. § 1901h is amended to read:

§ 1901h. PROSPECTIVE PAYMENT; HOME HEALTH SERVICES

(a) On or before ~~July 1, 2016~~ July 1, 2017 and upon approval from the Centers for Medicare and Medicaid Services, the Department of Vermont Health Access shall modify reimbursement methodologies to home health agencies, as defined in section 1951 of this title, in order to implement prospective payments for the medical services paid for by the Department under the Global Commitment to Health waiver, and to replace fee-for-service payment methodologies. The Department shall determine an appropriate schedule for determining a revised base calculation for the payment.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Extends date by one year.

Sec. E.306.7 33 V.S.A. § 1908 is amended to read:

§ 1908. MEDICAID; PAYER OF LAST RESORT; RELEASE OF
INFORMATION

(a) Any clause in an insurance contract, plan, or agreement which limits or excludes payments to a recipient is void.

(b) Medicaid shall be the payer of last resort to any insurer which contracts to pay health care costs for a recipient.

(c) Every applicant for or recipient of Medicaid under this subchapter is deemed to have authorized all third parties to release to the Agency all information needed by the Agency to secure or enforce its rights under this subchapter. The Agency shall inform an applicant or recipient of the provisions of this subsection at the time of application for Medicaid benefits.

(d) ~~At the Agency's request, an insurer shall provide the Agency with the information necessary to determine whether an applicant or recipient of Medicaid under this subchapter is or was covered by the insurer and the nature of the coverage, including the member, subscriber, or policyholder information necessary to determine third party liability and other information required under 18 V.S.A. § 9410(h). The Agency may require the insurer to provide the information electronically~~ On and after July 1, 2016, an insurer shall accept the Agency's right of recovery and the assignment of rights and shall not charge the Agency or any of its authorized agents fees for the processing of

claims or eligibility requests. Data files requested by or provided to the Agency shall provide the Agency with eligibility and coverage information that will enable the Agency to determine the existence of third-party coverage for Medicaid recipients, the period during which Medicaid recipients may have been covered by the insurer, and the nature of the coverage provided, including information such as the name, address, and identifying number of the plan.

(e)(1) Upon request, to the extent permitted under the federal Health Insurance Portability and Accountability Act and other federal privacy laws and notwithstanding any State privacy law to the contrary, an insurer shall transmit to the Agency, in a manner prescribed by the Centers for Medicare and Medicaid Services or as agreed between the insurer and the Agency, an electronic file of all of the insurer's identified subscribers or policyholders and their dependents.

(2) An insurer shall comply with a request under the provisions of this subsection no later than 60 days following the date of the Agency's request and shall be required to provide the Agency with only the information required by this section.

(3) The Agency shall request the data from an insurer once each month. The Agency shall not request subscriber or policyholder enrollment data that precede the date of the request by more than three years.

(4) The Agency shall use the data collected pursuant this section solely for the purposes of determining whether a Medicaid recipient also has or has had coverage with the insurer providing the data.

(5) The Agency shall ensure that all data collected and maintained pursuant to this section are collected and stored securely and that such data are stored no longer than necessary to determine whether Medicaid benefits may be coordinated with the insurer, or as otherwise required by law.
Insurers shall not be liable for any security incidents caused by the Agency in the collection or maintenance of the data.

(f)(1) Each insurer shall submit a file containing information required to coordinate benefits, such as the name, address, group policy number, coverage type, Social Security number, and date of birth of each subscriber or policyholder and each dependent covered by the insurer, including the policy effective and termination dates, claims submission address, and employer's mailing address.

(2) The Agency shall adopt rules governing the exchange of information pursuant to this section. The rules shall be consistent with laws relating to the confidentiality or privacy of personal information and medical records, including the Health Insurance Portability and Accountability Act.

(g) From funds recovered pursuant to this subchapter, the federal government shall be paid a portion equal to the proportionate share originally

provided by the federal government to pay for medical assistance to a recipient or minor.

EXPLANATION OF CC DIFF FROM GOV REC: Technical Changes

Sec. E.306.8 33 V.S.A. § 111(a) is amended to read:

(a)(1) The names of or information pertaining to applicants for or recipients of assistance or benefits, including information obtained under section 112 of this title, shall not be disclosed to anyone, except for the purposes directly connected with the administration of the Department or when required by law.

(2) Names of or information pertaining to applicants for or recipients of Medicaid shall be subject to the confidentiality provisions set forth in section 1902a of this title.

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes and increases in confidentiality.

Sec. E.306.9 33 V.S.A. § 1902a is added to read:

§ 1902a. CONFIDENTIALITY OF MEDICAID APPLICATIONS AND
RECORDS; DISCLOSURE TO AUTHORIZED
REPRESENTATIVE

(a) All applications submitted and records created under the authority of this chapter concerning any applicant for or recipient of Medicaid are confidential and shall be made available only to persons authorized by the

Agency, the State, or the United States for purposes directly related to plan administration. In addition, the Agency shall maintain a process to allow a Medicaid applicant or recipient or his or her authorized representative to have access to confidential information when necessary for an eligibility determination and the appeals process.

(b) Applications and records considered confidential are those that disclose:

(1) the name and address of the applicant or recipient;

(2) medical services provided;

(3) the applicant's or recipient's social and economic circumstances;

(4) the Agency's evaluation of personal information;

(5) medical data, including diagnosis and past history of disease or disability; and

(6) any information received for the purpose of verifying income eligibility and determining the amount of medical assistance payments.

(c) A person found to have violated this section may be assessed an administrative penalty of not more than \$1,000.00 for a first violation and not more than \$2,000.00 for any subsequent violation.

(d) As used in this section:

(1) "Authorized representative" means any person designated by a Medicaid applicant or recipient to review confidential information about the

Medicaid applicant or recipient pertaining to the eligibility determination and the appeals process.

(2) "Purposes directly related to plan administration" means establishing eligibility, determining the amount of medical assistance, providing services to recipients, conducting or assisting with an investigation or prosecution, and civil or criminal proceedings, or audits, related to the administration of the State Medicaid program.

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes.

Sec. E.306.10 33 V.S.A. § 2001 is amended to read:

§ 2001. LEGISLATIVE OVERSIGHT

(a) In connection with the Pharmacy Best Practices and Cost Control Program, the Commissioner of Vermont Health Access shall report for review by the ~~Health Care Oversight Committee, prior to initial implementation, and~~ House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare prior to any ~~subsequent~~ modifications:

(1) the compilation that constitutes the preferred drug list or list of drugs subject to prior authorization or any other utilization review procedures;

(2) any utilization review procedures, including any prior authorization procedures; and

(3) the procedures by which drugs will be identified as preferred on the preferred drug list, and the procedures by which drugs will be selected for prior authorization or any other utilization review procedure.

(b) The ~~Health Care Oversight Committee~~ Committees shall closely monitor implementation of the preferred drug list and utilization review procedures to ensure that the consumer protection standards enacted pursuant to section 1999 of this title are not diminished as a result of implementing the preferred drug list and the utilization review procedures, including any unnecessary delay in access to appropriate medications. The ~~Committee~~ Committees shall ensure that all affected interests, including consumers, health care providers, pharmacists, and others with pharmaceutical expertise have an opportunity to comment on the preferred drug list and procedures reviewed under this subsection.

(c) The Commissioner of Vermont Health Access shall report annually on or before ~~August 31~~ October 30 to the ~~Health Reform Oversight Committee~~ House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare concerning the Pharmacy Best Practices and Cost Control Program. Topics covered in the report shall include issues related to drug cost and utilization; the effect of national trends on the pharmacy program; comparisons to other states; and decisions made by the Department's Drug Utilization Review

Board in relation to both drug utilization review efforts and the placement of drugs on the Department's preferred drug list.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes

Sec. E.306.11 PRESCRIBING PRACTICES; DRUG UTILIZATION
REVIEW BOARD; REPORT

(a) The Drug Utilization Review Board in the Department of Vermont Health Access shall analyze data from prescriptions dispensed to Medicaid beneficiaries, including prescriptions written to treat mental health conditions, to determine whether health care providers routinely follow the U.S. Food and Drug Administration's recommended dosage amounts. On or before January 15, 2017, the Drug Utilization Review Board shall report its findings and any recommendations to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare.

EXPLANATION OF CC DIFF FROM GOV REC: Requires a report by the Drug Utilization board on prescriptions written to Medicaid Beneficiaries and complies with FDA dosage recommendations.

Sec. E.306.12 APPROPRIATION; AMBULANCE PROVIDER
REIMBURSEMENT RATES

(a) Of the funds appropriated to the Department of Vermont Health Access, \$2,300,000 in fiscal year 2017 shall be allocated for the purpose of increasing

emergency and non-emergency reimbursement rates to ambulance agencies beginning on July 1, 2016 for services provided to Medicaid beneficiaries.

(b) As part of the fiscal year 2017 budget adjustment the, Department shall report on the impact of this reimbursement change and status of implementation and collection of the ambulance provider tax enacted in fiscal year 2017.

EXPLANATION OF CC DIFF FROM GOV REC: Increases reimbursement to ambulance services

Sec. E.306.13 PRIMARY CARE REALLOCATION

(a) Beginning in hospital budget year 2017, the Department of Vermont Health Access shall use up to \$4,000,000 to increase reimbursement rates to Medicaid participating providers for Medicaid primary care services delivered on or after October 1, 2016. The purpose of the increase shall be to restore in part the primary care rate increase that was provided with federal funds through the Affordable Care Act and that expired on December 31, 2014.

(b) To offset the increases required by subsection (a) of this section within the resources appropriated to the Department of Vermont Health Access by this act, the Department is authorized to adjust as needed the rates of payments for inpatient care, outpatient care, professional services, and other Medicaid-covered services at academic medical centers providing tertiary care beginning on October 1, 2016.

(c) On or before November 1, 2016, the Department of Vermont Health Access shall provide a report on its implementation of this section to the Health Reform Oversight Committee and the Joint Fiscal Committee.

EXPLANATION OF CC DIFF FROM GOV REC: Increases reimbursement for primary care physician by reducing reimbursement for tertiary hospitals.

Sec. E.306.14 APPLIED BEHAVIOR ANALYSIS

(a) The Department of Vermont Health Access shall, in consultation with interested parties, examine its current network of providers of Applied Behavior Analysis (ABA) services to Vermonters with autism spectrum disorders and determine if the reimbursement rates currently in place are sufficient to sustain a provider network large enough to allow access to all Medicaid enrollees eligible to receive ABA services.

EXPLANATION OF CC DIFF FROM GOV REC: Requires a review of ABA service rates to determine if the rates are sustainable.

Sec. E.306.15 MEDICAID NON-EMERGENCY TRANSPORTATION

(a) In fiscal year 2017, when the General Assembly is not in session, prior to executing a contract to provide Medicaid Non-Emergency Transportation services, the Department of Vermont Health Access shall provide to the Joint Fiscal Committee for review and approval a detailed analysis that executing such a contract shall not compromise any State policy, including the

coordinated delivery of transportation services of the Elderly and Disabled program and the Medicaid Non-Emergency Transportation program, that there will be no degradation of service to eligible individuals, and that the financial stability of the State's public transportation systems will be maintained. The analysis shall also include the impact of the Agency of Transportation investments in vehicles, technology, and other capital investments in the coordinated care delivery model.

EXPLANATION OF CC DIFF FROM GOV REC: Requires DVHA to report on Non-Emergency transportation contracts prior to their implementation.

Sec. E.307 GROUP THERAPY ANALYSIS

(a) The Department of Vermont Health Access shall, in consultation with interested parties, analyze utilization trends of individual and group psychotherapy to determine if the reimbursement rates currently in place for group therapy are sufficient to sustain access to cost-effective and appropriate psychotherapy services to all Medicaid enrollees eligible to receive services.

EXPLANATION OF CC DIFF FROM GOV REC: Requires DVHA to determine if Group psychotherapy rates are sustainable and appropriate.

Sec. E.307.1 MEDICARE SUPPLEMENTAL PLANS FOR DUAL ELIGIBLE MEDICAID BENEFICIARIES; REPORT

(a) The Department of Vermont Health Access, in collaboration with the Department of Financial Regulation, shall explore the use of State or Global Commitment funds to purchase Medicare supplemental insurance plans for individuals eligible for both Medicare and Medicaid, including:

(1) the feasibility of federal financial participation;

(2) the estimated savings to the State with and without federal financial participation;

(3) a comparison of the benefits of providing Medicare supplemental plans to the entire population of dual eligible individuals and of providing the plans to only a subset of the highest utilizers of all or a specific set of services; and

(4) the projected impact of purchasing Medicare supplemental plans for dual eligible individuals on the premium rates for other purchasers of the plans.

(b) The Department of Vermont Health Access shall provide its findings and recommendations as part of its fiscal year 2018 budget presentation to the House and Senate Committees on Appropriations.

EXPLANATION OF CC DIFF FROM GOV REC: Requires DVHA and DFR to review the use of State of GC funds to purchase Medicare supplemental plans for dual eligible beneficiaries.

Sec. E.307.2 MENTAL HEALTH PARITY; MEDICAID

(a) The Department of Vermont Health Access shall ensure its clinical utilization review practices with respect to mental health services are consistent with State and federal mental health parity laws.

EXPLANATION OF CC DIFF FROM GOV REC: DVHA to review State and Federal mental health parity laws for clinical utilization review process.

Sec. E.307.3 2013 Acts and Resolves No. 79, Sec. 53(d), as amended by 2014 Acts and Resolves No. 179, Sec. E.307, as amended by 2015 Acts and Resolves No. 58, Sec. E.307, is further amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the ~~Department of Vermont Health Access~~ Agency of Human Services may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and VPharm programs is not operational by that date, but no later than December 31, ~~2016~~ 2017.

EXPLANATION OF CC DIFF FROM GOV REC: technical correction

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

(a) In the Choices for Care program, “savings” means the difference remaining at the conclusion of fiscal year 2016 between the amount of funds appropriated for Choices for Care, excluding allocations for the provision of acute care services, and the sum of expended and obligated funds, less an amount equal to one percent of the fiscal year 2016 total Choices for Care expenditure. The one percent shall function as a reserve to be used in the event of a fiscal need to freeze Moderate Needs Group enrollment. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

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

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

(2)(A) First priority for the use of any savings from the long-term care appropriation after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and community-based services.

(B) Savings either shall be one-time investments or shall be used in ways that are sustainable into the future. Any unexpended and unobligated State General Fund or special fund appropriation remaining at the close of a fiscal year shall be carried forward to the next fiscal year.

(C) As part of its fiscal year 2017 budget adjustment presentation, the Department shall make recommendations regarding the allocation of any savings between home- and community-based provider rates, base funding to expand capacity to accommodate additional enrollees in home- and community-based services, and equitable funding of adult day providers, including whether some amount, up to 20 percent of the total savings, should be used to increase provider rates.

(D) Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

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

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1, 2016, the Department of Disabilities, Aging, and Independent Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare in order to inform the reinvestment of savings during the budget adjustment process.

(d) On or before January 15, 2017, the Department of Disabilities, Aging, and Independent Living shall propose reinvestment of the savings calculated pursuant to this section to the General Assembly as part of the Department's proposed budget adjustment presentation.

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

EXPLANATION OF CC DIFF FROM GOV REC: Language included in prior years included with some technical changes regarding how to invest savings in FY 2017.

Sec. E.308.1 CHOICES FOR CARE; HOME DELIVERED MEALS PLAN

(a) The Secretary of Human Services shall determine the amount of existing non-federal dollars currently expended by Area Agencies on Aging to provide home-delivered meals to Choices for Care recipients that could be matched with federal Medicaid dollars without adversely affecting other Choices for Care recipients or individuals receiving home-delivered meals who are not in Choices for Care.

(b) On or before February 1, 2017, the Secretary of Human Services shall submit to the Chairs of the House Committees on Appropriations, Human Services, and Health Care and the Senate Committees on Appropriations and Health and Welfare a plan for seeking an amendment to the Choices for Care Waiver and the anticipated fiscal impact after offsetting the non-federal funds referenced in subsection (a) of this section.

EXPLANATION OF CC DIFF FROM GOV REC: AHS will report on existing non-federal dollars currently expended by Area Agencies on Aging to provide home-delivered meals to Choices for Care recipients that could be matched with federal Medicaid dollars.

Sec. E.311 RULEMAKING

(a) The Commissioner of Health shall amend the Department's rules pertaining to food service establishments pursuant to 3 V.S.A. chapter 25 to define "occasional" as it pertains to registered charitable nonprofit organizations to mean not more than:

(1) four days in a month;

(2) two consecutive days at a time; and

(3) 12 days total in any calendar year.

EXPLANATION OF CC DIFF FROM GOV REC: Changes to time table to allow for food service establishments (i.e. church bake sales) to sell on a more frequent basis in compliance with food safety rules and regulations.

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2017 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

(3)(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in VMAP to assist all eligible individuals. The Secretary shall work in collaboration with

persons living with HIV/AIDS to develop a plan to continue access to VMAP medications until such time as the General Assembly can take action.

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

(4) In fiscal year 2017, the Department of Health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including syringe exchange programs, improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of

Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2017, the Department of Health shall provide grants in the amount of \$150,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2017. Grant reporting shall include outcomes and results.

(b) The funding for tobacco cessation and prevention activities in fiscal year 2017 shall include funding for tobacco cessation programs that serve pregnant women.

EXPLANATION OF CC DIFF FROM GOV REC: Language around tobacco cessation added and updated language on AIDS Service organization syringe exchange programs.

Sec. E.318 CHILD CARE SERVICES PROGRAM

(a) The Department for Children and Families shall report at the November 2016 meeting of the Joint Fiscal Committee on the status of the Child Care Financial Assistance Program (CCFAP) caseload, the caseload projection, and available funding. The Department shall report on the number and size of programs accepting child care subsidies in each AHS region and on the

number of children residing in each AHS region participating in child care subsidies.

EXPLANATION OF CC DIFF FROM GOV REC: Requires a report on child care subsidies to the Joint Fiscal Committee.

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY
PROGRAM

(a) For State fiscal year 2017, the Agency of Human Services may continue a housing assistance program within the General Assistance program to create flexibility to provide these General Assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. The program shall operate in a consistent manner within existing statutes and rules and policies effective on July 1, 2013, and any succeeding amendments thereto, and may create programs and provide services consistent with these policies. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. The assistance provided under

this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

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

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

Sec. E.321.1 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2017 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The cold weather exception policy issued by the Department for Children and Families' Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

Sec. E.321.2 2013 Acts and Resolves No. 50, Sec. E.321.2(c), as amended by 2015 Acts and Resolves No. 58, Sec. E.321.2, is further amended to read:

(c) On or before ~~January 31~~ and July 31 of each year beginning in ~~2015~~ 2016, the Agency of Human Services shall report statewide statistics related to the use of emergency housing vouchers during the preceding ~~calendar~~ half-year State fiscal year, including demographic information, deidentified client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing, and such other relevant data as the Secretary deems appropriate. When the General Assembly is in session, the Agency shall provide its report to the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the House and Senate Committees on Appropriations. When the General Assembly is not in session, the Agency shall provide its report to the Joint Fiscal Committee.

Sec. E.323 33 V.S.A. § 1108(d) is amended to read:

(d) Notwithstanding subsection (a) of this section, a participating family that does not have a qualifying deferment under section 1114 of this title and that has exceeded the cumulative 60-month lifetime eligibility period set forth in subsection (a) of this section shall qualify for a hardship exemption that allows the adult member of the participating family to receive:

(1) a wage equivalent to that of the participating family's cash benefit under the Reach Up program for participation in ~~community service employment~~ any of the work activities listed in subdivision 1101(28) of this title, with the exception of subdivision (28)(L); or

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Expands the list of activities that an individual can participate in receive a wage equivalent from Reach Up.

Sec. E.323.1 33 V.S.A. § 1134 is amended to read:

§ 1134. PROGRAM EVALUATION

On or before January 31 of each year, the Commissioner shall design and implement procedures to evaluate, measure, and report to the Governor and the General Assembly the Department's progress in achieving the goals of the programs provided for in sections 1002, 1102, and 1202 of this title. The report shall include:

* * *

(7) a description of the current basic needs budget and housing allowance, the current maximum grant amounts, and the basic needs budget and housing allowance adjusted to reflect an annual cost-of-living increase; ~~and~~

(8) a description of the families, during the last fiscal year, that included an adult family member receiving financial assistance for 60 or more months in his or her lifetime, including:

(A) the number of families and the types of barriers facing these families; and

(B) the number of families that became ineligible for the Reach Up program pursuant to subsection 1108(a) of this title, and the types of income and financial assistance received by those families that did not return to the Reach Up program within 90 days of becoming ineligible; and

(9) a description of the families in the postsecondary education program pursuant to section 1122 of this title, including the number of participating families and any barriers to their further participation.

EXPLANATION OF CC DIFF FROM GOV REC: Requires DCF to provide information on post-secondary education in the annual Reach Up report.

Sec. E.323.2 33 V.S.A. § 1103(c) is amended to read:

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

* * *

(9) The amount of ~~\$125.00~~ \$115.00 of the Supplemental Security Income payment received by a parent excluding payments received on behalf

of a child shall count toward the determination of the amount of the family's financial assistance grant.

EXPLANATION OF CC DIFF FROM GOV REC: Increase the amount of the Reach Up benefit for a house hold by \$10/month through a disregard of SSI income.

Sec. E.323.3 33 V.S.A. § 1106 is amended to read:

§ 1106. REQUIRED SERVICES TO PARTICIPATING FAMILIES

(a) The Commissioner shall provide participating families case management services, periodic reassessment of service needs and the family development plan, and referral to any agencies or programs that provide the services needed by participating families to improve the family's prospects for job placement and job retention, including the following:

* * *

(3) Career counseling, education, and training, ~~and~~ job search assistance, and postsecondary education consistent with the purposes of this chapter.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Requires DCF to include post-secondary education as part of Reach Up career counseling.

Sec. E.324 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2016, and for program administration, the

Commissioner of Finance and Management shall transfer \$2,550,000 from the Home Weatherization Assistance Fund to the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the Home Weatherization Fund from the Home Heating Fuel Assistance Fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the Home Weatherization Assistance Fund be necessary for the 2016–2017 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2016 and if LIHEAP funds awarded as of December 31, 2016 for fiscal year 2017 do not exceed \$2,550,000, subsequent payments under the Home Heating Fuel Assistance Program shall not be made prior to January 30, 2017. Notwithstanding any other provision of law, payments authorized by the Department for Children and Families' Economic Services Division shall not exceed funds available, except that for fuel assistance payments made through December 31, 2016, the Commissioner of Finance and Management may anticipate receipts into the Home Weatherization Assistance Fund.

EXPLANATION OF CC DIFF FROM GOV REC: Allows a transfer between weatherization an LIHEAP to cover program LIHEAP program costs that aren't eligible for the federal block grant and allows the transfer of LIHEAP funds that can be used for Weatherization to be transferred to the weatherization program.

Sec. E.324.1 EXPEDITED CRISIS FUEL ASSISTANCE

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

Sec. E.324.2 LIHEAP AND WEATHERIZATION

(a) Notwithstanding 33 V.S.A. §§ 2603 and 2501, in fiscal year 2017, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer up to 15 percent of the federal fiscal year 2017 federal Low Income Home Energy Assistance Program (LIHEAP) block grant from the federal funds appropriation in Sec. B.324 of this act to the Home Weatherization Assistance appropriation in Sec. B.326 of this act to be used for weatherization in State fiscal year 2017. An equivalent appropriation transfer shall be made to Sec. B.324 of this act, Low Income Home Energy Assistance Program, from the Home Weatherization Assistance Fund in Sec. B.326 of this act to provide home heating fuel benefits in State fiscal year 2017. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office

and shall report any completed transfers to the Joint Fiscal Committee at its next meeting.

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

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

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

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

Sec. E.335 ELECTRONIC MONITORING

(a) The Commissioner of Corrections may expend funds to contract for electronic monitoring in fiscal year 2017 in any region of the State where an electronic monitoring program is operational and would result in concurrent savings to the Department that at a minimum are sufficient to offset the costs of the contracts to the Department.

EXPLANATION OF CC DIFF FROM GOV REC: Allows the expansion of electronic monitoring programs.

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

§ 120. DEPARTMENT OF CORRECTIONS EDUCATION PROGRAM;
INDEPENDENT SCHOOL

(a) Authority. An education program is established within the Department of Corrections for the education of persons who have not completed secondary education or are assessed to have a moderate-to-high criminogenic need by one or more corrections risk assessments and who are committed to the custody of the Commissioner.

(b) Applicability of education provisions. The education program shall be approved by the State Board of Education as an independent school under 16 V.S.A. § 166, ~~shall comply with the education quality standards provided by 16 V.S.A. § 165,~~ and shall be coordinated with adult education, special education, and career technical education.

(c) Program supervision. The Commissioner of Corrections shall appoint a ~~Director of Corrections Education, who shall be~~ licensed as an administrator under 16 V.S.A. chapter 51; to serve as the ~~Superintendent of the Community High School of Vermont~~ Headmaster of Correction Education and coordinate use of other education programs by persons under the supervision of the Commissioner.

(d) Curriculum. The education program shall offer a minimum course of study, as defined in 16 V.S.A. § 906, and special education programs ~~as required in 16 V.S.A. chapter 101 at each correctional facility and Department service center, but is not required to offer a driver training course or a physical educational course~~ in accordance with the program description used for independent school approval.

(e) [Repealed.]

(f) Reimbursement payments. The provision of 16 V.S.A. § 4012, relating to payment for State-placed students, shall not apply to the Corrections education program.

(g) [Repealed.]

(h) Required participation. All persons under the custody of the Commissioner who are under the age of 23 and have not received a high school diploma, or are assessed to have a moderate-to-high criminogenic need and are within 24 months of reentry shall participate in an education program ~~unless exempted by the Commissioner.~~ The Commissioner may approve the participation of other students, including individuals who are enrolled in an alternative justice or diversion program.

EXPLANATION OF CC DIFF FROM GOV REC: Changes to the community high school program.

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of \$146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

EXPLANATION OF CC DIFF FROM GOV REC: Shifts pilot payments for Newport and Springfield to the PILOT appropriation.

Sec. E.338.1 CALEDONIA COUNTY WORK CAMP; ELIGIBILITY

(a) The Department will seek to reach an agreement with the community in which:

(1) the Department of Corrections continues to utilize the North Unit of the Caledonia County Work Camp (CCWC) for offenders who are work camp eligible under 28 V.S.A. § 817; and

(2) the Department of Corrections achieves full utilization of the facility by assigning no more than 50 beds in the South Unit for offenders who:

(A) are classified as minimum custody as scored by the Department's custody level instrument;

(B) have completed their minimum sentence and are eligible for furlough or parole, but lack appropriate housing; and

(C) an offender who is serving time for a sex offense conviction shall not be deemed to satisfy the criteria set forth in this section unless the offender is a resident of St. Johnsbury.

(3) there are mutually acceptable resolutions to community concerns regarding:

(A) security cameras and fencing;

(B) the annual community facility hosting payment from the State; and

(C) the educational and training programs for inmates at the facility who will be reentering the community. Such programs may include high school completion studies, ServSafe kitchen certification, lead abatement training, OSHA certification, and a partnership with the Agency of Transportation for a transportation academy.

EXPLANATION OF CC DIFF FROM GOV REC: Language directing the Department of Corrections to reach an agreement with the community regarding the changes to the population housed at the Caledonia Work Camp.

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

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

(b) The Chief Executive Officer shall provide a written report to the Joint Fiscal Committee in November 2016 that provides information on the overall census, the call out rate, use of overtime for State employees, and the use of

temporary employees and contractors for State fiscal year 2016 compared to fiscal year 2015, and a status update on these issues for fiscal year 2017 to date.

EXPLANATION OF CC DIFF FROM GOV REC: Requires a report by the Vermont Veterans Home on the census and employee statistics.

Sec. E.345 Green mountain care board

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

Sec. E.345.1 GREEN MOUNTAIN CARE BOARD; ALL PAYER MODEL
AGREEMENT

(a) In the event that an agreement is reached with the federal government for an All Payer Model (APM) for the State of Vermont prior to the 2017 legislative session, the Emergency Board is authorized to transfer General Funds of up to \$293,192 to the Green Mountain Care Board or Agency of Human Services. If sufficient matching funds are transferred, excess receipts of up to \$533,670 in Global Commitment funds and \$124,775 in special funds may be authorized by the Commissioner of Finance and Management for additional analysis and contracting necessary to create the additional regulatory infrastructure required to ensure consumer protection and to comply with the

terms of the agreement. The amount of general funds transferred shall be restored as needed in the budget adjustment process.

EXPLANATION OF CC DIFF FROM GOV REC: Language authorizes the transfer of fund to the GMCB in the event that an agreement on the All Payer Model is reached.

* * * LABOR * * *

Sec. E.400 WORKFORCE EDUCATION AND TRAINING REPORT

(a) 2013 Acts and Resolves No. 81, Sec. 1 created a Workforce Development Work Group charged with the duty to research, inventory, and collect certain data concerning workforce education and training programs and activities in Vermont. Representing the Administration on that work group were: the Secretary of Commerce and Community Development, the Secretary of Education, and the Commissioner of Labor. The purpose of this section is to require a report which will inform the General Assembly on the status of this and other similar efforts being carried out by the Administration.

(1) The Secretary of Commerce and Community Development, the Secretary of Education, the Secretary of Human Services, and the Commissioner of Labor shall jointly report, on or before December 15, 2016, to the House Committees on Commerce and Economic Development and on Appropriations and to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations the following:

(A) A summary of the work product of the 2013 Workforce Development Work Group referenced in this subsection (a);

(B) A detailed report on the follow-up to that effort, including the resulting work product; and

(C) Summaries of all other related initiatives and activities taking place in the State in which these four agencies are involved, including: the joint agency employer workforce needs assessment; the 10 V.S.A. § 540(1)(B) requirement that the Commissioner of Labor, in consultation with the State Workforce Development Board, create and maintain an inventory of all existing workforce education and training programs in the State; and the Workforce Innovation and Opportunity Act (WIOA) requirements which include the Unified State Plan and the development of common intake and common performance evaluations.

EXPLANATION OF CC DIFF FROM GOV REC: Established a report by the Administration to follow-up on the 2013 workforce report.

Sec. E.400.1 21 V.S.A. § 487 is added to read:

§ 487. RULES

The Commissioner may adopt rules to implement the provisions of this subchapter.

EXPLANATION OF CC DIFF FROM GOV REC: Allows the Commission to adopt rules related to this subchapter.

* * * K-12 EDUCATION * * *

Sec. E.500 Education – finance and administration

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

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

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,566,029 shall be used by the Agency of Education in fiscal year 2017 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$192,805 may be used by the Agency of Education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

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

Sec. E.504.1 Education – flexible pathways

(a) Of this appropriation, \$4,000,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$600,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of \$30,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act; and

(2) \$100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

EXPLANATION OF CC DIFF FROM GOV REC: Amount in (a)(1) increased by \$5,000 to reflect the updated amount appropriated in the Next Generation (B.1100) section of the bill.

Sec. E.505 Education - adjusted education payment

(a) Of this appropriation, up to \$15,000 shall be used to provide grants to K-12 public schools in the Caledonia Central Supervisory Union which are initiating programs through the International Baccalaureate program in an effort to maintain the viability of its educational programs and to enhance enrollment. Grants under this subsection may be made only for professional training and necessary materials.

EXPLANATION OF CC DIFF FROM GOV REC: Provides funding to the Caledonia Central Supervisory Union to start providing the International Baccalaureate program.

Sec. E.513 16 V.S.A. § 4025(a)(2) is amended to read:

(2) For each fiscal year, the amount of the general funds appropriated ~~or~~ and transferred to the Education Fund shall be ~~\$277,400,000.00~~ \$305,900,000.00, to be increased annually beginning for fiscal year 2018 by the ~~most recent New England economic project cumulative price index, as of November 15, for state and local government purchases of goods and services from fiscal year 2012~~ consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent.

Sec. E.513.1 Appropriation and transfer to education fund

(a) Pursuant to Sec. B.513 of this act and 16 V.S.A. § 4025(a)(2) as amended by Sec. E.513 of this act, there is appropriated in fiscal year 2017 from the General Fund for transfer to the Education Fund the amount of \$305,902,634.

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$82,659,576, of which

\$78,959,576 shall be the State's contribution and \$3,700,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$8,327,249 is the "normal contribution," and \$74,332,327 is the "accrued liability contribution.

EXPLANATION OF CC DIFF FROM GOV REC: Change consistent with the estimated federal funding contributed by school districts in Sec. B.514 and B.515.

Sec. E.514.1 16 V.S.A. § 1944(c) is amended to read:

(c) State contributions, earnings, and payments.

* * *

(4) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability to the System. ~~Until~~ Beginning on July 1, 2008, ~~until~~ the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ~~from July 1, 2008,~~ ending on June 30, 2038, provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution ~~after June 30, 2009,~~ shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year

period in installments increasing at a rate of five percent greater than the preceding annual basic accrued liability contribution per year.

(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal or unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

* * *

EXPLANATION OF CC DIFF FROM GOV REC: Statutory language change suggested by the Treasurer to pay down teacher's retirement debt sooner and save extra debt service costs in the long run.

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

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$22,022,584 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

EXPLANATION OF CC DIFF FROM GOV REC: Number updated in accordance with changes made in E.514.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

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

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

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

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

Sec. E.600.1 REPEAL; UNIVERSITY OF VERMONT 40 PERCENT RULE

(a) 16 V.S.A. § 2282 (limit on tuition for Vermont students) is repealed on July 1, 2016.

EXPLANATION OF CC DIFF FROM GOV REC: Repeals the law that prevents UVM from charging in-state students more than 40% of the tuition costs that out-of-state students are charged.

Sec. E.600.2 UNIVERSITY OF VERMONT REPORTING

(a) The University of Vermont will include in its Annual Report to the General Assembly specific information on the impact of repealing 16 V.S.A. § 2282, the 40 percent tuition requirement. The University shall report changes to its in-state and out-of-state tuition rates, the rationale for those changes, and the impact on student admissions and revenues, and shall include a comparison to relevant national and regional tuition metrics and relevant information from the U.S. Department of Education College Affordability and Transparency Calculator.

(b) The University shall submit a comprehensive multi-year tuition review as part of its Annual Report to the General Assembly on or before January 1, 2022. This report shall include the information required by subsection (a) of this section, as compiled over the relevant period.

EXPLANATION OF CC DIFF FROM GOV REC: Requires UVM to report on the impact of the change to the 40% rule to the legislature.

Sec. E.602 Vermont state colleges

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

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

Sec. E.602.1 Vermont state colleges – supplemental aid

(a) Of this appropriation, \$700,000 shall be used to increase need-based aid for Vermont students. The Community College of Vermont shall use funds allocated to them from this appropriation for a college Step Up program. The Chancellor shall provide a written report to the Joint Fiscal Committee in November 2016 on how these funds are to be used for this purpose for the 2016–2017 school year and the plan to continue use of these funds for this purpose in future years.

EXPLANATION OF CC DIFF FROM GOV REC: Increased the appropriation for the Vermont State Colleges and directs the allocation to the Community College of Vermont to use their allocation for the Step Up Program.

Sec. E.603 Vermont state colleges – allied health

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

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

Sec. E.605 Vermont student assistance corporation

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

(b) Of the appropriated amount remaining after accounting for subsections (a) and (d) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

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

(d) Of this appropriation, not more than \$200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve three or more high schools.

(e) The Vermont Student Assistance Corporation shall conduct a review of the Non-Degree Grant program utilizing the Results Based Accountability approach. This review shall be submitted to the House and Senate Committees on Appropriations as part of the Vermont Student Assistance Corporation fiscal year 2018 budget submission.

(f) Notwithstanding the provisions of 2015 Acts and Resolves No. 45, Secs. 2-4, in part codified at 16 V.S.A. chapter 87, subchapter 8, the Vermont Student Assistance Corporation shall not be required to establish the Vermont Universal Children's Higher Education Savings Account Program until sustainable sources of annual funding have been identified and secured in amounts sufficient to provide meaningful initial and matching deposits for eligible families to open and make ongoing contributions to a children's savings account.

EXPLANATION OF CC DIFF FROM GOV REC: (e) requires VSAC to submit a report using RBA to demonstrate the results of the non-degree grants. (f) removes the requirement for VSAC to establish universal child savings accounts until funding is made available.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND
EARLY COLLEGE STUDENTS

(a) The sum of \$60,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) \$30,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need-based stipend purposes).

(2) \$30,000 pursuant to Sec. E.504.1(a)(1) (flexible pathways funds appropriated for dual enrollment and need-based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House and Senate Committees on Education and on Appropriations on or before January 15, 2017.

EXPLANATION OF CC DIFF FROM GOV REC: Changes made to align with funding changes made to need-based stipend increase.

Sec. E.605.2 EARLY COLLEGE ENROLLMENT

(a) Notwithstanding any provision to the contrary in 2013 Acts and Resolves No. 77, Sec. 11, as amended by 2015 Acts and Resolves No. 45, Sec. 1, in fiscal year 2017, should the Vermont Academy of Science and

Technology enroll fewer than 60 Vermont students, that number of available student enrollment fewer than 60 may, as determined by the Chancellor of the Vermont State Colleges, in consultation with the President of the Vermont Technical College, be enrolled in early college programs at Castleton University , Johnson State College, and Lyndon State College, which may result in the total early college enrollment among these three institutions exceeding 54 students.

EXPLANATION OF CC DIFF FROM GOV REC: Allows the state colleges to enroll students in early college programs if there are less than 60 students enrolled at the VT Academy of Science and Technology.

* * * NATURAL RESOURCES * * *

Sec. E.701 32 V.S.A. § 3708 is amended to read:

§ 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE
AGENCY OF NATURAL RESOURCES

(a) ~~All ANR land, excluding buildings or other improvements thereon, shall be appraised at fair market value by the Director of Property Valuation and Review and listed separately in the grand list of the town in which it is located. Annually, the State shall pay to each municipality an amount which is the lesser of:~~

~~(1) one percent of the Director's appraisal value for the current year for ANR land; or~~

~~(2) one percent of the current year use value of ANR land enrolled by the Agency of Natural Resources in the Use Value Appraisal Program under chapter 124 of this title before January 1999; except that no municipality shall receive in any taxable year a State payment in lieu of property taxes for ANR land in an amount less than it received in the fiscal year 1980.~~

~~(b) "ANR land" in this section means lands held by the Agency of Natural Resources.~~

~~(c) "Municipality" in this section means an incorporated city, town, village, or unorganized town, grant or gore in which a tax is assessed for noneducational purposes.~~

~~(d) "Fair market value" in this section shall be based upon the value of the land at its highest and best use determined without regard to federal conservation restrictions on the parcel or any conservation restrictions under a state agreement made with respect to the parcel.~~

~~(e) The Selectboard of a town aggrieved by the appraisal of property by the Division of Property Valuation and Review under this section may, within 21 days after the receipt by the town listers of notice of the appraisal of its property by the Division of Property Valuation and Review, appeal from that appraisal to the Superior Court of the district in which the property is situated~~
As used in this subchapter:

(1) "ANR land" means lands held by the Agency of Natural Resources.

(2) “Fair market value” shall be based upon the value of the land at its highest and best use determined without regard to federal conservation restrictions on the parcel or any conservation restrictions under a State agreement made with respect to the parcel.

(3) “Municipality” means an incorporated city, town, village, or unorganized town, grant, or gore in which a tax is assessed for noneducational purposes.

(b) The State shall annually pay to each municipality a payment in lieu of taxes (PILOT) that shall be the base payment as set forth herein, for all ANR land, excluding buildings or other improvements thereon, as of April 1 of the current year.

(c) The State shall establish the base payment for all ANR land, excluding buildings or other improvements thereon, as follows;

(1) On parcels acquired before April 1, 2016, 0.60 percent of the fair market value as appraised by the Director of Property Valuation and Review as of April 1 of fiscal year 2015;

(2) On parcels acquired on or after April 1, 2016, the municipal tax rate of the fair market value as assessed on April 1 in the year of acquisition by the municipality in which it is located.

(d) Beginning in fiscal year 2022, and thereafter in periods of no less than three years and no greater than five years, the Secretary of Natural Resources

shall recommend an adjustment to update the base payments established under subsection (c) of this section consistent with the statewide municipal tax rate or other appropriate indicators. For years that the Secretary of Natural Resources recommends an adjustment under this subsection, a request for funding the adjustment shall be included as part of the budget report required under section 306 of this title.

(e) Any adjustment to the acreage of any existing ANR parcel will result in the change of the base payment for the year in which the change occurs. A per acre payment will be determined for the parcel. This per acre payment will be either added or subtracted from the base payment as necessary for the number of acres that need to be adjusted.

(f) The selectboard of a town aggrieved by the appraisal of property by the Division of Property Valuation and Review under subdivision (c)(1) of this section may, within 21 days after the receipt by the town listers of notice of the appraisal of its property by the Division of Property Valuation and Review in fiscal year 2017 only, appeal that appraisal to the Superior Court of the district in which the property is situated.

EXPLANATION OF CC DIFF FROM GOV REC: Small changes made to PILOT calculation language, percentage of fair market value was changed from 0.55 to 0.6.

Sec. E.701.1 2015 Acts and Resolves No. 58, Sec. E.701.2 is amended to read:

Sec. E.701.2. PAYMENT IN LIEU OF TAXES FOR AGENCY OF

NATURAL RESOURCES LANDS IN FISCAL YEARS

2017, ~~AND~~ 2018, 2019, 2020, and 2021

(a) Notwithstanding the requirements of 32 V.S.A. § 3708(c)(1) to the contrary, for purposes of payment in lieu of taxes (PILOT) for lands ~~held~~ acquired by the Agency of Natural Resources before April 1, 2016, the State shall pay to each municipality:

(1) in fiscal year 2017, the PILOT amount received by the municipality in fiscal year 2016 plus or minus ~~one-third~~ one-fourth of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708, ~~as amended by Sec. E.701.1 of this act~~ § 3708(c)(1); and;

(2) in fiscal year 2018, the PILOT amount received by the municipality in fiscal year 2016 plus or minus ~~two-thirds~~ one-half of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708, ~~as amended by Sec. E.701.1 of this act~~ § 3708(c)(1); and

(3) in fiscal year 2019, the PILOT amount received by the municipality in fiscal year 2016 plus or minus three-fourths of the difference between the PILOT amount the municipality received in fiscal year 2016 and the PILOT amount the municipality would receive under 32 V.S.A. § 3708(c)(1).

(b) If the Agency of Natural Resources acquires land in a municipality on or after April 1, 2015 2016, the State shall make a PILOT payment on the newly acquired land to the municipality under Sec. E.701 .1 of this act 32 V.S.A. § 3708(c)(2), and the newly acquired land shall not be subject to this section.

(c) If the PILOT amount to be received by a municipality under 32 V.S.A. § 3708(c)(1), as of April 1, 2016, is:

(1) more than \$25,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$3,000 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(2) between \$25,000 and \$20,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$2,500 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(3) between \$19,999 and \$15,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$2,000 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(4) between \$14,999 and \$10,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$1,500 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(5) between \$9,999 and \$7,500 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$1,000 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(6) between \$7,499 and \$5,000 less than that municipality's PILOT payment in fiscal year 2016, the municipality will receive an additional payment of \$500 in fiscal years 2017, 2018, 2019, 2020, and 2021;

(7) more than \$25,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$3,000 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(8) between \$25,000 and \$20,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$2,500 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(9) between \$19,999 and \$15,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$2,000 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(10) between \$14,999 and \$10,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$1,500 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(11) between \$9,999 and \$7,500 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$1,000 less in fiscal years 2017, 2018, 2019, 2020, and 2021;

(12) between \$7,499 and \$5,000 more than that municipality's PILOT payment in fiscal year 2016, the municipality will receive \$500 less in fiscal years 2017, 2018, 2019, 2020, and 2021.

EXPLANATION OF CC DIFF FROM GOV REC: Technical changes to the governor's recommended PILOT language.

Sec. E.701.2 REPEAL

(a) 2015 Acts and Resolves No. 58, Sec. E.701.1 is repealed.

EXPLANATION OF CC DIFF FROM GOV REC: Repeal of prior year language outlining PILOT payments for AN land.

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

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

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

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

Sec. E.709 AUTHORIZATION FOR EXPENDITURES AT ELIZABETH
MINE SUPERFUND SITE

(a) Notwithstanding the \$100,000 limitation on the expenditure of funds from the Environmental Contingency Fund established pursuant to 10 V.S.A. § 1283, the Secretary of Natural Resources may expend funds to accomplish

activities authorized under 10 V.S.A. § 1283(b)(9) at the Elizabeth Mine
Superfund Site.

Sec. E.709.1 AUTHORIZATION FOR EXPENDITURE RELATED TO
PFOA DRINKING WATER CONTAMINATION

(a) Notwithstanding the \$100,000 limitation on the expenditure of funds
from the Environmental Contingency Fund established pursuant to 10 V.S.A.
§ 1283, the Secretary of Natural Resources may expend funds to accomplish
activities authorized under 10 V.S.A. § 1283(b) to address PFOA drinking
water contamination.

EXPLANATION OF CC DIFF FROM GOV REC: Language requested by the Administration,
allows ANR to spend the Environmental Contingency fund to manage the PFOA drinking
water contamination.

Sec. E.709.2 24 V.S.A. § 4753(a) is amended to read:

(a) There is hereby established a series of special funds to be known as:

(5) The Vermont Drinking Water Planning Loan Fund which shall be
used to provide loans to municipalities and privately owned, nonprofit
community water systems, ~~with populations of less than 10,000,~~ for
conducting feasibility studies and for the preparation of preliminary
engineering planning studies and final engineering plans and specifications for
improvements to public water systems in order to comply with State and

federal standards and to protect public health. The Secretary may forgive up to \$50,000.00 of the unpaid balance of a loan made from the Vermont Drinking Water Planning Loan Fund to municipalities after project construction is substantially completed. The Secretary shall establish amounts, eligibility, policies, and procedures for loan forgiveness in the annual State Intended Use Plan (IUP) with public review and comment prior to finalization and submission to the U.S. Environmental Protection Agency.

EXPLANATION OF CC DIFF FROM GOV REC: Language requested by the Administration. Give ANR more flexibility in who they loan funds to through the Vermont Drinking Water Planning Loan Fund by removing the cap on the size of a town that can receive funds.

Sec. E.712 AUTHORIZATION FOR EXPENDITURES; CONNECTICUT
RIVER VALLEY FLOOD CONTROL COMMISSION

(a) Notwithstanding 10 V.S.A. § 1158, the Department of Environmental Conservation may make payment up to \$2,500 in any one year to the Connecticut River Valley Flood Control Commission for the purposes set forth in 10 V.S.A. § 1158.

EXPLANATION OF CC DIFF FROM GOV REC: Allows ANR to spend funds for the Connecticut River Valley Flood Commission.

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 BENNINGTON COUNTY ECONOMIC DEVELOPMENT

PLANNING; APPROPRIATION

(a) Of the general funds appropriated in fiscal year 2017 in Sec. B.800 of this act, \$50,000 is for a grant to the Bennington County Regional Commission, which the Commission shall use to:

(1) identify Bennington County region businesses, institutions, individuals, and resources that are critical for building a partnership with the Windham County region;

(2) establish a steering committee of interested parties, consistent with guidelines established by the U.S. Economic Development Administration for Comprehensive Economic Development Strategy steering committees, to serve as the foundation for economic development work in the Bennington County region;

(3) focus the steering committee, the private sector, and municipalities on the process required for developing a Comprehensive Economic Development Strategy, and solicit commitments, as appropriate, from these parties for performing the work;

(4) publicize the initiative to build support for performing regional economic development work; and

(5) partner with the Windham County region to host a Southern Vermont Economic Development Summit to share economic success stories

from southern Vermont and present the steps needed to develop the Southern Vermont Comprehensive Economic Development Strategy.

EXPLANATION OF CC DIFF FROM GOV REC: Earmarks funds for the Bennington County Economic Development.

Sec. E.800.1 REFUGEE RESETTLEMENT

(a) Included in the appropriation in Sec. B.800 of this act is \$3,000 which shall be granted to the City of Rutland for refugee resettlement support. The funds shall be made available for educational materials and training of those involved in facilitating the resettlement effort.

EXPLANATION OF CC DIFF FROM GOV REC: Small incentive payment to Rutland for refugee resettlement.

Sec. E.801 2014 Acts and Resolves No. 179, Sec. G.100(b), as amended by 2015 Acts and Resolves No. 51, Sec. G.9, is further amended to read:

(b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax years 2014, ~~and 2015, and~~ 2016.

EXPLANATION OF CC DIFF FROM GOV REC: Extension of the Wood Products Manufacturing Incentive.

Sec. E.804 Community development block grants

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

Sec. E.807 VERMONT LIFE MAGAZINE DEFICIT AND OPERATIONAL
REVIEW

(a) The Vermont Life Magazine Fund deficit was reported at \$2,840,146 in the June 30, 2015 Comprehensive Annual Financial Report. The deficit is projected to grow during the 2016 and 2017 fiscal years. The Secretary of Administration and the Secretary of Commerce and Community Development shall submit a joint review of Vermont Life, which will include other operational models and a plan relative to the magazine's future which will address the growing shortfall of the enterprise.

(b) If the proposal envisions a continued operating deficit, the Agency of Commerce and Community Development shall propose a plan to eliminate the operating deficit within two fiscal years.

(c) The operating deficit plan and any proposals shall be submitted to the House and Senate Committees on Appropriations as part of the fiscal year 2018 budget.

EXPLANATION OF CC DIFF FROM GOV REC: Adds a report on Vermont Life Magazine and the status of its financial position.

Sec. E.808 Vermont council on the arts

(a) Notwithstanding 2015 Acts and Resolves No. 26, Sec. 23, the Department of Buildings and General Services may continue to charge the Vermont Council on the Arts a below-market rent provided that the Council

continues to receive a federal match for value between the rent charged and the market rate.

(b) This provision shall take effect on passage and continue through June 30, 2019.

EXPLANATION OF CC DIFF FROM GOV REC: Allows BGS and the Arts Council a few years to settle the fair market rates that the Arts Council will be charges for Rent.

Sec. E.811 10 V.S.A. § 325b is added to read:

§ 325b. STATE OF VERMONT EXECUTORY INTEREST IN

EASEMENTS

(a) As used in this section:

(1) “Qualified organization” shall have the same meaning as in section 6301a of this title; and

(2) “State agency” shall have the same meaning as in section 6301a of this title.

(b) The Agency of Agriculture, Food and Markets may hold an executory interest in agricultural conservation easements acquired by the Board under chapter 155 of this title when the acquisition of an interest in the agricultural conservation easement was financed by monies expended, in whole or in part, from the Housing and Conservation Trust Fund.

(c) An agricultural conservation easement acquired by the Board under chapter 155 of this title with monies expended, in whole or in part, from the

Fund shall be subject to a memorandum of understanding between the Board, the Agency of Agriculture, Food and Markets, and any other co-holder of the agricultural conservation easement regarding oversight, performance, and enforcement of the agricultural conservation easement.

(d) The Agency of Agriculture, Food and Markets may exercise its executory interest in an agricultural conservation easement interest acquired under chapter 155 of this title if:

(1) the Board ceases to exist and its interest in the agricultural conservation easement is not otherwise released and conveyed in accordance with law;

(2) the Board releases and conveys its agricultural conservation easement interests, in whole or in part, to a State agency, municipality, qualified holder, or qualified organization in accordance with the laws of the State of Vermont; or

(3) a significant violation of the terms and conditions of an agricultural conservation easement is not resolved in accordance with the memorandum of understanding required under subsection (c) of this section for the agricultural conservation easement.

(e) The Board annually shall monitor or cause to be monitored a conserved property subject to an agricultural conservation easement for compliance with the terms and conditions of the agricultural conservation easement. The Board

shall report a significant violation of the terms and conditions of an agricultural conservation easement to the Secretary of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets may recommend to the Board or the Attorney General a course of action to be taken to address a violation of the terms and conditions of an agricultural conservation easement in accordance with the memorandum of understanding required under subsection (c) of this section.

EXPLANATION OF CC DIFF FROM GOV REC: Adds language to VHCB statute regarding the State's interest in executory easements.

* * * TRANSPORTATION * * *

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,390,351 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program

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

PAY ACT

PAY ACT EXPLANATION: Given the timing around the settlement of the State Employees Contract negotiations, the Legislature added the Pay Act, typically a separate bill, to the FY 2017 Appropriations Act. This bill was written by the Department of Human Resources with Input from the Department of Finance and Management regarding the funds needed to cover

contractual costs. The following F sections reflect the language and funding necessary to execute the contract.

* * * Exempt Employees in the Executive Branch * * *

Sec. F1. COST-OF-LIVING ADJUSTMENTS

(a) Exempt employees in the Executive Branch may receive cost-of-living increases not to exceed 3.7 percent in fiscal year 2017 and not to exceed 3.95 percent in fiscal year 2018.

Sec. F2. RATE OF ADJUSTMENT

(a) For purposes of determining annual salary adjustments, special salary increases, and bonuses under 32 V.S.A. §§ 1003(b) and 1020(b), “the total rate of adjustment available to classified employees under the collective bargaining agreement” shall be 3.7 percent in fiscal year 2017 and 3.95 percent in fiscal year 2018.

Sec. F3. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

(a) Each elective officer of the Executive Department is entitled to an annual salary as follows:

| | | | |
|---------------------|---------------------|-----------------|-----------------|
| Annual | Annual | <u>Annual</u> | <u>Annual</u> |
| Salary | Salary | <u>Salary</u> | <u>Salary</u> |
| as of | as of | <u>as of</u> | <u>as of</u> |
| July 13, | July 12, | <u>July 10,</u> | <u>July 09,</u> |
| 2014 | 2015 | <u>2016</u> | <u>2017</u> |

| | | | | |
|---------------------|----------------------|----------------------|------------------|------------------|
| Governor | \$155,019 | \$160,135 | <u>\$166,060</u> | <u>\$172,619</u> |
| Lieutenant Governor | 65,803 | 67,975 | <u>70,490</u> | <u>73,274</u> |
| Secretary of State | 98,296 | 101,540 | <u>105,297</u> | <u>109,456</u> |
| State Treasurer | 98,296 | 101,540 | <u>105,297</u> | <u>109,456</u> |
| Auditor of Accounts | 98,296 | 101,540 | <u>105,297</u> | <u>109,456</u> |
| Attorney General | 117,674 | 121,557 | <u>126,055</u> | <u>131,034</u> |

(b) The Governor may appoint each officer of the Executive Branch listed in this subsection at a starting salary ranging from the base salary stated for that position to a salary which does not exceed the maximum salary unless otherwise authorized by this subsection. The maximum salary for each appointive officer shall be 50 percent above the base salary. Annually, the Governor may grant to each of those officers an annual salary adjustment subject to the maximum salary. The annual salary adjustment granted to officers under this subsection shall not exceed the average of the total rate of adjustment available to classified employees under the collective bargaining agreement then in effect. In addition to the annual salary adjustment specified in this subsection, the Governor may grant a special salary increase subject to the maximum salary, or a bonus, to any officer listed in this subsection whose job duties have significantly increased, or whose contributions to the State in the preceding year are deemed especially significant. Special salary increases or bonuses granted to any individual shall not exceed the average of the total

rate of adjustment available to classified employees under the collective bargaining agreement then in effect.

(1) Heads of the following Departments and Agencies:

| | Base | Base | <u>Base</u> | <u>Base</u> |
|----------------------------|---------------------|---------------------|------------------|------------------|
| | Salary | Salary | <u>Salary</u> | <u>Salary</u> |
| | as of | as of | <u>as of</u> | <u>as of</u> |
| | July 13, | July 12, | <u>July 10,</u> | <u>July 09,</u> |
| | 2014 | 2015 | <u>2016</u> | <u>2017</u> |
| (A) Administration | \$93,740 | \$96,833 | <u>\$100,416</u> | <u>\$104,382</u> |
| (B) Agriculture, | | | | |
| Food and Markets | 93,740 | 96,833 | <u>100,416</u> | <u>104,382</u> |
| (C) Financial | | | | |
| Regulation | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (D) Buildings and General | | | | |
| Services | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (E) Children and | | | | |
| Families | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (F) Commerce and Community | | | | |
| Development | 93,740 | 96,833 | <u>100,416</u> | <u>104,382</u> |
| (G) Corrections | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (H) Defender General | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |

| | | | | |
|------------------------------|--------|--------|----------------|----------------|
| (I) Disabilities, Aging, and | | | | |
| Independent | | | | |
| Living | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (J) Economic | | | | |
| Development | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (K) Education | 93,740 | 96,833 | <u>100,416</u> | <u>104,382</u> |
| (L) Environmental | | | | |
| Conservation | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (M) Finance and | | | | |
| Management | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (N) Fish and Wildlife | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (O) Forests, Parks and | | | | |
| Recreation | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (P) Health | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (Q) Housing and Community | | | | |
| Development | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (R) Human Resources | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (S) Human Services | 93,740 | 96,833 | <u>100,416</u> | <u>104,382</u> |
| (T) Information and | | | | |
| Innovation | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (U) Labor | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |

| | | | | |
|------------------------|-------------------|-------------------|----------------|----------------|
| (V) Libraries | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (W) Liquor Control | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (X) Lottery | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (Y) Mental Health | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (Z) Military | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (AA) Motor Vehicles | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (BB) Natural Resources | 93,740 | 96,833 | <u>100,416</u> | <u>104,382</u> |
| (CC) Natural Resources | | | | |
| Board Chairperson | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (DD) Public Safety | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (EE) Public Service | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (FF) Taxes | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (GG) Tourism and | | | | |
| Marketing | 79,492 | 82,116 | <u>85,154</u> | <u>88,518</u> |
| (HH) Transportation | 93,740 | 96,833 | <u>100,416</u> | <u>104,382</u> |
| (II) Vermont Health | | | | |
| Access | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |
| (JJ) Veterans' Home | 87,634 | 90,525 | <u>93,874</u> | <u>97,582</u> |

(2) The Secretary of Administration may include the Director of the Office of Professional Regulation in any pay plans ~~which~~ that may be established under the authority of subsection 1020(c) of this title, provided the

minimum hiring rate does not fall below a base salary, as of ~~July 13, 2014, of~~
~~\$67,392.00~~ July 10, 2016, of \$72,192.00 and as of ~~July 12, 2015, of~~
~~\$69,616.00~~ July 09, 2017, of \$75,044.00.

* * *

* * * Judicial Branch * * *

Sec. F4. 32 V.S.A. § 1003(c) is amended to read:

(c) The officers of the Judicial Branch named below shall be entitled to
annual salaries as follows:

| | Annual | Annual | <u>Annual</u> | <u>Annual</u> |
|----------------------------|---------------------|---------------------|------------------|------------------|
| | Salary | Salary | <u>Salary</u> | <u>Salary</u> |
| | as of | as of | <u>as of</u> | <u>as of</u> |
| | July 13, | July 12, | <u>July 10,</u> | <u>July 09,</u> |
| | 2014 | 2015 | <u>2016</u> | <u>2017</u> |
| (1) Chief Justice of | | | | |
| Supreme Court | \$149,200 | \$154,124 | <u>\$159,827</u> | <u>\$166,140</u> |
| (2) Each Associate Justice | 142,396 | 147,095 | <u>152,538</u> | <u>158,563</u> |
| (3) Administrative judge | 142,396 | 147,095 | <u>152,538</u> | <u>158,563</u> |
| (4) Each Superior judge | 135,369 | 139,837 | <u>145,011</u> | <u>150,739</u> |
| (5) [Repealed.] | | | | |
| (6) Each magistrate | 102,068 | 105,436 | <u>109,337</u> | <u>113,656</u> |

(7) Each Judicial Bureau

| | | | | |
|-----------------|--------------------|--------------------|----------------|----------------|
| hearing officer | 102,068 | 105,436 | <u>109,337</u> | <u>113,656</u> |
|-----------------|--------------------|--------------------|----------------|----------------|

Sec. F5. 32 V.S.A. § 1141 is amended to read:

§ 1141. ASSISTANT JUDGES

(a)(1) Each assistant judge of the Superior Court shall be entitled to receive compensation in the amount of ~~\$156.49 a day as of July 13, 2014 and \$161.65 a day as of July 12, 2015~~ \$167.63 a day as of July 10, 2016 and \$174.25 a day as of July 09, 2017 for time spent in the performance of official duties and necessary expenses as allowed to classified State employees. Compensation under this section shall be based on a two-hour minimum and hourly thereafter.

* * *

Sec. F6. 32 V.S.A. § 1142 is amended to read:

§ 1142. PROBATE JUDGES

(a) The Probate judges in the several Probate Districts shall be entitled to receive the following annual salaries, which shall be paid by the State in lieu of all fees or other compensation:

| | | | |
|---------------------|---------------------|-----------------|-----------------|
| Annual | Annual | <u>Annual</u> | <u>Annual</u> |
| Salary | Salary | <u>Salary</u> | <u>Salary</u> |
| as of | as of | <u>as of</u> | <u>as of</u> |
| July 13, | July 12, | <u>July 10,</u> | <u>July 09,</u> |
| 2014 | 2015 | <u>2016</u> | <u>2017</u> |

| | | | | |
|-----------------|---------------------|---------------------|-----------------|-----------------|
| (1) Addison | \$53,368 | \$55,129 | <u>\$57,169</u> | <u>\$59,427</u> |
| (2) Bennington | 67,465 | 69,692 | <u>72,271</u> | <u>75,126</u> |
| (3) Caledonia | 47,327 | 48,889 | <u>50,698</u> | <u>52,701</u> |
| (4) Chittenden | 112,590 | 116,305 | <u>120,608</u> | <u>125,372</u> |
| (5) Essex | 13,221 | 13,658 | <u>14,163</u> | <u>14,722</u> |
| (6) Franklin | 53,368 | 55,129 | <u>57,169</u> | <u>59,427</u> |
| (7) Grand Isle | 13,221 | 13,658 | <u>14,163</u> | <u>14,722</u> |
| (8) Lamoille | 37,257 | 38,487 | <u>39,911</u> | <u>41,487</u> |
| (9) Orange | 44,305 | 45,767 | <u>47,460</u> | <u>49,335</u> |
| (10) Orleans | 43,299 | 44,728 | <u>46,383</u> | <u>48,215</u> |
| (11) Rutland | 95,660 | 98,817 | <u>102,473</u> | <u>106,521</u> |
| (12) Washington | 73,506 | 75,932 | <u>78,741</u> | <u>81,851</u> |
| (13) Windham | 59,410 | 61,370 | <u>63,641</u> | <u>66,155</u> |
| (14) Windsor | 80,555 | 83,214 | <u>86,293</u> | <u>89,702</u> |

* * *

* * * Sheriffs * * *

Sec. F7. 32 V.S.A. § 1182 is amended to read:

§ 1182. SHERIFFS

(a) The sheriffs of all counties except Chittenden shall be entitled to receive salaries in the amount of ~~\$72,508.00 as of July 13, 2014 and \$74,901.00 as of July 12, 2015~~ \$77,672.00 as of July 10, 2016 and \$80,740.00 as of

July 09, 2017. The Sheriff of Chittenden County shall be entitled to an annual salary in the amount of ~~\$76,732.00 as of July 13, 2014 and \$79,264.00 as of July 12, 2015~~ \$82,197.00 as of July 10, 2016 and \$85,444.00 as of July 09, 2017.

* * *

* * * State's Attorneys * * *

Sec. F8. 32 V.S.A. § 1183 is amended to read:

§ 1183. STATE'S ATTORNEYS

(a) The State's Attorneys shall be entitled to receive annual salaries as follows:

| | Annual | Annual | <u>Annual</u> | <u>Annual</u> |
|-----------------------|---------------------|----------------------|------------------|------------------|
| | Salary | Salary | <u>Salary</u> | <u>Salary</u> |
| | as of | as of | <u>as of</u> | <u>as of</u> |
| | July 13, | July 12, | <u>July 10,</u> | <u>July 09,</u> |
| | 2014 | 2015 | <u>2016</u> | <u>2017</u> |
| (1) Addison County | \$98,078 | \$101,315 | <u>\$105,064</u> | <u>\$109,214</u> |
| (2) Bennington County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (3) Caledonia County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (4) Chittenden County | 102,539 | 105,922 | <u>109,841</u> | <u>114,180</u> |
| (5) Essex County | 73,560 | 75,987 | <u>78,799</u> | <u>81,912</u> |
| (6) Franklin County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |

| | | | | |
|------------------------|-------------------|--------------------|----------------|----------------|
| (7) Grand Isle County | 73,560 | 75,987 | <u>78,799</u> | <u>81,912</u> |
| (8) Lamoille County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (9) Orange County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (10) Orleans County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (11) Rutland County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (12) Washington County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (13) Windham County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |
| (14) Windsor County | 98,078 | 101,315 | <u>105,064</u> | <u>109,214</u> |

* * *

Sec. F9. SERGEANT AT ARMS; COMPENSATION

(a) In recognition of the enhanced security responsibilities of the Sergeant at Arms, the compensation for the Sergeant at Arms shall be increased by \$7,500 in addition to the salary set for fiscal year 2017. The increased compensation shall be funded from the fiscal year 2017 Pay Act funds for the General Assembly.

* * * Appropriations * * *

Sec. F10. PAY ACT APPROPRIATIONS

(a) Executive Branch. The two-year agreements between the State of Vermont and the Vermont State Employees' Association for the Defender General, nonmanagement, supervisory, and corrections bargaining units for the period July 1, 2016 through June 30, 2018; the collective bargaining agreement

with the Vermont Troopers' Association for the period of July 1, 2016 through June 30, 2018; and salary increases for employees in the Executive Branch not covered by the bargaining agreements shall be funded as follows:

(1) Fiscal Year 2017.

(A) General Fund. The amount of \$8,520,586 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2017 collective bargaining agreements and the requirements of this act.

(i) The Secretary of Administration shall reduce fiscal year appropriations and make transfers to the General Fund for a total of \$300,000 within the Executive Branch as a result of savings by reducing overtime payments to offset the cost of the State employees' contract.

(B) Transportation Fund. The amount of \$1,850,000 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation and the Department of Public Safety to fund the fiscal year 2017 collective bargaining agreements and the requirements of this act.

(C) Other funds. The Administration shall provide additional spending authority to departments through the existing process of excess receipts to fund the fiscal year 2017 collective bargaining agreements and the

requirements of this act. The estimated amounts are \$13,309,670 from special fund, federal, and other sources.

(D) With due regard to the possible availability of other funds, for fiscal year 2017, the Secretary of Administration may transfer from the various appropriations and various funds and from the receipts of the Liquor Control Board such sums as the Secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by State funds.

(2) Fiscal Year 2018.

(A) General Fund. The amount of \$10,119,579 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2018 collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of \$1,850,000 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation and the Department of Public Safety to fund the fiscal year 2018 collective bargaining agreements and the requirements of this act.

(C) Other funds. The Administration shall provide additional spending authority to departments through the existing process of excess receipts to fund the fiscal year 2018 collective bargaining agreements and the

requirements of this act. The estimated amounts are \$16,122,510 from special fund, federal, and other sources.

(D) With due regard to the possible availability of other funds, for fiscal year 2018, the Secretary of Administration may transfer from the various appropriations and various funds and from the receipts of the Liquor Control Board such sums as the Secretary may determine to be necessary to carry out the purposes of this act to the various agencies supported by State funds.

(3) This section shall include sufficient funding to ensure administration of exempt pay plans authorized by 32 V.S.A. § 1020(c).

(b) Judicial Branch.

(1) The Chief Justice of the Vermont Supreme Court may extend the provisions of the Judiciary's collective bargaining agreement to Judiciary employees who are not covered by the bargaining agreement.

(2) The two-year agreements between the State of Vermont and the Vermont State Employees' Association for the judicial bargaining unit for the period July 1, 2016 through June 30, 2018 and salary increases for employees in the Judicial Branch not covered by the bargaining agreements shall be funded as follows:

(A) Fiscal Year 2017. The amount of \$938,216 is appropriated from the General Fund to the Judiciary to fund the fiscal year 2017 collective bargaining agreement and the requirements of this act.

(B) Fiscal Year 2018. The amount of \$1,125,224 is appropriated from the General Fund to the Judiciary to fund the fiscal year 2018 collective bargaining agreement and the requirements of this act.

(c) Legislative Branch. For the period July 1, 2016 through June 30, 2018, the General Assembly shall be funded as follows:

(1) Fiscal Year 2017. The amount of \$239,000 is appropriated from the General Fund to the Legislative Branch.

(2) Fiscal Year 2018. The amount of \$266,000 is appropriated from the General Fund to the Legislative Branch.

* * * Administration; Optimization of Workforce * * *

Sec. F11. ADMINISTRATION; REPORT; STREAMLINING OF
GOVERNMENT FUNCTIONS

(a) Annually, on or before January 15, 2017 until January 15, 2019, the Secretary of Administration shall report to the House and Senate Committees on Government Operations and on Appropriations regarding the identification of programs or functions within the Executive Branch through which the use of results-based accountability analysis and process analysis techniques such as LEAN may lead to streamlining, reduction in scope, or discontinuance of those programs or functions.

Sec. F12. ADMINISTRATION; REPORT; ELIMINATING SENIOR LEVEL
POSITIONS; USE OF PERMANENT EMPLOYEES

(a) Annually, on or before January 15, 2017 until January 15, 2019, the Secretary of Administration shall report to the House and Senate Committees on Government Operations and on Appropriations regarding:

(1) senior level positions in the Executive Branch, including managerial and supervisory positions, that do not have direct service responsibility and which may be eliminated as a result of the process described in Sec. F11 of this act; and

(2) any recommendations regarding State functions that should be performed using permanent State employees, rather than with temporary employees or through contracting.

* * * EFFECTIVE DATES * * *

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (technical correction, PSAP, transition funding), C.101 (VIT surplus property), C.102 (fiscal year 2016 grant to Vermont Law School, legal clinic support), C.103 (fiscal year 2016 budget adjustment, AHS-Secretary's office-Global Commitment), C.104 (fiscal year 2016 budget adjustment, Human Services function total), C.105 (fiscal year 2016 budget adjustment, Education-adjusted education payment), C.106 (fiscal year 2016 budget adjustment, General Education function total), C.107 (fiscal

year 2016 budget adjustment, General Fund transfers), C.108 (fiscal year 2016 General Fund reversions), C.109 (fiscal year 2016 contingent General Fund appropriations), C.110 (contingent Transportation Fund appropriations), C.111 (VSAC, reallocation of funds authorization), C.112 (Dr. Dynasaur expansion study, report), D.102 (Tobacco Litigation Settlement Fund balance), E.100(c) (Secretary of State, conversion of limited service position), E.106, E.108, E.108.1, E.108.2, and E.108.3 (transfer for payroll duties from the Department of Finance and Management to the Department of Human Resources), E.126.1 (legislative dental coverage, buy in), E.208(b) (continuation of 911 call-taking), E.308 (Choices for Care), E.311 (Health Department rulemaking clarification), E.338.1 (Caledonia County Work Camp, eligibility), E.605(f) (Higher Education Savings Account postponement), E.701 and E.701.1 (PILOT payments), E.701.2 (Repeal of 2015 Acts and Resolves No. 58, Sec. E.701.1), E.709 (Elizabeth Mine superfund site expenditure), E.709.1 (authorization for expenditure related to PFOA drinking water contamination), E.709.2 (removal of population cap on Vermont Drinking Water Planning Loan Fund), and E.808 (Vermont council on the arts) shall take effect on passage.

(b) Secs. E.126.2 (Speaker and President Pro Tempore compensation and expense reimbursement), E.126.3 (General Assembly compensation and

expense reimbursement), and E.400.1 (Department of Labor, rulemaking) shall take effect on January 1, 2017.

(c) All remaining sections shall take effect on July 1, 2016.

EXPLANATION OF CC DIFF FROM GOV REC: Effective dates updated to align with the appropriate execution of each section of this Act.