

WEEKLY REPORTS

Checklist
2/26/16

Darren Springer

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Public Service Department – Chris Recchia
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Education – Rebecca Holcombe
- ☒ Agency of Transportation – Chris Cole
- ☒ Agency of Natural Resources – Deb Markowitz

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Justin Johnson

Jessica Gingras

- ☐ Boards and Commissions – Jessica Gingras
- ☒ Department of Liquor Control – Patrick Delaney

Laura Gray

- ☒ Agency of Agriculture – Chuck Ross
- ☒ VT Commission on Lottery – Greg Smith

James Pepper

- ☒ Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: February 26, 2016
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **Vermont Aerospace:** This St. Johnsbury company has been in trouble before but especially since the president, Don Cota, committed suicide February 8. The company has hired a workout person to help find a light at the end of the tunnel. They've got several issues including delivering bad product on a DOD contract, arrears on their electric bill and suspected bank fraud. They employed 85 people at the time the company president committed suicide, they are now down to proximately 70. They are an ESOP. Chris Recchia has been great about working with Lyndonville electric to keep the lights on. NCIC has committed short-term lending to keep the lights on and help get the company stabilized until it could be sold. There is a potential suitor who specializes in workouts, who indicates they would keep the company in Vermont. A sale may require a competitive bid. The equipment is old, much deferred maintenance and 70 hardworking souls. *See Joan Goldstein's write up below.*
- **EB5:** Jerry Davis of PeakCM had his attorney write asking me to retract my statement in the Caledonian Record that Peak "overbilled" for \$480,000 indicating "overbilling" is the wrong term. The AG's office has all of the attorneys close to the EB5 issues out today so it will have to wait for Monday before I can respond. I WISH I could say I would amend my comments when Jerry Davis retracts his statement that "this is all because the State has not approved requisitions" but I recognize I may not be that lucky. In the Caledonian Record article Stenger acknowledges it will "be 6-8 weeks before all is paid." Meanwhile 3 subcontractors have filed liens. We have no additional requisitions for review at this time.
- **Of note:** I learned this week Vt. Life has a \$5,000+ outstanding bill from Rep. Scott Beck (R-Caledonia 3) who owns a bookstore in downtown St. Johnsbury. We have a new business manager at VT Life who discovered we have been trying to collect this for some time. We have ceased any further deliveries to his store. But I find it more than ironic he sits on the Government Accountability Committee!! We will continue our efforts to collect.
- **Economic Development Bill:** *see Lucy's write up below:* House Commerce has put together a 128 page, omnibus economic development bill which contains the three small changes we wanted, and a boat load of other things! The bill contains the VEGI re-write by the committee. Janet Ancel has been consulted and added back a requirement for the state auditor to audit VEGI, and the creation of a technical working group around the cost-benefit model. These are very problematic changes. We are going to talk with committee members to let them know we are not happy with these additions from Ancel, that all we wanted was to remove the sunset, and that this was our exact fear if they opened up the VEGI statute in the way the committee has. Hopefully we can stop at there, or in the Senate. We will be opposing the appropriations elements of the bill.
- **Threatened and endangered species habitat:** We met with Deb Markowitz and Louis Porter about this bill. While we did get some movement to exclude designated downtowns and village centers, and a willingness to "consult" with ACCD before they begin any rulemaking to list habitat, there seem to be an unwillingness to make any other changes. Deb said she is not interested in making changes to the bill. She does not want to include Growth Centers in the exclusion. We asked for a compromise where an economic analysis could be conducted when they were nominating habitat in growth centers, there did not appear to be much interest. The federal habitat act contains cost-benefit analysis in several places, with President Obama specifically asking that that be a priority. I don't know if this bill is moving, it is clear ANR would like it to, but we have continued concerns.
- **NOTE:** I will be out of the office Monday and Tuesday next week for a short break. Available by phone of course.

LEGISLATIVE ACTIVITY

- **Omnibus Economic Development Bill:** Lucy was present in Committee for the unveiling of the draft Wednesday. It is already 128 pages and consists of a number of bills, including the VEDA bill, the VEGI rewrite, and contains a number of individual provisions, such as those requested by ACCD, and language around Block Chain Technology which came from the Block Chain study of the last legislative session. The State Treasurer, Vermont Sustainable Jobs Fund, Vermont Bar Association and others have requested housekeeping and technical changes to existing statute, also in the bill.

Lucy flagged the last two sections of the bill which include appropriations or affect the budget, and will therefore be potentially problematic. They are:

 - The Vermont Creative Network: This is essentially trying to resurrect the Office of the Creative Economy but in a different form. It would be a collaboration of the Vermont Arts Council, Vermont Department of Libraries, and Downtown Program at ACCD. The Network can create an advisory panel, hire staff, seek funds, and utilize tech assistance with an appropriation of \$50,000 from the general fund to the Vermont Arts Council.
 - ESOPs Tax Credit for sale or exchange of 30% or more of capital assets of taxpayer's business to an ESOP or worker cooperative: Tax credit equals 50% of the net capital gain; \$50,000 appropriation to ACCD to support feasibility studies by companies for the creation of an ESOP or worker coop. Max \$25,000 per company. Lucy is investigating to see where this proposal came from.
- **Act 199 Discussion:** Ken Jones, Commissioner Goldstein, Secretary Moulton, and Deputy Secretary Leriche are pulling together a call of some large electric users to discuss expectations for our study around the continuation of this report in advance of the larger meeting with the Public Service Department, VEIC, and others. We are trying to set this up so that we can all go into the meeting in alignment and with a common set of expectations.
- **LIDAR:** The state funding match for the U.S. Geological Survey Broad Agency Announcement 3D Elevation Program (3DEP) proposal is now part of the FY 2016 budget adjustment bill H.611. Recently, this bill passed the Senate with one amendment that required it go back to the House where it was originally scheduled to be addressed Thursday, Feb. 18, 2016. The bill has been postponed again until 2/23/16 by Rep. Turner of Milton.
- **S.257:** Provided testimony on S.257, a bill dealing with sub-tenant issues in Senate Economic Development. It helps that this bill defines sub-tenant, but were concerned about several of the terms in the bill and suggested that since there are several landlord-tenant bills that organizations working on this issues see if they can come to agreement on addressing some of the issues raised and coming back with suggestions. We noted that the VT Tenants Association and Apartment Owners Association has worked on a landlord handbook and that they had worked successfully together and building on could yield positive results.
- **9 (L):** In Senate Economic Development provided an overview of the 9(L) guidance document, the process, comments and stakeholder participation, upcoming training plans and answered questions. Provided an overview of projects that have been reviewed in Act 250 over the past year (note, no projects denied), encouraged Senators to refer applicants to state agencies as we wanted to help and noted the importance of dealing with facts vs wild hyperbole and conjecture.
- **Pathway From Poverty 15% Goal:** Drafted Executive Order is almost ready and will be sent to those in our working group to review. We should have incorporated their comments and a final draft to the Governor the week of the 7th.
- **H.702:** As we have been hearing from many sides – Vermont has a housing issue. We have a rising homelessness population, low vacancy rates and businesses are finding it hard to attract workers into the state because the cost and quality of our housing stock. We hear we have an aging housing stock, and developing housing is costly because of high land, labor and material costs. Rep. Fred Baser (Bristol) wants to address the issue that businesses are raising – housing for those 80-120% of median income and thus worked to draft this bill. This need tracks with DHCD's Housing Needs Assessment which shows we need housing for those under 30% and those 80-120%. Speaker Smith requested a meeting this week with Reps Head, Baser and Stevens along with AAFM, VHCB and DHCD. He requested that we work towards addressing the issues raised. A meeting is scheduled for the day before town meeting with Reps Head and Baser, VHCB's Jen Hollar and Noelle. Hopefully, inspiration and cooperation will help us find a path forward on this very tough nut!

- **H797- An Act relating to residential rental agreements:** Josh testified in House General along with Legal Aid, Vermont Tenants and several Barre City landlords. The bill was proposed by several landlords to address their concerns, that tenants are withholding rent due to reported habitability issues and then not allowing reasonable access to fix issues in the rental units. The bill aims to do two things:
 1. When a habitability complaint has been filed, reduce the notice required for landlord access from 48 hours, to 1 hour.
 2. At an Escrow Hearing preceding an eviction, allows a judge to compel payment into an escrow account of the past due rent prior to filing the Complaint.
 His testimony focused on the concerns we have heard on both sides of this issue and that continued education for landlords and renters is needed. The lack of clarity on what habitability issues are and the lack of understanding by landlords on their rights to enter a property are contributing to the problem. The change from 48hrs to 1hr notice does not seem like it gained much support, but the escrow of back rent seems reasonable.

LUCY LERICHE, DEPUTY SECRETARY

- **Vermont Climate Economy Summit** was held at VTC on Monday. A record crowd of 500 people attended, including Lucy, who offered remarks as a member of the Climate Economy Council. Overall, participants had a strong positive response to the day which included an unveiling of the Council report, a keynote address, morning and afternoon breakout sessions and more. **Pat adds:** Many of the attendees have STRONG feelings about carbon taxing and don't seem to be persuaded that we should wait for a regional solution. Tough crowd for a balanced discussion on the issue.
- **Taiwan Economic Trade Council:** Lucy joined legislators for a dinner with Director-General Scott Lai. It was apparently a purely relationship building opportunity as no "asks" came from Director-General Lai.

KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER

Vermont Quebec Enterprise Initiative

- **Sherbrooke Inbound Meeting:** Continuing to work on the March event that is now full! This invitation-only meeting will be held at Jay Peak and we have 25 companies from Sherbrooke signed up and the panelists finalized. We are looking forward to a great event!
- **Monteregie Region Visit:** Following up on a very good (small) lead from this event and organizing a new round follow-up to all companies that we have hosted (estimated to be around 60, obviously will expand after the Sherbrooke visit) since May. It is important that we keep Vermont on their radar screen. Another specific follow-up item that I am pursuing is detailed discussions with FoodExport USA regarding export/import of wine, beer and spirits from Quebec. Senator Leahy's team is keenly interested in this and will be part of the call; date still being determined.
- **IT Roundtable:** This event that we hosted a couple of weeks ago, coupled with the VQEI's presentation to the Vermont Tech Alliance, has resulted in another lead. A small IT company based in Montreal is interested in setting up an operation in Burlington to establish a US presence. This company had an opportunity with Tesla, but couldn't finalize a deal because they didn't have a presence in the US. Handed the lead to GBIC and will report back on whether they decide to open an office here.
- **US Consul's CEGEP/Education USA Event:** At the request of the Consul's office, participated in a very interesting discussion with leaders from the CEGEP community, US community college leaders and members of the Quebec government to talk about potential alliances between CEGEPs/CCs. Unfortunately, the weather kept VTC, CCV and VSC from attending, but I was able to talk about the interesting resources that we might have available to Quebec students. I will provide all contact info to Dan Smith, Tricia Coates, et. al. as follow-up. There were small colleges there from all over the US, including Alabama and Hawaii.
- **Project Lawrence Miller:** At the request of NCIC, met with a company seeking to locate a small warehouse/distribution segment of their business in the Northeast Kingdom. Initially, they will start very small, but if all goes well, they will bring some of their manufacturing here. They are NOT interested in grants, loans or other government support, other than workforce training. The company, located in Pointe Claire, is a large manufacturer of metal goods and makes everything from components for the transportation sector to screens/frames for huge rock concerts. They are seeking 20k sf in the NEK with the ability to double that. Why call it Project Lawrence Miller? Because the CEO could be Lawrence's twin...and has the EXACT same energy.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **State CMS Web Template:** As part of the effort to continually improve the default template for state websites, Heather has been reaching out to early adopters of the CMS template to gather ideas for new features and functionality, as well as needed bug fixes and styling tweaks. Our e-government partner Vermont Information Consortium (VIC) has agreed to incorporate as many practical suggestions as possible on a semi-annual basis, provided the requested features can be shown to benefit to user experience on an enterprise-wide level. In the coming weeks the 'wish list' will be pared down to a set of actionable items for VIC's developers, with an anticipated roll out date of June 1.
The CMO's office continues to assist state entities on a regular basis on both migrating to the most current version of the CMS template as well as with content strategy and technical assistance on site functions. This week Heather completed an initial version of a User Guide for site owners, to be used as a reference post-DII training. The Guide includes a mix of template feature descriptions and how-to guidance.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Staff Updates:** VDTM will be fully staffed again by mid-March. We have hired Hilary DelRoss from Vermont Ski Area Association (we like to call it our farm team) as our new Marketing Specialist who will be doing a great deal of website editing as well as covering cultural heritage tourism, Agritourism, byways and the ambassador program. Our new Communications Director will be announced by the beginning of next week but we had an excellent pool of applicants and feel fortunate for that. Every Communications Director we have had has brought their own strengths and interest and, if we get the candidate we are hoping, his interests and experience are far reaching in the state.
- **International Travel Writers and Product Managers:** Through our PR firm in the UK, Wixhill, we are hosting five very high end professionals in our state this week from the UK and Australia. They are visiting Stowe, Killington, Sugarbush, Stratton, Manchester, Burlington, and Jay Peak. They flew into Montreal and had a seamless trip over the border. They are being escorted and driven by Caroline Donaldson Sinclair from Wixhill. Megan and Sarah from Ski Vermont will also be doing some driving and touring over the weekend as we split them up to get different experiences.
- **World Cup 2016:** After discussing my meeting with Killington and Powder Corporation last week with Heather Pelham, she suggested I get Lyle Jepson into the loop as the Rutland County Economic Development Team is showing a great deal of energy and enthusiasm to make things happen. Killington president Mike Solimano was very happy to hear that and asked to be formally introduced. Mike expressed interest in sharing the assets of Killington to help recruit talent to Rutland as he does for Rutland Regional Medical Center through his position on the board. He is a firm believer that Killington will be at its best with a thriving Rutland. This has not always been the case between the town and resort so we are all hopeful that the time is now and the right people are in the right places.

Steve Cook, Deputy Commissioner

- **Summer Advertising:** VDTM is working on the summer 16 advertising campaign. The focus is on distant domestic travelers in hopes of generating extended stay consumers. VDTM recently took a poll of ACCD employees to obtain feedback about creative concepts. This summer's advertising budget is \$350,000 with an additional \$50,000 in trade.
- **Spring Advertising:** Steven met with Matt Gordon, Executive Director of the Vermont Sugarmakers Association, to discuss spring advertising. VDTM recently launched a campaign that included direct mail to 3K households in New England and New York. The campaign also includes digital advertising in New England markets.

SALES ♦ Kathleen Kolva, Sales Manager

- **African American Heritage Trail:** A conference call was held with Paula Maynard from Hildene and Jane Williamson from Rokeby Museum to discuss their attendance at New England Travel Showcase, June 13-14. This project was initiated by Catherine Brooks prior to her retirement. Kathleen has taken over responsibility for organizing the logistics - registration, accommodations, brochures, and initiating the creation of a pull-up. This pull-up will be designed with the intention of ongoing use in educational programs associated with VT African American Heritage.
- **AMTRAK:** Amtrak's New York by Rail magazine 2016 edition will feature a two-page Vermont editorial layout. Kathleen is sending over information regarding attractions and events nearby the Amtrak stations.

VERMONT LIFE ♦ Mary Hegarty Nowlan, Editor/Sky Barsch, Associate Publisher

- Mary and Sky will be meeting with representatives from Fish & Wildlife this week to further discuss Vermont Life publishing the new Fishing Regulation book.

- **Spring 2016 Issue:** The issue was beginning to make its way into readers' hands, and we have received good feedback so far via social media, particularly about the story on beverage startups in Middlebury.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Working with VT Aerospace as this business is in significant trouble, the owner committed suicide 2 weeks ago. A turnaround specialist, Dorset Partners, has been brought in to see what can be salvaged. There are currently 85 jobs however, layoffs are expected shortly. Dorset and Jeff Sands called to see what help the state can offer for assistance. Commissioner Noonan and Commissioner Recchia have been rock stars in lending a helping hand. They needed some leeway with regards to WARN/STC notices and also needed to keep the lights on as they were due to go off on Wednesday of this week. Commissioner Recchia worked with Lyndonville Electric who agreed to give the business another week with power. We have gathered together NCIC for bridge financing, and will see if Dorset can bring in a buyer who has expressed possible interest. DED, NCIC, NVDA are meeting with the business to see if VEGI could apply to the new owner and possibly CDBG.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Held two information sessions for the [2016 Northern Border Regional Commission grant round](#). This year we have \$1.7 million available for economic development and infrastructure projects in the six northern counties. **30 people showed up to the session in Morrisville** on Feb. 18 and **50 people showed up to the info session in St. Johnsbury** on Feb. 23. I would not be surprised at all to see thirty total applications, which would be twice as many as last year. **Special thanks to Richard Amore and Gary Holloway** who attended the sessions and provided a complementary presentation on additional resources available via DHCD, from tax credits available through the designation program to CDBG. Jon Muise also presented on other resources that may be relevant to NBRC applicants via **USDA RD**.
- Attended the **VCRD Climate Economy Summit**. Working with Ellen Kahler/VSJF; Ken Jones; the Public Service Dept., and others to advance the recommendation re: the “**Climate Economy Network Development Initiative**” for the **support of clean energy entrepreneurs**, via both technical assistance and targeted financing.
- Along with the Agency of Agriculture’s Reg Godin, had a business support visit with **North Branch Vineyards** at the request of Sam Andersen (CVEDC). Co-owner John McCann is also the President of the Vermont Grape and Wine Council. Explored new financing and technical assistance options for the expansion of his business. Referrals made to KivaZip and the Equipment Access Program.
- Additional business support provided to: **Vermont Hardwoods, JK Adams**.

BUSINESS SUPPORT ♦ Brett Long, Director

- Participated in call with CREC on the OEA grant.
- Participated in a call with RADE on the OEA grant.
- Met with Vermed on VTP and OEA grant.
- Participated in call with Kompass which provides DED with a company database service.
- Had a call with Chmura Economics to determine availability of Vermont defense-related company data from their research.

INTERNATIONAL TRADE (VERMONT GLOBAL TRADE PARTNERSHIP) ♦ Katie Corrigan, Manager of International Trade

Vermont Training Program

- Sent out Vermont Creamery Grant Agreement.
- Worked with Vermont Railway Association on grant agreement.
- Setting up call for Rock of Ages.
- Working with Wilkins Harley Davidson on possible grant agreement.
- Posted Liquid Measurement Systems grant agreement on Share Point.

Vermont Global Trade Partnership

- Met with Caledonia Spirits in preparation of upcoming ExporTech class.
- Brett and I did a Go To meeting with a database company, Kompass, that we hold a contract with currently.
- Joan, Brett and I met with Bureau van Dijk to see what service they can offer Vermont.
- Spoke with partner Eastern Trade Council in regards to doing a multi-state trade mission with Bonina Marketing.
- Attended Council on State Government dinner. Discussed STEP and International with CSG/ERC members.
- Assisted with interviews for new business administrator.

- Continuing work on STEP 5

VERMONT EB-5 REGIONAL CENTER ♦ Eugene Fullam, Director

- The Vermont EB5 Regional Center recently attended conferences in Miami and NYC, participating as a panel speaker at the NYC financial summit on the subject of risk management.
- Will be attending upcoming Boston AILA conference; followed by Private-Public Expo in Dallas, TX.
- Attending in April Washington, DC IIUSA Policy Summit.
- Met with BTV, Gene Richards and team, regarding the application of EB5 financing as part of the total capital stack. More analysis and discussion needed with regards to business plan and economic impact.
- Met with Don Sinex regarding proposed Burlington development project and prospective EB5 financing options.
- Met with David Chen (NY developer) regarding prospective Vermont housing needs and access to NMTC as well as EB5 financing.
- Quarterly due diligence reviews underway for all active EB5 projects; this follows last quarter reviews which concluded in FY Dec 2015.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

- **Green Power Monitoring Systems - Cornwall:** Robin Miller orchestrated a presentation opportunity for Green Power Monitoring Systems with Col. John Johnston at the VT Air Guard base. There will be follow-up and referrals made by the Col. to his contact within the Army, and Robin will be reaching out to Sherman Patrick at Senator Leahy's office, as well as some folks at NGB (National Guard Bureau).

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay

- **Climate Cabinet:** Joined Pat and Ken at the most recent Climate Cabinet meeting. We heard an overview from the Council of Rural Development's Paul Costello on their most recent efforts – the Climate Economy Council. He provided an overview of the [report](#). We also discussed topics for the Climate Cabinet to focus in the upcoming year – topics included participation in the State Hazard Mitigation Plan.
- **VCRD's VT Climate Economy Summit:** Was a panelist along with Chris Cole, Chris Recchia and Chuck Ross with moderate Deb Markowitz at VCRD's VT Climate Economy Summit – a follow up to the Climate Economy Council's report (see Climate Cabinet above). Great discussion about the work being done across state agencies, the collaboration and coordination and the importance of those in the audience to be engaged and asking questions of state and local leaders. Plus, it was really fun to be on a panel with folks I've worked with over the past 6 years – great feeling of comradery.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **VTrans, Strong Communities, Better Connections Grants Announced:** This year, 10 municipalities requested over \$530,000 (up from \$435K last year) for an available \$200,000 in funding. This joint VTrans-ACCD program supports planning and revitalization efforts that are then implemented with state and local transportation improvement projects. Three projects were funded this year:
 - Chester will develop an action oriented village revitalization plan with ideas to enhance the streetscape and identify steps to attract or strengthen businesses and bring new vitality to the designated village center.
 - Montpelier will develop "[complete street](#)" design guidelines to help the street network better accommodate a range of users from pedestrians to transit providers.
 - Springfield will create a downtown streetscape plan for Main Street, develop plans to improve parking and make the downtown more walk and bike friendly. The grant will also explore ideas to make the river accessible from the downtown area.
- **AARP, VDH, Highway Safety Program Funding:** Faith met with Kelly Stoddard Poor of AARP-VT and Suzanne Kelley of the Department of Health to discuss opportunities for further coordination. AARP will bring a [Better Block](#) demonstration to a selected Vermont community this year and will seek partners in choosing and supporting that project. VDH is looking into applying for an education grant from the [Vermont Governor's Highway Safety Program](#) for funds to work with local health organizations to promote complete streets. Apparently significant amounts of federal funds available through this program have gone unused in prior years. Faith will follow-up with VTrans to learn more about the potential to use this program to support our communities.
- **ANR, FP+R, RROW Grant:** Richard met with the task force for U.S Forest Service, Resilient Right-of-Ways grant. The group is charged with developing a work plan and overseeing a consultant to create a green streets design guide. The design guide and supporting training materials will provide municipalities information on ways

to incorporate cost effective green infrastructure projects in villages and downtowns. The RFP will go out later this month.

- **Tax, VHFA & Housing Data:** John met with tax department staff and VHFA staff to discuss various projects the tax department is working on, as well VHFA's effort to update their housingdata.org website. The group was able to identify some redundancies in how they process data and identify changes to the property transfer tax return fields that would help DHCD with various research projects and potentially make ACCD's HUD consolidated plan easier to complete. As a follow up, John met with Shaun Gilpin to identify new data to collect (square footage, year built, bedrooms) on the transfer returns and submitted the request to the tax department. It's also worth noting that the tax department has recently updated its [website](#) to make it easier to get tax data (income, sales & use, etc.), if you haven't been on their site recently you should check it out!

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

CDBG Monitoring Visit

- Staff monitored the Town of Hinesburg for the Kelley's Field Senior Housing project on February 18th and the \$475,000 of VCDP grant funds. The Town made a loan to the Borrower: Kelley's Field Limited Partnership, a joint venture by Cathedral Square and Housing Vermont to acquire and rehabilitate Kelley's Field, a 24-unit Section 8 subsidized senior housing development project, located in the heart of Hinesburg. The rehabilitation included improvements for energy efficiency, ADA accessibility along with interior and exterior repairs. The VCDP funds helped to leverage \$3,699,478 of Other Resources to acquire and rehabilitate the 24 units of Senior housing. Staff provided technical assistance to the Town, Cathedral Square and Housing Vermont in a number of areas. Cathedral Square and Housing Vermont provided staff with a tour of the senior housing project along with a tour of one apartment and met a happy and grateful resident. Kelley's Field: (L) units & community center; (R) more units & parking lot for easy access. (L) Kelley's Field residents at a mid-summer celebration with builders half way through the rehabilitation; (R) Kelley's Field resident enjoys new windows and sill.



HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Roadside Historic Markers:** Who knew...but this is one of our most popular programs. New applications have been filed to recognize Norman Rockwell, the strange weather and related religious revival of 1816 (also known as "1800 and Froze to Death"), UVM's White farmhouse property, and Williamstown's historic district. The

foundry is working 8 other new markers, with three just recently installed for the Morrisville Depot, Kendrick Dam, and William Upham (in Montpelier).

Project Review

- **WSOC:** Jamie attended perhaps the last of the weekly Owner's Meetings with BGS and the Design Team as active work on the Waterbury State Office Complex is drawing to substantial completion. There have been approximately 30 team members on site putting the final touches on the Center Building, where AHS's Administrative Unit and Secretary's office is due to move in next Monday. Punch list items are being attended to while work stations and period furnishings are installed. There are still a few items that will be completed in the Spring under more temperate conditions. DHP will continue to work with BGS to complete project closeout documents, develop a long-term maintenance plan, and debrief on "lessons learned" from the largest construction project ever completed by the State.
- **Consultant Working Group:** Devin, Elizabeth, Caitlin and Jamie hosted independent HP Consultants Lyssa Papazian, Mary Jo Llewellyn and Sue Jamele who are the first members of our newly formed "Consultants Working Group," pulled together to provide feedback and recommendations on many of the recent components of digital transition, project review forms and procedures, upcoming consultant trainings and other items. The group had a very productive session with open communication, identified a number of minor, but important goals and began forming the agenda for the upcoming Consultant's Training this coming April. It was suggested to enlarge the perspective of the group and pull in a few other consultants to represent younger and emerging professionals as well as those working in a more corporate setting.

Historic Sites Section Chief

- Big news from Mount Independence! No, no, this time it's not the British. Instead, we are pleased to report the removal of the Bishop Cabin. A non-contributing structure on the grounds of a National Historic Landmark, the Bishop Cabin was identified for removal when VDHP first acquired the small parcel of land at the base of the "Mount" in 1998. The cabin was finally removed this month with the assistance of our good friends at the Department of Buildings and General Services; the demolished materials were transported by boat to a neighbor's dock as the site is only accessible by water or falling from the cliff above. This photograph shows the former location of the cabin.

HOUSING ♦ Arthur Hamlin, Housing Program Coordinator / Shaun Gilpin, Housing Policy Specialist

- **HUD Manufactured Housing:** Unfortunately, there continues to be a lot of confusion about the new installation standards going into place on May 1, which is causing anxiety in the mobile home industry in Vermont. Arthur reached out to HUD and SEBA Professional Services for clarification on how inspections will work under the new program. Few Vermont municipalities have a residential code enforcement office. Municipalities may not be allowed to issue zoning permits for new mobile homes if they were not installed by a licensed installer, but the zoning administrator is not considered qualified to inspect and make this determination. Arthur also looked into whether a cement slab is required by either financing agencies or HUD's permanent foundation guidelines for mobile homes. The common misconception is that HUD and lenders require a cement slab, however, this may add unnecessary cost and may not actually be recommended for frost prone areas.
- **Mobile Home Parks:** Unfortunately, we received a Notice of Intent to Close for the Eldredge mobile home park in Waterbury. The park had been noticed for sale last year but there was no interest from either residents or nonprofits in buying the park. The proposed closure date is August 16, 2017. Arthur will offer to meet with the affected residents in the next few weeks to answer questions and give them information about any resources, housing help etc. that is available. The Housing Trust of Rutland County also informed Arthur that they will not be able to purchase the Dorr Drive Mobile Home Park in Rutland City, because the appraisal came in too low, and concerns about being able to make necessary upgrades while keeping the park affordable to the residents. We also heard from the Cooperative Development Institute that they have reached an agreement on the sale of Windy Hollow in Castleton to the residents' mobile home cooperative.



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CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: February 26, 2016
Re: Weekly Report

Susan L. Donegan

Captive Insurance Division:

Captive insurance license number 1066 was issued this week to Pecan Re Inc. It was formed by Swiss Re, which is headquartered in Zurich, and will reinsure a block of term life insurance policies from Primerica Life Insurance Co. Swiss Re, founded in 1863, is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Its global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. There are more than 45 offices worldwide with 16 of those in the U.S.

Also this week, Johnson & Johnson was ordered to pay \$72 million in damages to the family of a woman who died of cancer, which she claimed was caused by using the company's talcum powder. Johnson & Johnson has a captive insurance company in Vermont that includes product liability coverage. (Twenty percent of all talc mined in North America comes from Vermont but most is industrial grade, which is not used in cosmetics. In 1992, the Legislature named it the state mineral.)



Banking
802-828-3307

Insurance
802-828-3301

Captive Insurance
802-828-3304

Securities
802-828-3420



Privileged and Confidential

MEMORANDUM

To: The Honorable Peter Shumlin, Governor
Sarah London, General Counsel

From: Christopher Recchia, Commissioner

Date: February 26, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

Ratepayer Advocacy Report – Senate Finance Committee – Senator Ashe scheduled an afternoon of testimony on the Department's Report on the Public Advocate. Aside from Commissioner Recchia, those testifying were a roster of critics of the Department. Given the tenor of the committee hearings (it continued on Friday), and the press coverage, it is becoming clear that the Department will need to manage this issue for the remainder of the legislative session. There is a growing concern that Senator Ashe may be motivated to move something forward and may use Bray's siting bill, S.230, as the vehicle. AARP has issued an alternative report and there will be the need to do additional press and outreach on this issue in the coming weeks.

NM 2.0 – After the PSB released an updated draft of a new net metering rule on Friday, it was immediately clear that they had missed the mark in some fundamental ways, including overall price, a grid service fee, and the grandfathering of systems. The rule was scheduled for review at an emergency ICAR meeting due to happen on Thursday. After hearing from many frustrated sources, the Board withdrew the request for an emergency ICAR meeting. The Board is now

considering next steps and a meeting between PSD and all three PSB members will happen next Thursday. The next ICAR meeting will happen March 14 and it is expected that the PSB will release a new draft before then.

S.230 – Senator Bray continues to try to wrangle his committee towards further clarity and direction on S.230, the energy siting bill. On Tuesday, he distributed a strike-all amendment intended to represent a new comprehensive proposal. The amendment would provide “substantial deference” in PSB proceedings to town and regional energy plans only if the regional plan complied with the Statewide Comprehensive Energy Plan, and if the town energy plan complied with the regional energy plan. PSD would “certify” regional plans, and RPC’s would “certify” town plans. The strike-all includes many other components, but this planning element is central. It was not met with a universal embrace from the committee. Rodgers has other ideas, as does Senator Snelling who, on Thursday, proposed that smaller solar projects receive town review instead of PSB review. On Friday the Committee, on a 3-1-1 vote, with Rodgers no and Snelling absent, voted to adopt the Bray strike-all and to work from that new version moving forward. The strike-all can be found here -

<http://legislature.vermont.gov/assets/Documents/2016/WorkGroups/Senate%20Natural%20Resources/Bills/S.230/Drafts,Amendments%20&%20Summaries/S.230~Aaron%20Adler~Draft%20No.%204.1,%202-22-2016%20Working%20Draft~2-26-2016.pdf>

On Friday, Vermont Law School students came in to present a report on Renewable Energy Credits (REC’s). Given the supervision of Professor Kevin Jones, it should come as little surprise that the report is slanted with a rehashing of many issues related to REC’s. The Department provided immediate response in committee immediately after the VLS testimony – the report reads like it is 2 years old and to a large degree ignores passage of Act 99 (net metering) and Act 56 (Renewable Energy Standard).

Clean Energy Finance Initiative – Energy Action Network, led by Andi Colnes, has been facilitating a process to evaluate the availability of clean energy and energy efficiency financing in Vermont with the hopes of creating a Green Bank. The process has come to a close without any clear consensus that a Green Bank would serve Vermont’s needs at this time. The Department has re-drafted an EAN MOU, ideally to be signed by VEIC, VEDA, Dept. of Financial Regulation, the State Treasurer, PSD and others, that would initiate a Clean Energy Finance Collaborative with quarterly meetings and an ongoing focus on identifying gaps in financing and working together to fill them. The PSD is prepared to staff this effort, and informed EAN of this on Friday. Andi reacted as would be expected, and Deputy Commissioner Copans will be meeting with her in person this coming Wednesday to calm frustrations and try to chart a path forward.

GMP Vegetation Management – No Docket – Department staff, in collaboration with its rate consultant, has reviewed and developed a report on a vegetation management proposal put forward by GMP. GMP is seeking to capitalize two years’ worth of intensive hazard tree removal at a cost of \$3.6 million/year and modify its cycle trim practices. The Report analyzes GMP’s proposal in light of past practice and industry trends and recommends that GMP go forward with its planned increase vegetation management activities, but recommends that GMP absorb much of the costs of doing so. After discussions with leadership, Department staff will

distill the report to bullet/powerpoint form to provide a counterproposal to GMP for use in further discussions. The Department anticipates sending this counterproposal to GMP next week.

Meetings/Calls this Week:

Feb 22 – VT Climate Economy Summit

Feb 23 – VY ISFSI Technical Hearings

Feb 24 –

Feb 25 –NDCAP meeting, Senate Finance Testimony on Ratepayer Advocate Report

Feb 26 – VEDA Board meeting, Senate Finance – continued.

Meetings next Week:

Feb 29 –

Mar 01 – Holiday (Town meeting Day)

Mar 02 – Entergy VY Monthly Inter-Agency Meeting

Mar 03 – Mike Twomey meeting

Mar 04 –

Media: Vermont Edition on poll results, Vermont Edition on Net Metering, AP story on the VLS Report on REC's, and VPR (x2) and the Rutland Herald on the Public Advocate Report and hearing in Senate Finance on Thursday.

Public Official Contacts:

Everything Else:

Finance & Economics

Electric

GMP: Expected Petition of GMP for a CPG authorizing the rebuild of the GMP Sharon Substation. The transformer needs to be upgraded to accommodate the Elizabeth Mine's solar project. The Department is concerned over cost allocation and why is it in the ratepayers' interest to accelerate the rebuild of the substation. The Department is still discussing internally cost allocation for this project as it might become a precedent-setting case for future generation projects requiring a substation upgrade.

Engineering

Update on VY Groundwater Management Issues

As reported in VT Digger, VY is using several (currently 4) retail above-ground swimming pools for storing groundwater that has seeped into the Turbine Building since mid-March 2015. While the State Nuclear Engineer was aware of this seepage, he was unaware that VY was using swimming pools as a temporary storage means. (The NRC was however aware of this.) VY began this practice several months ago after it was unable to acquire more commercial-grade water storage bladders. The State Nuclear Engineer has since inspected the swimming pools and bladders and is satisfied that this storage method, while unusual, is not a hazard to VY workers or the public. Without this temporary storage, the water would process through VY's Radiological Waste Clean-Up (RWCU) system, and would require VY to handle it as

radiological waste.

Entergy Announces Date of Fitzpatrick Plant Final Shut Down

Entergy has announced that the final closure of its Fitzpatrick nuclear power plant will occur on January 27, 2017. In November 2015, Entergy announced that Fitzpatrick, a Boiling Water Reactor located in Scriba, NY, similar to VY and the Pilgrim (Plymouth, MA) station, would close at the end of its current operating cycle. Fitzpatrick had been scheduled to refuel in fall 2016. Much like VY, its last operating cycle will be extended for several weeks, allowing the final shutdown to occur in January 2017.

Entergy's February Decommissioning Trust Fund Withdrawal Notification Received

Entergy's most recent 30-Day Decommissioning Trust Fund (DTF) Withdrawal notification (Letter BVE 16-005) notes that the proposed \$8 million withdrawal for February 2016 will include payments for emergency planning costs, insurance premiums and property taxes. These notifications are consistent with the requirements that the NRC's Atomic Safety Licensing Board (ASLB) placed on VY in October 2015 when it granted VY's request to withdraw its License Amendment Request (LAR) that would have eliminated the 30-day notification requirement prior to withdrawals from the VY DTF.

Docket 8300 Second VY Dry Cask Storage Pad Technical Hearing

The Vermont Public Service Board conducted a Technical Hearing for the proposed construction of a second Independent Spent Fuel Storage Installation (ISFSI) pad at the VY site. In responding to two cross-examination questions, the State Nuclear Engineer testified that the placement of VY's existing and proposed ISFSIs is closer to the former reactor and turbine buildings than ISFSIs at several other decommissioning sites.

Distributed Generation on Green Mountain Power System

Engineering met with GMP engineers to discuss the status of DG on GMP's system. There are currently four substations where the amount of DG is equal to the transformer capacity, and GMP will close these circuits off to further DG unless a generation project were willing to pay to upgrade the transformer (unlikely for net metering projects). GMP asked the PSD to think about whether it is fair to essentially close these circuits by creating an economic incentive to locate elsewhere, or whether there should be some state policy for upgrading substations accommodate DG.

Regional

Forward Capacity Auction

- ISO-NE's 10th Forward Capacity Auction, which purchases capacity for the 2019-2020 period, closed on February 8. The clearing price was \$7.03/kW-month, compared to \$9.55/kW-month in FCA 9. Total costs to consumers from FCA 10 will be about \$3 billion.
- ISO-NE's estimated net cost of new entry – the cost to build a new natural gas-fired plant, minus revenues from the energy and ancillary services markets – was \$10.81/kW-month. However, three large gas-fired plants in Connecticut (484 MW), Rhode Island (485 MW), and Massachusetts (333 MW) were all willing to accept the \$7.03/kW-month

clearing price, indicating that ISO-NE's estimated net cost of new entry was overly conservative.

- The Installed Capacity Requirement (the amount of resources needed to meet resource adequacy standards) for FCA 10 was 34,151 MW. However, because ISO-NE utilizes a sloped demand curve to clear the auction, ISO-NE can purchase more or less than the Installed Capacity Requirement, depending on the clearing price. The total amount of capacity purchased in FCA 10 was 35,567 MW, which includes: 31,371 MW of generation, 2,746 MW of demand side resources (which includes both "passive" energy efficiency and "active" demand response), and 1,450 MW of imports from New York and Canada. The Anbaric and TDI-New England import lines apparently did not participate in the auction.

Distributed Generation Forecast

- ISO-NE released its draft 2016 distributed generation forecast, which will be used to inform its load forecast. The load forecast further informs transmission planning requirements and the installed capacity requirements.
- ISO-NE has made two changes to its forecast methodology. (1) It has reduced the discount it applies in later years of the forecast to account for uncertainty. (2) It is proposing to no longer use seasonal claimed capability (which is the expected coincidence with peak load, used to qualify resources for the Forward Capacity Market), but instead develop a curve that reflects not only solar's contribution to peak but also the reduction in the contribution to peak as the total amount of solar in the region increases and the peak is pushed to later in the day.
- ISO-NE's draft forecast of the total amount of solar in New England by 2025 is 3,214 MW, with 353 MW forecasted for Vermont. The forecast for Vermont was based on a presentation from DPS staff and assumes that the distributed generation carveout of the Renewable Energy Standard will represent the majority of solar development in Vermont through the forecast year (2025).
- If the ISO-NE proposed peak load reduction curve is used, the solar forecast will reduce the 2020 load forecast by about 950 MW and the 2025 load forecast by 1,076 MW. The 2020 load forecast will be used to develop the Installed Capacity Requirement for the next Forward Capacity Auction, and the 2025 load forecast will be used to determine transmission planning needs.

Public Advocacy

Generic Rule 4.100 Ratesetting Proceeding – Docket No. 8684 – On February 17, the hearing officer held a prehearing conference on the Department's proposed update to the Rule 4.100 rate schedules. The Department filed this update on October 30. The purpose of the prehearing was to set a schedule. While parties could not reach a schedule at the prehearing, subsequent discussions resulted in a joint scheduling proposal (filed February 24) among all parties. The joint schedule calls for technical hearings by late June.

VY Second ISFSI – Docket 8300 – Technical hearings were held in the proceeding. Major issues discussed at the hearing were whether locating the ISFSI pad in the proposed location would increase costs or delay decommissioning activities at the plant site, whether feasible

alternative locations for the proposed ISFSI pad existed, and the financial assurances Entergy has in place to ensure the continued management of spent fuel required by Vermont law. Initial briefs are due March 15.

Sheffield Wind Noise Investigation – Docket 8653 – The Board’s hearing officer granted a one-week extension for parties to file reply briefing on threshold issues to March 2. The Department continues to evaluate whether it is preferable to conduct additional direct indoor monitoring at the Brouha residence, or to conduct outdoor monitoring and apply attenuation calculations.

Barton Rate Case – Docket 8646 – The Department issued a third and final round of discovery on Barton. The case is moving toward possible settlement which includes a downward adjustment of the proposed rate hike due to a TIER miscalculation by Barton. Deadline for a stipulation is March 18.

Uncommitted Funds/Carryover – EEU 2015-05 - PSD held an internal meeting on 2/24 to discuss our substantive and procedural positions on this matter and will convey those to VEIC in a follow up meeting on 2/25. We have decided to adhere to our prior position: that the bulk of the evaluation carryover monies should be retained by the Department for evaluation purposes, but that one portion of those monies should be set aside to assist in paying for the transfer of AMI data from Distribution Utilities to VEIC, depending on the outcome of Docket 8316. Docket 8316 was initiated to explore that issue in June of 2014 but has been ignored by the Board since December of 2014. If VEIC wishes to continue to oppose the Department’s position, we believe we can resolve the matter through the procedural mechanism of briefings to the Board, in lieu of a workshop or a contested case proceeding.

BDE Grand Isle Solar 5MW Facility in Grand Isle – Docket 8665 - PSD filed a response opposing, as gently as possible, the intervention request of the Town of North Hero. The stated basis for that intervention was beyond the scope of the Section 248 criteria. North Hero sought to intervene in order to oppose the Grand Isle project, which is to be located on a greenfield, on the grounds that doing so would foreclose the Town of North Hero’s ability to move ahead with a similar project of its own, to be located on a brownfield. The Department acknowledged that appropriate siting was an important consideration, but was more appropriately developed locally and regionally in the planning sphere, and then considered during 248 proceedings under the Orderly Development criteria. PSD is preparing discovery on aesthetics and decommissioning, due 3/2/16.

Chelsea Solar 2.2 MW Standard Offer Project in Bennington - Docket 8302- Petitioner Chelsea Solar has requested a 20-day extension of time to file a Motion to Alter or Amend the Board’s Final Order denying the CPG in this matter. The extension request was opposed by Intervenor Libby Harris, but not by the Department or ANR.

Net Metering - The Department filed comments on the three 500kW net metering projects listed below. PSD comments invariably noted the absence of a Fast Track Application from the filings, and also noted a range of deficiencies in the evidence submitted to satisfy the 248(b)(5) aesthetics criteria. In all cases the Department recommended that applicants be given an additional opportunity to supplement the initial applications with the additional necessary

information.

NMP -XXXX – Vorsteveld GLC Solar 500kW Net Metering Project
NMP -XXXX – BDE Waterford Duck Pond Solar 500kW Net Metering Project
NMP -XXXX –SolarSense VT II Concord 500kW Net Metering Project

MountainFunds LLC 500kW Net Metering Project - NMP -7400 - PSD supported a request of the Regional Planning Commission to include a requirement that applicant maintain certain mitigation for the life of the Project rather than for only the first three years of the Project. MountainsFunds LLC filed a letter opposing this request, and PSD is considering a Reply because the applicant made incorrect and unwarranted conclusions about the PSD.

VEPPI Wheeling Charges – Docket No. 8492 – Over the past year or so, there has been a dispute among the DUs about the manner in which VEC is charging for wheeling of standard offer generation. The DUs ultimately settled the matter in a way that the Department supported. The settlement includes a financial package as well as a request for the Board to initiate a non-contested proceeding to address this matter going forward. The Board recently issued an order acknowledging the MOU and closing the docket. The Department expects that the Board will initiate a non-contested proceeding as requested in the MOU, though as yet, the Board has not yet formally indicated that it will do so.

Coolidge Solar 20 MW facility in Ludlow and Request for Rule 4.100 contract approval- Docket Nos. 8685 & 8586 - The Board issued a preliminary schedule in this matter that contained an exceedingly short time for responses to intervention requests, then changed the date of the Public Hearing which significantly foreshortened the time for filing of initial intervention motions. The Department filed two requests with the Board to alter the schedule to allow reasonable (7 day) intervals for each of these schedule components.

VGS Addison Expansion—Docket 7970-The 3rd, 4th, and 5th requests for non-substantial change determinations remain unresolved; these requests involve the property of the Peysers, the Palmers and the Hurlburts, respectively. With regard to the 3rd request, the Board issued an Order on February 19 granting the NSC determination with respect to all of the changes in the 3rd request except for the pending Peyser motion regarding the safety of relocating mainline valve #4. With regard to the 4th request, the Board has not yet appointed a hearing officer to review the status of the Palmers' complaint regarding the hydrogeological implications to their property from moving the pipe off of their property. The 5th request is still in the final drafting stages.

Discussions continue among the Department's Gas Engineer, our safety consultant, VGS and the PA division with respect to the commissioning (gas up) of the first 11 mile segment. These discussions are with respect to safety requirements and the Department's expectations from the Company. VGS has finished the process of commissioning and considered the segment to be in service on February 10, 2016.

VGS/CLF Petition for Declaratory Ruling that Amended CPG is Required - Docket 8330 -This docket has been pending and stayed since it was filed in the summer of 2014 at the time of the first announced capital budget increase in the Addison Expansion; it was stayed pending the Remand(s). AARP's Motion to Intervene has been granted and two of Jim Dumont's

condemnation clients-Broughton and Cuneo-have now moved to intervene.

Lincoln Renewable Natural Gas-Salisbury project - Docket 8596 - Biomethane digester project in Salisbury to connect with the Vermont Gas system and ultimately serve Middlebury College. In October/November 2015, the Board received several negative public comments regarding property value diminution, odor, traffic and other issues thought to be potentially occasioned by the Project. Even though this petition was filed pursuant to Section 248(j) and no party objected to the Project or requested a hearing, the Board held a public hearing in Salisbury on February 22 which was very well attended. Over 20 members of the public spoke expressing overwhelming support for the Project.

Triland Williamstown Solar Project - Docket 8666 - Petition to construct a solar electric generation facility of up to 2.2 MW off George Road in Williamstown. A site visit and public hearing were held on February 23; Department staff attended. No one spoke against the Project. Engineering continues to review and we are anticipating a supplemental filing which will address, among other items, an additional noise study. The Department is due to file discovery on the Petitioner on March 17.

GMP-St. Albans Community Digester-Docket 8673- 800 kW methane biodigester generation facility to be constructed in St. Albans. Staff is reviewing. A site visit and public hearing were held on February 18, which Department staff attended. Two members of the public spoke; their concerns were with regard to the preservation of buried Indian artifacts and possible adverse consequences of a spill into the neighboring wetlands and the lake. The Division of Historic Preservation, AAFM and CLF have filed motions to intervene and a St. Albans businessman concerned about pollution may move to intervene, as well. The intervention deadline is February 25.

VGS-Broughton condemnation-Docket 8641 (Monkton) and Cuneo condemnation-Docket 8642 (Williston)-A joint schedule agreed upon by all parties for these two proceedings has been adopted by the Cuneo Hearing Officer, but not the Broughton Hearing Officer. (The schedule was agreed upon among the parties after the Broughton prehearing conference, but before the Cuneo prehearing conference.) Mrs. Broughton and the Cuneos have identical pending motions for summary judgment. On February 24, the Department's witnesses on necessity were permitted unobstructed access to both of these properties for purposes of preparing the Department's testimony, which is due on March 7. The joint schedules provide for the bifurcation of necessity and compensation, and the issue of appraisals on behalf of the Department will be dealt with in the future.

VGS-Town of Hinesburg condemnation - Docket 8643 - This parcel is in a park owned by the Town. A negotiated settlement has been reached and an uneventful prehearing conference was held on February 11. Immediately thereafter, a number of citizens contacted the Board complaining of a lack of knowledge of what the Select Board had done and demanding additional process. A previously agreed-upon schedule was cancelled by the Hearing Officer and there is now a new intervention deadline of February 26. Thus far, there are several pending motions for intervention and no clear process for going forward.

VGS-Peyser condemnation - Docket 8645 - This parcel is in Monkton. On February 23, the Hearing Officer issued a Second Procedural Order and Schedule in this docket. The schedule is the one proposed by VGS, opposed by Mrs. Peyser and supported by the Department. It provides for a technical hearing the week of May 16. Pursuant to a verbal agreement at the status conference, discovery was served on VGS on February 18 and responses are to be provided by February 25. There has been some disagreement over the terms of the Department's standard Protective Agreement, but it appears that Mrs. Peyser will sign the Agreement, but object to certain of the Averments when made. Pursuant to the terms of the Procedural Order and Schedule, the Department will work with Mrs. Peyser to gain access to the property in advance of preparing and filing our testimony, which is due on March 30.

VELCO Connecticut River Valley Project - Docket 8605 – The Department has completed its review of this project (rebuild three substations and reconductor several sections of transmission line in Cavendish, Chelsea and Ascutney) and concluded that the project is in the public interest. The only intervenor in this matter is Vermont DHP. VELCO has reached agreements in principle with DHP, ANR, and PSD on all conditions necessary to fulfill the Section 248 criteria and the parties are in the process of crafting a stipulated settlement.

Telecommunications

CoverageCo Redesign – CoverageCo has completed its redesign of the small cell wireless network. The redesign moves 55 sites out of the original EDA project and puts them in areas where CoverageCo hopes it can recover its costs. Staff will submit the redesign to the Economic Development Administration (EDA) for its approval. Once the project is approved, CoverageCo will have 18 months to complete the project installation. The project has been delayed by the contractor's reluctance to operate the network as it was designed by the VTA.

Roxbury Resiliency Point – CoverageCo is still struggling to secure backhaul for the Roxbury resiliency point. Residents in Roxbury have made several inquiries and have contacted several elected officials about this project. The local phone company, TDS, can provide backhaul service to the site, but the price TDS charges is significantly above the market rate for DSL service and would make this particular site highly unprofitable. The Department could purchase backhaul from TDS or move the resiliency point to another town, preferably in FairPoint territory.

Connectivity Meetings – Connectivity meetings have been set for March 2 in Wardsboro, March 9 in Stamford, and March 14 in Canaan.

Charter Line Extension – Charter has begun construction of the VTA-funded line extension in Danville. The line extension is overdue. Last week, Division staff sent a final notice to Charter demanding completion of the project by February 29. If the project is not completed by then, staff will take additional action to ensure that it is finished. The project cost the VTA \$24,000 and serves 11 locations. Charter reported today that it will be turning on service as it passes homes.

AOT Garage Connections – Staff met with AOT to discuss connections to AOT's garages in the Northeast Kingdom. The garages will connect with the Department's fiber network. These additional circuits will add redundancy and capacity to AOT's existing network.

Comcast CPG Renewal (Docket 8301) – Telecom and CAPI division staff are preparing responses to discovery requests received from Comcast and the Vermont Access Network (“VAN”), which represent the public access channels in Vermont. VAN’s discovery requests were extensive, and many request information that is beyond the scope of VAN’s intervention or are relevant to the docket. Division staff anticipate that they will need to object to many of VAN’s requests, but will likely provide answers to all discovery requests subject to the Department’s objections. The discovery responses are due by Monday, February 29.

VTel Cabot 248a Petition (Docket 8549) – Division staff filed a post-hearing brief in the docket on Friday, February 29. DPS has recommended that the Board issue a CPG for the project only if it includes conditions that relate to the installation of vegetative screening around the facility site. The Town also filed a brief and is opposing the project based on its impact on aesthetics and non-compliance with the Cabot Town Plan and zoning bylaws. VTel has requested that the project be approved without any conditions relating to aesthetics. Any reply briefs must be filed by March 7, 2016.

Verizon Brookfield 248a Petition (Docket 8688) – The Board has scheduled a prehearing conference for March 7 at 3:00 pm. Although the Town of Brookfield has challenged the petition on numerous grounds, including aesthetics, the Board’s hearing officer issued a procedural order finding that the only issue that needs to be litigated is whether there is good cause to not give substantial deference to the Brookfield Planning Commission’s comments.

Section 248a Statutory Amendments – At the request of members of the Legislature, Division staff prepared a list of potential statutory amendments to enhance the collocation requirements for proposed new facilities under § 248a. The proposed statutory amendments were provided to legislative counsel. DPS has recommended that the collocation requirements be amended to clarify that petitioners have the burden of demonstrating that collocation is not possible. DPS also recommended that petitioners proposing to build new towers be required to identify existing telecom facilities located within 3 miles of a proposed facility and provide simulated propagation maps from those alternate facilities with their applications.

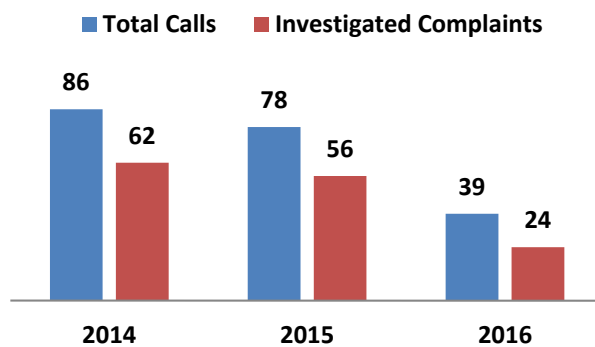
VIT – Staff and Director testified in Senate Institutions committee on VIT working group report. Staff drafted and submitted for Secretary Johnson the Report of VIT Asset Ownership required by the 2015 Capital Act. Report reaches a determination that VIT assets are the property of the state of Vermont, and recommends that the General Assembly authorize BGS Commissioner to dispose of property as appropriate. Representative Keenan asked the committee if members of the VIT Coordinating Council could be invited to share their opinion(s) regarding disposal or other of VIT property.

CAPI

Please note that this report covers activity from Sunday to Saturday, February 14-20 2016.

CALL DATA

Calls to CAPI Same 7 days each year



Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: February 26, 2016

Secretary's Message:

Brattleboro Retreat

This week, Commissioner Reed, Secretary Johnson and I visited the Brattleboro Retreat. We met with their new CEO Lewis Josephson as well as their CFO and clinical director. The Brattleboro Retreat has made great strides in improving their facility and services and getting off of their probation status. The state was at great risk of losing important residential mental health services for adults and adolescence while the retreat was on probation. We are breathing a little easier in that regard. The primary focus of the visit was to see the adolescent unit which is in dire need of renovations. The Brattleboro Retreat presented us with a proposal for that renovation which could range between 9 and 13 million dollars. Both Justin and I recommended that they leverage other significant resources, like CDBG and private fund raising before they come to the state for capital funds. We also discussed other opportunities that the retreat could participate in, for example, in collaboration with three other designated agencies, they have responded to our RFI to build and operate a secure residential facility.

We are still in negotiations with the Designated Agencies regarding the future disposition of deferred revenue in the Integrated Family Services pilot programs. I think we are getting close to an agreement which gives the designated agencies incentives to participate in this payment reform model while ensuring that revenue gains are reinvested in the community.

AHS central office is moving to Waterbury this weekend which we are all excited about. I've been spending a few days each week at the Waterbury Complex and it has really improved the way that departments are collaborating and working together.

I am on vacation next week, but reachable by cellphone and will be checking email periodically. Paul Dragon is available should anything come up that needs immediate attention.

AHS Highlights:

Vermont Department of Health (VDH):

Chittenden County Opiate Alliance

The now formalized Chittenden County opiate effort is using a new accountability structure with a diverse Steering Committee and four barrier-focused action teams. This structure was developed under the leadership of Harry Chen, MD to move a large group of stakeholders to action steps with measurable outcomes. Action teams work from existing interagency groups and focus on addressing one major barrier to reducing the burden of opiate use: treatment access and recovery support; care coordination and case management through rapid intervention; community-level prevention; and workforce development. Using tools from CompStat and a Collective Impact framework, the alliance facilitates new support for data sharing, data-driven decision making, and accountability across sectors. A full list of partners is available upon request.

In the next six months the partners plan to:

- Hire two new backbone staff to facilitate, coordinate, and build key relationships across partners
- Determine how to best utilize existing groups
- Identify public face and action team co-chairs
- Assess current data resources and gaps
- Identify and gather measures to track progress

New Risk Assessment Prioritizes DCF Involvement for Opiate Treatment

VDH has led the development of new triage criteria for patients receiving opiate treatment. With input from DCF the Hubs now prioritize risk factors related to involvement with the child welfare system. The criteria will be used by the DCF screeners. Meetings are taking place in March with the Hubs to train them on the new tools, beginning with the three Hub sites that have DCF/Lund screeners – Chittenden, Rutland and Barre. Additional local meetings will take place as necessary to educate all partners involved.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCH census remains at 25 this week, with four discharges occurring this week and a corresponding number of admissions occurring by week's end. There have been fewer overtime hours needed at the hospital, with only one shift requiring some mandated staff overtime.

VPCH had its quarterly consultation meeting with Dr. Kevin Huckshorn, a national expert in reducing seclusion and restraint; and she was very positive about the changes implemented at the hospital and data reflecting better patient outcomes in these areas. AHS Secretary Cohen also toured the facility and indicated his appreciation for the facility environment and the hard work of the patient care staff.

The Evident team, (the EHR Vendor implementation group) is on site for a 2-day visit where they have four main objectives for this stage of EHR implementation:

- gather conversion data,
- evaluate current operating procedures,
- evaluate current employee responsibilities, and
- conduct a thorough walkthrough of system hardware.

The team visit will conclude with an exit interview and identify planned next steps. The EHR implementation remains on schedule at this time.

Emergency Departments

There were 27 people in need of inpatient psychiatric hospitalization this week with 19 people being admitted. There remain five involuntary adults and one involuntary minor this morning with the longest wait being just under 36 hours. There were three court ordered adults this week, one was directly admitted and the other two waited in local EDs and no one waited in DOC. The one minor and several of the adults who are waiting are expected to be admitted today. The inpatient system of care for minors has been operating at 100% occupancy, while the adult inpatient system of care has been operating at 93% occupancy overall. The Level 1 units have been at 100% occupancy.

Department of Aging and Independent Living (DAIL):

Report from the Deaf, Hard of Hearing, Deaf/Blind Advisory Council

DAIL testified in both House Human Services and House Education related to the report submitted to Senate Government Operations by the DHH,D/B Council. As a self-appointed body, the primary recommendation from the Council was to formalize their role as an Advisory Council and to enable them to study the quality and accessibility of services for individuals across the state. Since the closure of the Center for the Deaf and Hard of Hearing, this issue appears to require an executive body to address the needs of the community and ensure collaboration across service providers, education and state government. The existing Council represents both AOE and AHS and is supported through both those entities. Legislators seemed open to the recommendations although a few questions were raised about funding for stipends and interpreter costs.

H.730

DAIL will be testifying with DVHA on H.730 in House Human Services related to the inclusion of home delivered meals as a Medicaid service for seniors and a 2% cost of living increase for community providers supporting that population. Although we are supportive of the intent of the legislation, without additional resources we could not implement. It is interesting to note that the bill only represents half of our community provider system; we anticipate that the provider community will raise this issue and we intend to identify it as part of our testimony.

Department of Corrections (DOC):

Population

The Department's incarcerated population averaged 1762 for the previous week. The Department's incarcerated male population averaged 1613 for the previous week. The out of state population is currently at 239. The female population averaged 150 for the previous week

Department for Children and Families (DCF):

LIHEAP/Weatherization Budget Update

Both the Home Weatherization Program and Low Income Home Energy Assistance Program (LIHEAP) have issues that need to be addressed in state fiscal year (SFY) 16. Based on projections of Gross Receipts Tax Revenue (GRT), Weatherization will be underfunded by approximately \$1.1M in SFY16. In addition, LIHEAP needs additional state funds for benefits in excess of 150% of the Federal Poverty Level (FPL) as LIHEAP block grant funds can only be used for households at or below 150% of the FPL. The DCF business office estimates an under spending of the LIHEAP block grant in FFY 2016 in the amount of \$3,346,035 while still being able to meet the projected fuel benefits for households at or below 150% of the FPL. This estimate provides the needed margin to transfer up to 15% of the FFY 2016 LIHEAP block grant to Weatherization. Put most simply, DCF has issued an internal memo proposing that \$2.8M (the maximum allowed by LIHEAP) be transferred from the LIHEAP block grant to Weatherization; \$1.7M in the Weatherization Trust Fund would be transferred to LIHEAP. This would make both programs whole for SFY16.

There remains the issue of a SFY17 Weatherization shortfall due to the GRT projected revenue remaining low. As well, LIHEAP may face similar challenges in SFY17 which will require a swap with Weatherization. We are currently engaged in discussion with the Agency of Administration to resolve these issues. Upon arriving at a resolution, we will inform legislators and advocates who have been requesting information about both Weatherization and LIHEAP.

Elephant in the Field Day Care Update

The Child Development Division is close to wrapping up their regulatory investigation. They only need to collect sufficient factual evidence to determine whether or not the provider was compliant with

licensing regulations and whether or not the level of non-compliance is of sufficient concern to take additional action. They have gathered a significant amount of factual evidence related to that burden of proof. The next action is delayed until there is a chance to interview the provider and inspect the environment – slated to happen next week. The investigation is planned to wrap up with this interview, issue a licensing action and put out a press release by Thursday of next week. Should the interview be canceled, this action will still occur.

Teen on Run – Possible Sex Trafficking Involvement

A teen girl ran from a home visit on 2/24/16 and is thought to be in New York City, possibly involved in sex trafficking. This has been reported to VT State Police and the Burlington police. New York authorities and the US Marshalls have been contacted and are assisting in trying to locate the teen. The teen is currently listed as on run and in the National Crime Information Center.

Department of Vermont Health Access (DVHA):

All Payer Model

The first three sections of the RFP for the All Payer Model (APM) and ACO Contracting have been drafted and reviewed by Subject Matter Expert (SME) Teams. The process to review the RFP sections was productive. The participants in the meetings were well prepared and engaged in the process.

Home Health Claims

The Department of Vermont Health Access (DVHA)'s Coordination of Benefits Unit in partnership with Vermont Legal Aid's Medicare Advocacy Recovery Project has identified a number of home health claims, totaling approximately \$18,000.00 paid in error, which will be recouped from the Manchester Home Health Agency.

Upon review of the claims and the supporting documentation included in patient files, the following billing issues were identified, which would cause these claims to be denied by Medicare, the primary insurer: 1) deleted homebound certification, 2) lack of Oasis assessment, and 3) home health failure to submit claim to primary insurer, in accordance with timely submission requirements. The issue of deleted homebound certification was identified in 2014; the Legal Aid Medicare Advocacy Project has tried to reach out to Manchester Home Health Agency to no avail. Per Medicaid Statute, Medicaid is the payer of last resort.

Vermont Health Connect Update

Testing of the full release (R2Cx), with VHC Medicaid Renewal and Department of Labor functionality is not complete. As of Monday, 82% of the test cases have been successfully executed. That is a 5% improvement over the previous week. Although 82% of the overall test cases have been successfully passed, only 53% of the renewal test cases have passed. 40% of the Medicaid renewal test cases are currently being blocked by unresolved defects. The UAT team has logged and prioritized defects that are critical to the execution of Medicaid renewal cases. The project team is anticipating a March deployment for R2C Medicaid Renewals.

VHC renewal activity is scheduled to start in April (9000 a month) and renewal activity will need to be complete by the end of November 2016. Contingency planning and options for VHC Medicaid renewals in the event the IT delivery is late is underway. The team will be utilizing a manual noticing process to send notices to households (this is being tested) as these notices were removed from Scope in January via an approved change request. A combination of the current Change of Circumstances

(CoC) process and the manual renewal form will be used to process incoming VHC renewals. These processes are also being tested.

1095 Processing: 1095A corrections began mailing this week. Call volume related to 1095s remains high and SOV is receiving approximately 20 requests per day for corrections.

Call Volume: Call volume remains very high and Maximus is still struggling to meet Service Level Agreements (SLAs). Billing issues is one of the primary issues for calls. The State continues to work with Optum to solve issues surrounding 834 and Evolution 1 data transmissions.

Other Report Items of interest from the Agency of Human Services:

Agency of Human Services Secretary's Office

HSE Projects

AHS and DVHA Fiscal Staff have developed a reporting template for the costs associated with all of the projects in the HSE. This is in preparation for legislative testimony.

Vermont Department of Health (VDH)

Windham County Adolescent Substance Abuse Services Forum

Recently, over 45 people met in Windham County to discuss Adolescent Substance Abuse Services. This event served as a pilot for other counties in Vermont to work on the systems needed to improve communication between prevention, referral, treatment and recovery services.

Infectious Diseases

A case of hepatitis A was identified in a food worker in Caledonia County. The Health Department offered Immune Globulin and/or post-exposure hepatitis A vaccine to household members and coworkers as indicated to prevent additional cases and provide life-long protection against any subsequent exposures.

High Tech Nursing Services

As a result of collaboration between VDH, DAIL, and DVHA, Medicaid Rule 7412, "High Tech Nursing Services," was unanimously approved by LCAR and will be effective March 15, 2016. This rule defines the criteria and eligibility process for high tech nursing services: home-based nursing care for some of Vermont's most medically complex children, youth, and adults.

Department of Mental Health (DMH)

Legislative

AHS Deputy Secretary Dragon and Commissioner Reed are scheduled to provide testimony to the House Corrections and Institutions Committee on the recently released report on the Secure Residential Facility planning process; A general overview of the report and next steps for continuing to evaluate permanent program siting and management

Department of Disabilities, Aging and Independent Living (DAIL)

Agency of Commerce and Community Development and DAIL Meeting

DAIL and ACCD met along with the Department of Labor to strategize about the use of our Mature Worker Initiative as an economic development strategy for the state. With the significant need for a skilled workforce in Vermont, it makes sense to promote the use of the workforce represented by older Vermonters embarking on second careers. Both as a highly experienced, highly trained resource and as mentors for younger, less seasoned employees, the mature worker can be an asset to businesses and a way to take advantage of Vermont's changing demographic. Several next steps emerged from this meeting and DAIL and ACCD will continue to partner to move the larger initiative forward.

Partnering with Community Hospitals

DAIL and DMH continue to work directly with area hospitals to support and encourage discharge planning and appropriate placements for individuals "stuck" in higher levels of care. Currently we are actively in contact and planning with both Springfield and Rutland to step down specific patients.

Department for Children and Families (DCF)

Jobs for Independence Program Update

Jobs for Independence (JFI) is a pilot program designed to study the effects of providing enhanced employment services to Vermonters. Vermont Community Action Programs will refer potential participants to a JFI program orientation. Participation will be targeted to low income Vermonters who self-identify as being marginally housed or homeless; having substance abuse or mental health issues; or a criminal conviction. An intensive assessment and case management service will be provided by the Division of Vocational Rehabilitation's Employee Assistance Program. These enhanced services will help the 'treatment' group target employment barrier reduction. The Department of Labor will continue to provide employment and training services as they have in the past. JFI is gearing up to train these partner agencies on various aspects of the program and we are looking forward to initiating participant recruitment and service referrals on March 7th.


DCF Commissioner Away

Commissioner Schatz will be away on vacation February 27th – March 5th. DCF Director of Operations, Pam Dalley, will be Acting Commissioner during that time. Pam may be reached on her work cell at: 802-498-4851.



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CONFIDENTIAL AND PRIVILEGED
MEMORANDUM

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: February 26, 2016

Emerging Issues

Ask: letter of support for a grant application (and apology from us to you for short notice)

We would like to apply for a grant that would provide 100k for six months, followed by upwards of \$650k for subsequent years, to hire a consultant to facilitate the programs of study work for our Career and Technical Centers' priority economic development sectors work. This work would involve CTEs, the Labor, ACCD, postsecondary partners, and business/industry partners. We are focusing on healthcare sciences and manufacturing in our initial areas of attention. We already have letters of support from Pat Moulton, Annie Noonan and Castleton SC, which is evidence of strong statewide support for the project. Goals include development of more rigorous curriculum in priority sectors and increasing post-secondary attainment by CTE students. It's a CCSSO grant program, funded by JP Morgan. **I am really sorry to ask at such late notice, because the grant deadline is next Wednesday at 5 pm and we can't submit it without letter from the Governor. I have attached a proposed letter with this SWR.** Again, I am sorry for the short timeline, but hopeful he can sign. This would mean a lot to our CTEs and would benefit a priority population that is typically higher poverty and less likely to get post secondary education.

Progress! Merger votes on Town Meeting Day:

We have six merger votes on town meeting day, all but one directly motivated by Act 46.

Act 46 mergers

- Addison Central (December)
- Addison NW (January)
- Franklin Central (January)

Other Mergers:

- Mount Mansfield (MUUSD) (Huntington)
- Orange SWSU (would have been an accelerated merger except has too few students to qualify)
- Rutland South SU (would have been an accelerated merger except has too few students to qualify)

Every Student Succeeds Act (ESSA, once NCLB) State Plan

With the reauthorization of ESSA, we have to develop a new state plan for how we will use federal funds to advance the goals of equity, quality and accountability. Federal funds support the majority of our staff and activities, so this is an important opportunity to also align our federal work with state priorities in ways that will allow federal dollars to support both state and federal goals. We have convened a representative stakeholder group, composed of representatives of the education system and of stakeholders who can speak to the specific needs of some of the populations that are the priority of the federal dollars. The first meeting of this group will be on 2/29 at the AOE from 9 until 3:30. This team will serve as the community sounding board for the decisions we are making for implementing the new law. **We are planning to have a draft of our state plan for the Governor's review in November/December of 2016. We want this on your radar, as it will be very important to get it signed before the Gov leaves office, to ensure continuity and stability of program, funds and quality reviews in the transition.**

Huntington/CESU

At the January meeting, the Board approved a local vote to move forward in Huntington on the question of Huntington joining the Mt. Mansfield Modified Union. What was not addressed by SBE was whether a yes vote by Huntington and subsequent endorsement by the Union of that yes vote would entitle the Union (with Huntington now joined) to Act 46 incentives. We thought they didn't want to be considered an Act 46 model because we had previously said to them that this moniker would moot a special provision in the 2016 state budget protecting modified unions from the Act 46 spending caps. As a new SD, and not a modified Union anymore, we said they would no longer benefit from that special provision in session law. They didn't like that. At that point, the trail went cold. Now the caps have been watered down and they are saying they want the Act 46 preferred model designation in the event of Huntington joining the union. I suspect the repeal of the caps for FY 18 had something to do with this, but we don't know. In any case, Huntington is voting Tuesday. In the lead up to the vote, the Supt. of schools is messaging that the union will get all preferred model incentives. This is obviously a sweetener to Huntington voters. The problem is that SBE never weighed in and practically speaking, this region already got its 150k for transition work and is already in year one of MUSD tax incentives. We just sent a letter to him telling him we will bring this to the board at the next meeting, to discuss the tax incentives. I think they are trying to double dip for something they already voted on twice, and that sends the wrong message.

Vermont featured by a national school transformation initiative (SWIFT):

Four VT supervisory unions work closely with a national K-8 technical assistance center called "School-wide Integration for Transformation (SWIFT)" (yup, another education acronym) that builds school capacity to provide academic and behavioral support to improve outcomes for all students through equity-based inclusion. Some of this work was featured in their most recent newsletter:

<http://us7.forward-to-friend.com/forward/show?u=6900b7097ea00292031bd6e4f&id=9ab7ecd8a8>

This is really weedsy for the Gov, but it is very nice transformational work that we want to encourage, and our pilots suggest this work yields better outcomes and better use of special education dollars. The challenge is that it requires a lot of learning to do as intended, let alone well, so is something that needs to be fostered, and not mandated. Otherwise, it is not sustainable.

House Ed/Dave Sharpe is still pushing the idea of moving CTE to the colleges, even though the colleges have confirmed they don't want it and the idea is problematic on a number of levels. We are just going to go silent on this for a bit, because we think we can kill it elsewhere, but he is really becoming quite a bully.

1. It would in effect put nearly \$100 million in education dollars under the governance of the state colleges. Act 60 set up the Education Fund specifically for K-12 activities, it would be unclear whether in this case, the dollars were being used for K-12 purposes or college purposes. Given the caps and current pressures associated with Early College, I suspect this would make districts go berserk.
2. Moving governance (to colleges) away from the funding source (districts) erodes accountability for using dollars well and efficiently—a potential inflator of the ed fund.
3. Until now, CTE has operated as a program within K-12 education, and degrees are granted by sending schools. This substantially alters that relationship.
4. Colleges operate as enterprises; they survive by competing for students. What will be the impact of intensifying this competition on students who do not attend CTE? We would need to plan for that.
5. A transition of this sort would incur substantial transition costs, and disrupt current initiatives, including the priority sectors work.
6. A transition of this sort would erode our current capacity to support flexible pathways (which requires close connection between general middle/high school education and CTE), and would stall current successful efforts to integrate high level academic skills and rigor into CTE.
7. Losing Perkins would make it impossible to bundle duties to achieve scale. We would have to let go of a lot of other initiatives and a few positions that would suddenly become unaffordable.
8. Colleges have done no work to date with respect to the priority sectors, and there is no evidence yet that college faculty would buy in to the idea of reorganizing around our and labor's priority sectors for economic development.

Meetings

Hal Cohen/Paul Dragon: To revisit PK region application and review process. This has been controversial, so it is important we are on the same page.

Charlotte Ancel and Jessica Gingras, RE: the Blue Ribbon Commission on Child Care. I apologize to Justin for being a continued pain in the backside on this issue, but if they want to make headway, we are going to have to be willing to shift our thinking on how we use public dollars to achieve these goals.

Felicity Ratte, Marlboro College College's Center for Creative Solutions, is trying to pull together an initiative to try and jumpstart local work on the future of education in that region. This is very much needed, and I appreciate her involvement. This southeastern and south central area has had a real challenge responding to Act 46. There is a shortage of local leadership, an acute economic development and depopulation problem, an isolation problem, and a complexity problem. In addition the region seems to be fragmenting socioeconomically. I am hopeful that she might be able to fill a void and help jumpstart some regional conversations. She seems to be working with a lot of the right players and has some local backing.

Media Contacts:

Mike Curkov, Fox 44: Requested and was sent by Stephanie Brackin information about existing union school districts that will merge and dissolve if a merger is approved. Brackin noted: "Their interests are represented by the voters of the member town districts. (Otherwise, the voters would vote twice – once as a voter in the town district and once as a voter in the union school district). So it would be appropriate to use the existing union districts in the tally of how many *will merge* – but not in the tally of how *many will vote*."

Hilary Niles, VPR: Requested and was sent the most current Average Daily Membership data from FY15 (for ADM-16).

http://education.vermont.gov/documents/EDU-Data_ADM_2014_Resident_District.pdf

Lisa Rathke, AP: Brad James talked with Rathke on Thursday about school budgets and districts use of reserve funds to abide by the Act 46 spending limits.

Tiffany Pache, Vt. Digger: Brad James responded to questions about the property tax yield. He also asked Pache to check with Mark Perrault of JFO.

Tiffany Pache, Vt. Digger: Donna Russo Savage worked with her on a number of issues related to governance and a districts right to decide whether to operate or tuition its students, as well as on the unaffordability of trying to do both.

VPR Correction Request: A correction was requested following a Feb. 25 VPR story by Howard Weiss-Tisman that included an incorrect sentence: "The law says the Agency of Education can *force* mergers with schools that don't have plans in place before July 2019." We asked for and were promised a correction.

Lola Duffort, Rutland Herald: Asked for (FOIA) and was denied school level data on hazing, harassment and bullying. We can't report school level data in the overwhelming majority of schools because the numbers of incidents are so small that reporting would create a student privacy issue (FERPA), so we don't create this report.

February 25, 2016

Dear Grant Selection Committee:

Vermonters are proud of their education system. We provide a world-class education to our students and are always searching for ways to maintain that status and strengthen the connection between education and the workforce. The New Skills for Youth grant will help us build on and strengthen work that was started more than two years ago under my administration.

A critical challenge facing Vermont-- economic sustainability-- is not just an education issue or a workforce development issue; it's a statewide systems issue that requires strong, well-functioning cross-sector partnerships to resolve. My highest priority for Vermont is to "create a brighter economic future for Vermonters by raising incomes, growing jobs, improving job training, strengthening our local foods-based agriculture, and improving our quality of life." The grant proposal from Secretary Holcombe will put us a little farther down the road to improving our quality of life by deepening the core stakeholder partnerships needed to ensure students are ready for college, careers, and citizenship.

Our legislators had the wisdom to pass Act 51, requiring several state agencies and partners to work together to create a report and identify how they would connect to and support the development of statewide programs of study in six key areas of our economy. In addition, our unified state plan for the federal Workforce Innovation and Opportunities Act, led by our Department of Labor, sets goals for the labor force, education and training programs that build skills and support individuals in our emerging career pathways system. Our Agency of Commerce and Community Development's Comprehensive Economic Development Strategy report outlines aspirational goals that move our economy ahead and that include education as part of that equation.

Our colleges and employers tell me they are looking for more well-prepared individuals to join the workforce and to participate in post-secondary education. This proposal will enhance and extend the work that is already happening in Vermont. I strongly encourage the committee's consideration of this proposal.

Sincerely,

Hon. Peter Shumlin
Governor

Sent from my iPad

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, February 26, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Brattleboro Bridge

On February 23rd we reached a negotiated agreement, in principle, with PCL over the liquidated damages and their counter claims against the State regarding the project. Here are the elements of the settlement:

- The revised interim completion date will be June 29, 2017. This date is for the opening of the new bridge to 4 lanes of traffic; 2 in each the NB and SB direction.
- A non-compensable time extension will be granted for the June 29, 2017 interim completion date.
- A no-cap / no-fault disincentive amount of \$10,000.00 per working day will be assessed after the June 29, 2017 interim completion date until such time that four lanes of traffic are on the new bridge. (This is approximately \$6,000 more per day than our liquidated damages which are calculated under a FHWA formula, this will provide additional motivation for PCL to meet the new date.)
- PCL will absorb all costs associated with the time dependent items, including but not limited to traffic counters for exit 2 NB ramps, PCMS signs, strain gauges, iPad cellular data, ramp closures, text alert services, bridge maintenance and plant taking permits.
- The hard rock claim is settled as part of this agreement.
- The cost of the claim for the rock elevations at the northern abutment and the differing site conditions claim at the SOE wall is included in this settlement.
- A non-compensable time extension will be granted for the contract completion date as well. The new date will be November 22, 2017. If the work remains incomplete after November 22, 2017 a disincentive in the amount of \$2,180.00 for each working day will be applied.
- The contract is changed from a completion date to incentive date contract.
- This will be considered a global settlement of all issues and impacts on the project through the date of the agreement. (including but not limited to weather, N2P delays, defective materials, poor subcontractors, claims, shortage of labor at any level, mitigation strategies to aid in schedule compression etc.)

- PCL would absorb the schedule compression costs, if any as presented in their proposal.
- The contract value will be reduced by \$1,375,000.00.

I'm prepared to sign off on this settlement, if it is approved by FHWA, which is the next step in the process. While it's like any negotiated settlement, we don't get exactly everything we want it does achieve avoiding a costly and lengthy court battle over their project claims with an uncertain outcome, it increases the penalties should the project slip past this new date by an additional \$6,000 a day for a total of \$10,000 a day, and it requires them to open up both north and south bound lanes of the interstate by June 29, 2017 (PCL wanted the completion date to be the end of July but we wouldn't budge on that issue). After FHWA signs off, we will draft the agreement and execute the deal. Let me know if you want a briefing from our team and we will get it scheduled. I'm convinced our team got the best deal they could under the circumstances and the additional penalties will motivate PCL to finish the project on time and if for some reason they do not, this agreement doesn't provide them with the opportunity to invent new counter claims.

Amtrak to Montreal

I met with Maggie Gendron of Senator Leahy's Office to discuss a variety of transportation funding issues along with the issue of preclearance. Senator Leahy will be introducing a bill with the House by Tuesday, March 1. They had to make the bill specific to Canada in order to get a Republican cosponsor, which is critical to get movement on the bill. I also met with Senator Leahy and conveyed to him our gratitude for his work on this issue and the importance of the project.

NOTES FOR STAFF

Legislative Activity

There was a flurry of activity this week on several bills related to transportation as committees try to get bills passed before crossover.

Transportation Bill

The bike language appears to be worked out, the one remaining issue appears to be the four foot passing requirement which VSP has expressed some concern. I will see if there is some middle ground to satisfy all parties. We are working to get HTC to remove the sunset provision in the stormwater utility section, it's not a deal breaker but it is unwelcome. There seems to be some concern about the railroad trespass language from a variety of interested parties, I'll figure out what their exact concerns are but bottom line is you can't trespass on private property, especially property where people die if they get hit by a train. The HTC seems intent on inserting some language preventing cut through traffic by commercial vehicles which we don't support, municipalities can already do this by weight posting their roads. This is a local Rutland issue that the member wants to demonstrate his effectiveness when there is already a law that

achieves what he wants to achieve. Nothing really to worry about in this bill, even the things we don't support, from my view.

Transportation Funding Bill

This is what they will be calling the DMV Fee bill and the other minor tax provisions. The WAM is going to reduce the credit card fees we pass on to over the counter purchasers of licenses and registrations. Not a big issue at all. I have not heard from staff that they are deviating from the administration's proposal other than that change.

H.527

This is the distracted driving bill. We do not support this bill. I will communicate that to the Chair when they return from break and indicate the Governor's position hasn't changed regarding points for distracted driving.

H.571

This is the driving license suspension bill. The Committee has increased the fines for distracted driving with a hand held electronic device and added points to the infraction. It's unclear to me why they added this provision to the DLS bill and not the DUI bill H.560 but it may be because they think the Gov would sign this bill with it included as he has supported the concept of a DLS bill. I have instructed staff to communicate to the Chair that the Governor's position on fines and points remains unchanged. The Committee is wrapping up their work on this bill.

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Deborah L. Markowitz
Agency Secretary

Trey Martin
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: February 26, 2016
Subject: ANR Weekly Report

Governor Level Issues:

Former ChemFab (North Bennington): DEC continues to manage the PFOA contamination of drinking water wells in the area of the former Chemfab plant located in North Bennington. Alyssa is going down to meet with the community today (Friday) and then again on Tuesday. We are investigating the possible source of the contamination, and while we believe it is likely to have come from the Chemfab plant, we are not yet certain. In addition, while it is likely the pollution resulted from airborne emissions, we are also investigating other possibilities. Meanwhile we will be offering to test all wells in the vicinity and will be advising that residents meanwhile rely on bottled water for drinking and cooking. We will also be testing the water in the river. We will keep you in the loop as things progress.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Water Quality Classifications (H.517): H.517 will help DEC meet the requirements of the Federal and VT Clean Water Acts by recognizing and protecting water quality uses that exceed baseline expectations, and that are of value to Vermonters. Tony has released the bill and we expect that it will be voted on after break. We spent time working with stakeholders representing the Hydro industry to explain how this typing would not impact their operations. They were satisfied.

DEC Permit Process Improvement (S.123): The goal of this bill is to achieve a more transparent and efficient DEC permitting process. After meetings with stakeholders including the development community, VNRC and CLF, the bill was narrowed to require process improvements in ANR's permitting programs and to require appellants to participate in the Agency permitting process before bringing an appeal. The bill also requires ANR to report on the implementation of process improvements in 2020. The revised bill was voted out of Senate Natural Resources 4-0-1 on Thursday morning.

Clean Water and Drinking Water State Revolving Funds (CWSRF & DWSRF) (H.610): House Corrections & Institutions began its mark-up on H.610. This is a highly technical bill and the walk-through is slow. Despite these challenges, DEC anticipates that the bill will make cross-over. DEC testified in committee in support of the bill. Committee members are beginning to appreciate how the bill will assist DEC in getting CWSRF loan monies out the door to municipalities. DEC has also been reaching out to the Mayor's Group to explain the benefits of the bill, since there had been some misunderstanding among the mayors as to the bill's purpose and effect.

CSO Notification Bill, H.674: As introduced, this bill would require operators of wastewater facilities to report discharges of untreated waste to DEC's online reporting system within four hours of the discharge. During mark-up, and under pressure from Lake Champlain International, the HFW&WR Committee shortened the reporting time to 15 minutes. VLCT was not in the room but is likely to oppose this change. DEC expressed to the committee that 4 hours is a more reasonable amount of time. The committee is likely to vote the bill out in the next day or two.

Capital Budget Adjustment, Section 11(d)(7) (Municipal Pollution Control Grants): DEC provided testimony to House Corrections and Institutions on February 23 in support of \$2,077,500 authorization towards the six municipal pollution control/abatement projects receiving partial state grants from funds appropriated in the 2015 capital bill. Those projects were funded with FY16 capital dollars at roughly 6% of the maximum grant allowed by statute. By allocating an additional \$2,077,500 to these six projects, the State would be providing approximately 43% of the maximum grant allowed by statute, leaving a balance of approximately \$3.1 million to complete those 6 grants. This includes four CSO projects (Rutland, St. Johnsbury, and two in Springfield); a wastewater treatment facility project in Brattleboro; and a sewer extension in West Windsor. House Corrections & Institutions had a lot of questions but seemed satisfied with the responses.

Capital Budget Adjustment, Section 11(d)(8) - Appropriation for closure of Bristol town landfill): DEC representatives and Bristol's town administrator testified in House Corrections & Institutions on February 23 on the closure of the Bristol town landfill. Pursuant to an agreement reached last spring between the Agency of Administration, ANR and the Town of Bristol, DEC requested an allocation of \$180,000 in capital dollars for the closure of the Bristol Landfill, the second to last unlined landfill in the State of Vermont. The town closed the landfill in August 2015. Due to cost savings, the balance requested was only \$143,000. In response to a question from Chair Emmons, DEC staff confirmed that the State provided capital funds for the closure of landfills in the 1980s and 1990s to implement Act 78.

Solid Waste Franchise Fee (H.602): HNRE has scheduled a possible vote on the solid waste franchise fee for February 24. Last week Casella and Austin Rubbish testified against the committee's proposal to raise the fee, as well as parts of Act 148. Triple T and TAM continue to support the bill. Meyers continues to be neutral. Chair Klein indicated privately that he was not rolling back any of the universal recycling law. Chittenden County Solid Waste District has proposed, outside of committee, that grant amounts from fee revenues be prorated based upon the district's own solid waste franchise fee, thus favoring districts (like Chittenden) that have already invested money in recycling infrastructure. The districts are fractured on this proposal. DEC is neutral both on Chittenden's proposal and the entire fee increase, though continue to oppose moving forward and exemption for out-of-state trash without making DEC's budget whole. HNRE committee members are enthusiastic about the proposal to raise the fee and exempt out-of-state trash, and DEC expects a positive vote from HNRE. The bill would go to Ways & Means next.

Stormwater Utilities: DEC testified in House Transportation last week in support of the stormwater utility proposal, which would give VTrans a 50% credit on its stormwater charges and authorize allocations from the Clean Water Fund to municipalities that have stormwater utilities. Legislative Counsel Mike O'Grady rewrote the language authorizing stormwater utilities, which was agreeable to all parties. Rep. Pat Brennan will be testifying in HFW&WR on the stormwater utility proposal on Thursday.

Stormwater Report on Lowering Threshold for New Construction to ½ Acre: DEC Stormwater Program Manager Padraic Monks testified in HFW&WR on DEC's report, in response to a legislative request in Act 64, to lower the threshold for new construction to 0.5 acres. DEC reached out to the Lake Champlain Chamber (Tom Torti), Ernie Pomerleau and David White, all of whom were supportive of this report, recognizing that reducing stormwater from new construction will be more cost-effective than reducing stormwater from existing construction. The development community has asked that the lower threshold be implemented in conjunction with DEC's revised stormwater manual, which DEC supports. DEC drafted legislative language for the HFW&WR committee and passed it to Michael O'Grady.

Press Issues/Releases:

Fish and Wildlife Press Releases: 2016 Governor's Youth Turkey Hunt Event; Four state record fish caught in VT in 2015; and 2016 Conservation Camp Applications Are Available.

Stone Hut: The Stowe Reporter recently featured a follow-up story about the Stone Hut fire.

Muckross: Parks Regional Manager Ethan Phelps was quoted in a Valley News article about the Muckross property in Springfield, soon to become a state park.

Significant Events/Meetings:

North Country Sportsman's Club (Williston): Vermont Law School (VLS) is representing an impacted 3rd Party, Mona and Leo Boutin, regarding lead contamination from the club in a tributary that runs through their property. Toxics Action Center and Lead Free Williston are also involved, and they have indicated that they are gearing up to do a "public push" to bring attention to the lack of corrective action that has occurred at the club. VLS asked that the groups wait until they met with DEC and let their client (the Boutins) have a chance to speak with the Commissioner or Deputy Commissioner. VLS made it clear that they did not feel that DEC was neglecting the site, however they thought we were not enforcing our own statute. The club has been doing work slowly. A meeting is being scheduled with Alyssa or George. A letter is being sent to the club to reiterate expectations for upcoming work and to provide a timeline. The letter will also request a meeting with the club to discuss required sampling and potential funding. The adjoining property owner, VELCO, will be included, as this is where the majority of the sampling needs to take place.

Final Tile Drain Interim Report: The interim tile drain report was delivered to the Vermont Legislature this week, and is available on AAFM's website (<http://agriculture.vermont.gov/water-quality/news-events/tile-drainage>). This report is a joint effort of AAFM and ANR and outlines water quality impacts and economic and agronomic benefits, as well as gaps in the research on tile drains. Research permitting, the final report is due January, 2017.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Policy (OPP)

This week was relatively quiet and focused on legislative matters. Next week we have a number of key meetings regarding GMP's St. Albans Bio digester, Elizabeth Mine Solar, Verizon Waterbury cell tower, Ranger solar and others – I'll report on all of that next week.

New Applications for the Week of February 15: OPP received 4 new Act 250 applications and 2 new Section 248 petitions.

Environmental Conservation (DEC)

EPA 2014 National Emissions Inventory (NEI) Effort: DEC staff have successfully met the EPA deadline by providing Vermont-specific emissions estimates for criteria air pollutants, hazardous air pollutants, and/or data inputs that facilitate emissions modeling by the U.S. EPA for the 2014 NEI (version 1). Emission sources covered by this comprehensive, triennial effort include on-road and non-road mobile sources, point sources, and a myriad of area/nonpoint

sources. Over the course of the next several months, EPA will use Vermont's and other states' data to conduct extensive emissions modeling for mobile sources and many nonpoint sources. These EPA-modeled emissions will be integrated with all other emissions data submitted by each state to build the first draft version of the 2014 NEI that will be released to the public during late summer 2016.

Wood- Clean Air Standards: DEC participated in the development of a reliable air emission test method for wood stoves, boilers and other heating devices utilizing cordwood with the American Society of Testing and Materials, EPA, other states, and regional air groups. Vermont has the highest asthma rates in the country. Rutland County has the highest particulate matter in EPA Region 1, the Northeast. Wood burning in old devices is a significant part of the problem. We are working to shift Vermonters to modern wood heat devices. We will launch a change-out program for old wood stoves later this spring.

Wise Worm Compost - Intent to Initiate Closure (Burke): After an article in the Caledonia Record announcing Wise Worm Compost seeking money from the town of Burke and from the Northeast Kingdom Solid Waste Management District to build an improved mixing pad, DEC began receiving complaints from an abutting landowner about odor, improper construction and operation, vector attraction, surface water contamination and failure to public notice. DEC did a site visit and did not find evidence to substantiate the claims. More complaints were received, none DEC found credible. The complainant has also been frequenting select board and review board meetings, and reaching out to the Caledonia Record. Wise Worm has decided to stop accepting food scraps and close because of the pressure from one individual. The closure leaves the Northeast Kingdom Solid Waste Management District, Town of Burke and a few other area generators seeking an alternative certified facility to bring approximately five tons of food scraps per week. Currently, Kingdomview Compost is being viewed as an option.

Lake Champlain Basin Program Steering Committee: The Lake Champlain Basin Program (LCBP) Steering Committee met in Quebec to approve a \$5.4 million Federal fiscal year 2016 (FFY16) budget. Federal appropriations from EPA, the Great Lakes Fisheries Commission and the National Park Service support the LCBP budget. The approved budget supports: (a) approximately \$1.7 million for LCBP general operating and key functions; (b) \$600,000 for "local implementation" grants, (c) \$2.5 million for technical projects; (d) \$527,000 in Education and Outreach (including \$200,000 in local education/outreach grants); and (e) \$725,000 for Heritage Area Program (supported by National Park Service and Great Lakes Fishery Commission funds). DEC will partner with LCBP on grant projects related to Lake Champlain TMDL compliance. The Steering Committee passed a motion that this year would be the seventh and final year to support Vermont's proposal to provide agronomy support to farmers in the Lake Champlain Basin (3 FTEs at UVM).

New Digital Wetland Application: DEC is hosted a webinar with consultants to unveil the new wetland application. The new application came out of a Lean event and is intended to provide further clarity to consultants to reduce the number of incomplete applications DEC receives. The new application will be required for all submittals starting March 1.

Fish & Wildlife (FWD)

Baitfish Petition Sent to F&W Board: Staff drafted a response to a petition submitted to the F&W Board requesting a change in baitfish regulations. The petition had over 300 signatures, and requested that anglers be allowed to use purchased “certified” baitfish on multiple waters within a designated period of time. The Department believes that this activity would pose an unacceptable risk to the health of VT’s fish populations. Because baitfish are exposed to lake water during use, both in the winter and summer, through water exchange or addition to keep the baitfish lively, they could become contaminated with any number of aquatic invasive species or fish pathogens present in VT waters. Allowing baitfish to be taken to other waters to be used after previous use somewhere else would serve as a potential vector of movement of AIS species such as spiny water flea, zebra mussel veligers, Eurasian watermilfoil, fish pathogens, etc.

Ice Fishing: Fishing conditions continue to bring anglers from far and wide, with large catches being reported around the state. Violations reported this week varied from closed-water catches, to license, baitfish and lead sinker issues. On Northern Champlain wardens ticketed an individual for fishing under revocation for the 15th time. The next day they ticketed his “buddy” who stated he will continue to fish because the state can’t do anything to him except write him more tickets. Up in the NEK wardens banded together to catch baitfish smugglers who were catching smelt and attempting to transport them from lake to lake.

Ice Fishing Rescue: Warden Carey provided assistance to a group of 6 ice anglers whose shanty went through the ice while they were inside. Only one person was injured and needed stitches after breaking a window by hand in order to escape.

Forests, Parks and Recreation (FPR)

Land Transactions: We are now on track to resolve the title issues associated with the Jim Jeffords State Forest acquisition, clearing the way for closing on this property in the very near future. Hazardous waste cleanup is underway at the Muckcross property and should wrap up this week. Work continues on both the Davidson donation and Dowsville Forests Legacy acquisition and we expect to close on both of these projects later this spring. Other priority ANR land transactions that are in the works and pending include the sale of the Lafreniere homestead parcel, transfer of Woodchuck Mountain parcel to the Town of Newbury, transfer of state lands in Duxbury to the Town of Duxbury, Bean Pond acquisition, and multiple Forest Legacy easement projects.

Recreation Improvements at Willoughby: FPR’s planning team met this week to continue work toward development of much-needed improvements to the Willoughby State Forest area on the south end of Lake Willoughby. The project received a major federal grant from the Northern Borders Regional Commission that served to strengthen this project on the FPR priority list of capital needs. Funding will likely be enhanced by an additional federal Land and Water Conservation Fund grant and some portion of state capital allocation. Actual physical work can begin by spring of 2017.



State of Vermont
Department of Public Safety
103 South Main Street
Waterbury, Vermont 05671-2101
www.dps.state.vt.us

To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: February 25, 2016
Subject: Weekly Report

Priorities:

DEMHS Recovery and Mitigation Section Chief met with Senator Leahy staffer and got an update on Roxbury Fish Hatchery Second Appeal. FEMA headquarters is expected to render a decision within the next few weeks. Vermont Fish and Wildlife has been notified and is preparing to move forward with a funding request to the legislature based on FEMA's final funding level.

For awareness - The Division of Fire Safety inspected the Elephant in the Field Day Care in Waterbury, where the toddler recently died, in 2013 and granted occupancy. This inspection was only specific to the structure and we have no requirement in our standards regarding site security.

Administration

HAC budget testimony follow-up continues.

Stephanie Barrett of the JFO contacted us regarding Criminal History Record Check fund and Marijuana Registry Fund. JFO requested financial information relating to both of these funds.

We continue to work with AOT on implementation of the GHSP newly residing there. DPS and AOT have key interests in delivery and outcomes regarding all highway safety matters.

CJS

We have begun the formal process with Customs & Border Protection for use of their Belleview Hill facility located in St. Albans. We have received notification that the City of St. Albans Police Department would like us to assist them by including their needs in our application for use of the site.

Our work continues with DII for an acceptable telephone solution at Westminster. The Department of Information and Innovation signed a contract in July 2015 with NWN Corporation for a cloud-based Cisco Hosted Collaboration Solution which includes VoIP telephone technology. This solution is robust, cost effective (initial estimates) and appears to be promising. However, we continue to have reservations around the level of support we can expect from both DII and NWN. This morning the project team which includes VSP command staff met with DII and NWN staff to discuss our concerns, expectations and timelines. Their initial reaction to our requirements was reassuring, however they have considerable work in front of them to demonstrate their commitment and capabilities.

At this time the Burlington/Brattleboro, Montpelier, and Brandon medical marijuana dispensaries have submitted satisfactory proposals to begin providing delivery service. Once they report initiation of these services we will be reviewing activity logs and any 'lessons learned' from the initial foray. Similarly, the Burlington/Brattleboro and Montpelier dispensaries have submitted satisfactory proposals to provide service¹

to multiple patients but have yet to initiate this with patients due to pending physical modifications to service delivery areas.

DEMHS

Director and COS attended the NDCAP in Brattleboro.

Operations Section Chief and EM Support Specialist working with DPS procurement to identify steps to secure a new food contract.

Communication is continuing with Barre City and Northfield regarding a potential Pre Disaster Mitigation application package to implement additional acquisitions identified in the VERI report.

PIO discussed emergency information for non-English speaking populations with Vermont Refugee Coordinator at AHS. Added translation button to website so non-English speaking populations can read information in their native language. Adding Vermont Refugee office to press release distribution list so that office can distribute press releases through its channels. Will inquire with Refugee office about promoting VT Alert through its channels.

Fire Safety

The Division received \$5.7 Million in new plan review construction valuation collecting \$31,500.00 in permit fee revenue.

The draft of the 2015 Annual Report of the State Fire Marshal should be completed within the next couple of days. The report is required to be submitted by March 15, 2016.

The USAR Team has approximately 40 members on board with many more applications in the process and monthly training has started and the feedback is encouraging. Mike Cannon has been working with some municipalities in effort to disseminate USAR equipment which is not being used/maintained to the team.

Vermont State Police

A Troop

FF

21 Total Arrests, 9 DUI

Troopers started another web to deal with the burglaries in the East Montpelier/Plainfield/Marshfield

BCI

Follow up on child drowning case in Waterbury. Interviews with persons involved were scheduled however attorneys cancelled them. Meeting with USCG regarding survivability timeframes with the water temp.

Assault case at CRCF / Inmate alleging she was sexually assaulted by a female guard / Inmate has made numerous sex assault allegations in the past.

CUSI Det. prepared for sex assault trial of a previous CO. Suspect accepted plea deal day of trial. Arson investigation assigned for a truck stolen from St. Albans and set on fire.

Arson investigation in Wolcott.

CSST members assisted with Shrewsbury homicide.

NUSI case assigned. 5 year old alleging he was sexually assaulted by his grandfather. D/Tpr assigned.

Assisted uniform with multiple car crashes. Uniform tied up at State House for protesters
Prepared court paperwork for armed robbery investigations.

SIU assigned case of an 8 year old child who presented at school with injuries to his arm. Suspected child abuse and domestic assault charges.

Stalking case assigned. Ex-boyfriend leaving obscene messages on his ex-girlfriend's phone.

Case follow up on tip from Montreal regarding Brianna Maitland.

B Troop

FF

11 Total Arrests, 3 DUI

Troopers are routinely responding to calls related to OD as a result of heroin use.

BCI

Missing Person reported in Bradford- 25 yr old handicap female walked away from residence-Located.

Transported Witness in Brownington Homicide from Walden, VT to Newport VT for deposition then back.

Case follow up and paperwork regarding Armed Robbery arrests from week prior.

Assist to Thetford PD with a flagger working with roadside crew cutting trees. Large branch struck the flagger. Serious injury but not fatal at this time.

Death Investigation –Albany, VT 69 yr old male natural.

Death Investigation – Jay, VT 90 yr old female natural.

New intake of Juvenile reported to be texting nude photos of themselves.

New intake of sex assault of a juvenile.

New intake of allegation made by father of Juvenile that mother touched their child inappropriately.

SOR check in Lowell, VT.

New intake of reported Child sex assault.

Interviewed two inmates regarding allegation of sex assault (Inmate on Inmate).

Court packet completed with request for arrest warrant regarding correctional Center Drug case- inmate released.

Assault on Correctional officer-One inmate arrested and issued citation.

4 New cases regarding drugs found in the correctional center in St. J.
C Troop

FF
17 Total Arrests, 9 DUI

Homicide on Cold River Road in Shrewsbury.

Participated in the NIU roundup, involving arresting 20 of 22 targets.

Clocked a driver traveling 83 mph in a 40 mph zone, driver arrested for C&N and reckless endangerment, young child in the vehicle so DCF was notified.

Responded to a welfare check and was unable to make contact with anyone in the residence, Sgt. located an open window and located a 57 year old female deceased, and BCI investigated, natural death.

Missing person located on the Long Trail.

Troops assisted with a 10-80 crash that was initiated in Brandon. Arrest made in Bennington by BCSD.

BCI
New Case – Dead Body in Rupert. Natural death of an eighty-two year old male afflicted with cancer.

New Case – Dead Body in Rutland Town; Natural death of a ninety-eight year old male due to cardiac event.

New Case – Missing Person in Ira; Missing person Jason Brown, age thirty-two, located safe in Whitehall, NY.

Continued case follow-up on Hart homicide: records checks, ATF, ATL Nick Parent.

Assist with missing person Jason Brown: conduct interview.

Shrewsbury Homicide –Assisted with homicide investigation.

CSST Activation for Shrewsbury Homicide (2 days).

New Case: Phone Problem, assisted the Rutland Barracks with a walk in complaint.

New Case: Death investigation in Leicester; natural death of a 57 y/o female.

New Case: Assault at MVCC three complaints of assaults.

Planned CNU mission in Williston.

New Case: 5 year old reportedly overdosed on Lithium .

Continued follow-up on Leicester robbery.

Case Follow-Up: Agency Assist. Town of Fair Haven. Conducted courtesy interview for Detective Hewitt of the Fair Haven Police Department. Case Completed.

New Case: Sex Offense. City of Rutland. 16 Year old boy reports being sexually abused by an unknown male subject. Victim Interviewed.

New Case: Sex Offense. Town of Fair Haven. It was reported a 4 year old girl may have been sexually abused by an unknown family member. Victim Interviewed.

New Case: Sex Offense. City of Rutland. Completed Cellebrite cell phone download for Detective Corporal Dumas of the Rutland City Police Department. Case Completed.

New Case: Sex Offense. Town of Clarendon. It was reported an I-pad of a 14 year old girl was returned to Mill River High School with pornography

D Troop

FF

4 Total Arrests, 3 DUI

Route 9 Marlboro Brattleboro line. TT unit rollover, no injuries VT RT 9 closed for over several hours.

Suspicious-D2 stalker seen headed to area of D2-confronted by Troopers.

Troopers were very busy with motor vehicle crashes this week and handled 31 crashes.

BCI

Follow up BF Fires.

Meeting at Springfield FD reference active shooter and past fire cases.

Follow up on South Londonderry Fires and Insurance Inv.

Prison Sex Assault- Obtained subpoenas for video, email, recorded phone conversations.

Death Investigation- Southern State Correctional Facility-Natural Causes (80 year old male, cardiac).

Tues Wed and Thurs – CSST Activation for Homicide in Shrewsbury.

Suicide investigation, Rochester, 69 year male, self-inflicted gunshot wound to the head.

Sex assault investigation, interview with victim.

Went to Whitman, MA to conduct search warrant (controlled call).

EOD K9 sweeps for Secret Service on Tuesday and Thursday.

Suspect interview and arrest for sex assault.

Rashed Homicide - meeting with FBI Cast Team and Windham SA Office. Lab testing of blood evidence underway.

Shrewsbury Homicide - Frank Weir 54 yoa, was arrested and processed for the murder of his girlfriend Donna Marzilli. Weir stated he killed his girlfriend on accident after she pulled a gun on him. The investigation revealed several inconsistencies. Weir was remanded to the Vermont Department of Corrections. Det. Sgt. Jacob Zorn was assigned as the case officer.

Depositions in Greensboro homicide.

Computer Crimes Unit:

6 autopsies

Response to Shrewsbury homicide

Computer Crimes:

Continued forensic examinations on several state and federal child exploitation cases.



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: February 25, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

- Decommissioning of VIT sites – All scheduled site decommissioning are complete and the equipment has been secured – await legislative direction.
- Wasson/ Stanley – RFP is drafted and is in review – holding.
- West Brattleboro & Rockingham – Appraisals are done and we are ready to list for sale when we get closer to move into Westminster, on Brattleboro, we are going to take a look at lease consolidations in town and see if this building could accommodate. If we do stay, DPS wants to leave some communication gear in the building.

Status of Governor's Priorities:

Stable. Capital bill markup starts in House Corrections and Institutions Committee after Town Meeting break.

Significant Meetings/Events:

Northern Star Shoreline Cruises Proposal – Discussed docking of the Newport cruise ship with Secretary Cole, Secretary Moulton, Representative Mike Marcotte and Senator John Rogers. Searching for funding source.

Meeting with Commissioner Pallito – Discussed the Arts Council paying FMV rent \$47,000/year v \$12,000/year

FINANCE AND MANAGEMENT

Issue Updates:

- Budget: We continue to work with the Appropriations Committees on the SFY2017 Budget. At this point, with the substitution that we proposed for the Pregnant Persons issue, the budget is balanced with a couple of exceptions:
 - The potential for a cost of living adjustment for state employees (est. \$4 to 6m)
 - The increase for the home care workers contract (est. \$1m).
 - Additional request from the HAC, a potential increase to child care providers (est. \$1m).
- Jana Riddle, Director of Change Management started in her new role this week. We will now start working on the DII - ABC Form for the VISION Upgrade and other phases of the ERP Expansion Project.
- We were notified by the State Auditor's Office this week they will be conducting an audit of state employee performance evaluations for CY 2015. The audit will be performed on the Departments of Finance and Management, Human Resources and Information and Innovation.
- The Commissioner, Deputy Commissioner and Budget Director continue to discuss our vision for the Budget Office is. Our goal is to make sure as we fill current vacancies we do so in a way that will help us move closer to our shared vision.
- VISION Security – This week we made changes to the way we allow VISION Users to request a password change to the VISION application. It brings the VISION process much more in line with the VTHR process.
- Finance and Management staff on the 3rd floor of 109 State are planning their move to the 4th floor of 109 State. They will utilize the space on the 4th floor that was vacated when the Payroll Division transitioned back to DHR. Our goal is to have them relocated between the middle and end of March.

HEALTH CARE REFORM

Under Separate Cover

HUMAN RESOURCES

Legislative/Policy Update:

At the request of Senator Ashe, we are considering (in consultation with the Health Care Reform Office) whether it would be possible to create a pilot project to incentive members of the State benefit plan to seek lower cost providers for a limited number of treatments, procedures and tests.

Testified at House Government Operations regarding position management and the position pilot. The Committee appears to be unsatisfied with the way the State manages its positions, though there was no consensus on the solution with some favoring managing to the budget and others favoring tight legislative control.

In concert with the VSEA, we made a proposal to House General which would allow certain grievance decisions of the VLRB to be redacted on its website to preserve the confidentiality of grievants.

Sent our suggested edits for H. 808, which deals with accommodations for pregnant employees, to House General.

Continuing to be responsive to House Appropriations with follow up questions regarding DHR's proposed FY17 budget. The questions are clarifying in nature and no concerns have been identified by the Committee.

Vetting a number of health care related bills to identify cost and plan impact.

Communications Update:

Benefits and VTHR are collaborating with DII to revise benefits related documents sent to beneficiaries. The current documents are confusing and out of line with State marketing standards.

Significant Meetings/Events:

The DHR staff assigned to AHS have moved to Waterbury and are settling into the new space.

Concerns about staff related issues were brought forward by Lawrence Miller at HAEU. We'll be working with CAPS and AHS Change Management on strategizing how to help HAEU leadership.

Met with VSEA to discuss/impact bargain several topics.

Began negotiations with VTA – signed Ground Rules and exchanged initial proposals.

Finalized proposed statutory language for death benefits – violence against state employees.

Met with AHS leaders and business managers to discuss the proposed MFA for nurses.

INFORMATION AND INNOVATION

Significant Events/Meetings:

- Kevin Nadzam, one of DII's network engineers, was struck in the crosswalk in front of bldg. 133 on 18 February. He has some shoulder trauma and suffered a concussion and is recovering at home.
- Harry Bell met with House Government Operations on 25 February. The committee asked him to explain the reason the 3% web service fee was in the fee bill and then had several questions about the process. Harry explained the workings of the Web Portal Board (WPB) and how Interagency Agreements are created and approved. They asked about the 3% proposal in particular and Harry provided a brief history, i.e. from it being requested by a board member, then approved by the board and then to the Fee Bill. Harry explained how the funding broke out with 2% going to the credit card and 1% to Vermont Information Consortium (VIC). He also explained how the 1% pays for initial website development, support and maintenance. There was a final question about chipped credit cards. Harry explained that their use was dependent on the card reader being used and that their use for online transactions was no different from traditional credit cards unless the user owns a specialty reader. They did not request any additional information.

Evolving Issues:

Web Updates:

- The Healthcare Reform Website will be going live next Monday.
- A meeting of the Web Portal Board to discuss the VIC contract extension and amendment has been scheduled for 3/11.

LIBRARIES

No report

TAXES

Legislative Update:

Estate Tax: In crunching numbers, staff found an issue with the drafting of S.55, the estate bill that passed the Senate. There were some anomalies in the weeds of calculation that ended up hurting resident estates and favoring non-resident estates. We traced the problem to trying to paste new words on to the very old statute. So the fix, which makes the new statute even simpler, did take some extensive drafting. We spent some time talking to MN staff about their experience drafting estate tax changes and forecasting revenues. We think we can argue that the proposal is revenue neutral adopting the federal structure at the current exclusion level of \$2.75M. We are meeting with the advocates tomorrow to see if the strategy is just to drop the step up of the inclusion in out years, which is Rep. Ancel's excuse for not moving the bill. Andrew Maclean has been asked to testify on Tuesday.

Marketplace Fairness: Senate Finance has joined Ways in Means in looking at the NCSL package of model sales tax nexus provisions that would be unconstitutional under current Supreme Court law. Turns out we also still have on the books some provisions that get to the same unlawful place, but have never been enforced. We have asked the AG's office to estimate the cost of defending a lawsuit.

VEGI: The auditor has asked us to document our resources in administering VEGI claims. In excess of one FTE.

Property Tax Yields: As is usual, Ways & Means is looking at the rate/yield bill, and playing with all sorts of old ideas, such as limiting house site value (ironically, they upped the house site value for higher earners to increase the slope last year), lowering the cap on adjustments, spending penalty thresholds, unfunded mandates, etc.

Operations Update:

Tax Season: Refunds: We have additional information on suspicious filings under the IRS breach, as well as a critical mass of employer W-2s. So starting tonight, we will ramp up the number of returns that we are processing. We will ramp up further if we have a good percentage going through without hitting the fraud filters, but we will not be at full steam until March 1 at the earliest. At this point, we are \$20M behind our refunding level of last year, and even in the best case scenario, we will be running 50% behind our refund levels at month end. Right now our biggest restraint is the manpower to do

manual reviews of flagged returns – we have contingency plans to shift staff from other divisions to this task if necessary.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: February 25, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates:

Bill Goggins attended the House Government Operations Committee 2/25/2016 for discussion on H.130, which could transfer DLC law enforcement staff to DPS. The bill passed out of committee with approval to conduct a summer study.

On 2/26/2016 Senate General will take up S.251 -

Press Issues/Releases/Contacts: None

Significant Events/Meetings:

We continue the process to name a Deputy Commissioner from the three remaining finalists.

Summary of Key Department Activity:

Agency Issues: The Department will advertise for new agencies in Pownal and Brandon.

Staffing: - Nothing noteworthy.

IT POS system: We are continuing to work on the RFPs and other State required paperwork to restart the POS and retail projects. We hope to have this completed for the POS project and out to bid by the end of the month.

Warehouse: We continue to work with BGS on the much-needed repairs to product storage areas, and wiring for security cameras.

Licensing: We continue the process of License renewals as they are submitted

Commissioner's Commentary:

The Deputy Commissioner position job offer has been accepted by Gary Kessler. His hire on date is anticipated at the beginning of April.

An Initial group meeting with manufacturer representatives has been scheduled for 3/7/16 to do an introduction.

The process of retail agency visits and agency owner interviews has been initiated to start to build consensus for the evolution of our practices and procedures.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: February 26, 2016

Secretary's Top Issues

Training on gas skimming

Marc Paquette, Weights and Measures Specialist, presented an informational talk on gas pump skimmers to a meeting of the Consumer Protection staff at our monthly meeting at the lab in Berlin. Staff will be watching for possible tampering with gas pumps.

Confirmed rabid cat in Danville

Assistant State Veterinarian placed a quarantine on a dairy farm in Danville with a confirmed positive rabid cat that had access to a barn with livestock. Staff will conduct a site assessment and all movement of live animals on and off the farm must be permitted.

Preparation for FSMA

Assistant State Veterinarian/Produce Team reached out to New England agency produce points of contact to garner interest in meeting separately at the FDA hosted FDA hosted Produce Safety Rule National State Agency Planning Meeting that is being held in Orlando, Florida. This meeting serves as a great opportunity for participants from New England state agencies to find a separate time to get together and discuss the Food Safety and Modernization Act (FSMA) related areas of common interest. Additionally, the Agency of Agriculture has scheduled several FSMA Workshops throughout the state.

Duck slaughter

Meat Inspection representatives assisted producer with proper contacts in APHIS and FSIS for having ducks slaughtered. No VT operations are willing to slaughter for the operation which is looking to slaughter and process about 1000 ducks per week so individual is lining up a Canadian firm. Individual will ship live birds to Canada, have them slaughtered and then have the finished product imported back to VT for sale in the US

Pesticide application violation

A Notice of Violation with a \$3200 penalty was sent to an applicator that was applying pesticides commercially for several years without the required pesticide certification or company license. He also failed to include all of the required information in his operational records and his invoices to customers.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: February 26, 2016

Status of Governor's Priorities:

Legislative Activities and Issues:

2/23/16

The VAAFM monitored testimony in House Agriculture and Forestry Products addressing the sustainability of 2+2 Program. The committee called Tom Vogelmann at UVM to ask if UVM would/could provide some type of scholarship to student(s) in the 2+2 program at UVM. Two avenues Mr. Vogelmann will inquire about:

- (1) Student Financial Services - Scholarship possibilities and
- (2) President's Office - Tuition Rate Consideration. Committee went on to discuss the possibility of dairy industry providing funding to support scholarship(s).

The House Committee will continue to brainstorm ways to support 2+2 program.

2/24/16

H. 778 State Enforcement of the federal Food Safety and Modernization Act (FSMA). The House Agriculture and Forest Products Committee invited testimony from Roger Noonan, NE Farmers Union; Laurie Bombard, Mazza's Fruit and Vegetable Stand; and Paul Harlow, Harlow Farm. Both Laurie and Paul were supportive of the Agency implementing the Produce Rule, vs FDA but had reservations about the financial implications of FSMA in general. Laurie stated that with all of the different audits and inspections the farm is subject to, they need a full time person to keep records. Roger was supportive of the Agency implement the Produce Rule and expressed concerns with some of the language in the bill. His testimony is summarized as addressing *definition of produce *'issuance of a certificate' after inspection *inspection at any time

Shelley Mehlenbacher and Kristina Sweet, VAAFM were asked to provide testimony in response to Roger's testimony and to answer questions from the Committee.

The VAAFM notes that H.829- a technical corrections bill addressing water quality- bill passed out of Fish and Wildlife.

In Senate Agriculture the VAAFM testified on S. 169, Rozo McLaughlin Farm-to-School Program. Senators discussed the bill and a clean-up of language; new language to reflect current climate

- The bill calls for 50% local or regional purchases in schools by the year 2025. The Senators agreed that they do not know the definition of regional, but agreed that they will leave that term in the bill.
- Sen. Zuckerman had a series of questions concerning funding nonprofits/technical service providers; what % of funding in a farm to school grant pays for personnel (this concern was shared by Sen. Sirotkin). Senator Zuckerman remarked that many people want to work in food systems, but few want to grow food. Ali Zipparo, VAAFM, stated that funding technical service providers is an existing practice works well with the grant program, and is reflective of the current farm to school climate in Vermont, and addresses the needs of the farm to school community. Zipparo also explained that school grantee budgets must be spread among many different areas, and that more than 25% toward one farm to school coordinator is not permitted.

- There were a variety of questions and follow up discussion from Senators about reporting on the Farm to School program, tying funding to school wellness policies, support of State of Vermont CSA program, but limiting what entities can provide CSA shares in the workplace program.
- Agency of Ed Child Nutrition Programs director, Laurie Colgan suggests the committee address the state's procurement threshold for school purchases, which is \$15k, and increase it to \$25,000.
- Starr asked to make sure that the \$80,000 included in the bill for Universal Meals be clearly stated as an addition to the \$56,000 of farm to school grant funding currently in budget.
- Faye Conte of Hunger Free Vermont stated her organization's concern that there is an 80k ask, which is lower than the 56k in farm to school.

2/25/16

House Agriculture and Forest Products Committee discussed bill H. 778 FSMA, and Kristina Sweet, VAAFM, answered their questions. Rep. Smith sees FSMA and water quality as "parallel tracks" and is concerned that a program originally stood up to provide assistance to farmers can mushroom into a program with heavy fees and penalties. He also expressed concerns re: inconsistencies between federal and state water quality standards, which Jim Leland addressed. Mr. Leland shared that the state standard for water quality is more stringent than the federal standard, but he feels that the stronger standard is appropriate for the state. Rep. Smith wants to "move ahead cautiously" with FSMA. Shelley Mehlenbacher, Assistant State Veterinarian, also addressed questions about FSMA & Good Agricultural Practices (voluntary audits that verify that fruits and vegetables are produced, packed, handled, and stored as safely as possible to minimize risks of microbial food safety hazards), and our "intent" with this bill. I reiterated that this bill is the first part of a two-step process—and our intent is to have a public process when it comes to actually standing up a program—as well as and the reasons we requested the use of "may," and I shared that FDA requested 11.3 million specifically for states in the FY 17 budget. Cameron Wood, leg counsel, confirmed keeping the produce definition as-is in the bill and responded to questions about which farms will be covered/not covered/exempt.

2/26/2016

Vermont Senate Agriculture Committee discussed S. 169 related to Farm to School.

- Senator Sirotkin wanted to make sure that the \$80k in the bill will specifically go toward Universal Meals, not farm to school, in general.
- Faye Conte of Hunger Free VT echoed her concern from Wednesday that the \$80k is much more than the \$56k allocated to farm to school in the current budget.
- VAAFM comfortable with language that clarifies that the \$80k is in addition to farm to school funding, specifically, whereas in the bill, it referenced VAAFM funding, in general.
- Food service procurement threshold:
 - Bill references federal procurement law, which has the limit between \$100-\$250k, which the committee agreed is too high.
 - Laurie Colgan said that \$25k is sufficient
 - Committee wanted to make sure that rule allows for fair price for food service. Without a threshold, school food procurement might not be getting best price.
 - Michael O'Grady will research other related statutes, to make sure whatever language is used covers food service
 - Committee decided to adopt a \$30k procurement threshold for formal bid
- Solicitation on State Property
 - The Starr and Sirotkin thought that "food hubs and other food distribution systems shall be subject to the prohibition" was too limiting. Sirotkin suggesting striking the sentence.
 - Diane Bothfeld mentions that there is no definition of food hubs, and that the language would limit farm businesses that aggregate product from other farmers, like Pete's Greens, who currently deliver to state employees on state grounds.
 - Starr asks if there has ever been a problem with nonprofits competing with farm businesses on state grounds- Zipparo said there has not been a problem, and that food hubs allow state employees access to fresh, local food that they would not otherwise have, and also allows farmers access to new markets. She also said it is VAAFM's goal to increase fresh, local food access to state employees.
 - Zuckerman pointed out that the whole section could be struck, and concerns be dealt with through BGS's rule making, and making BGS enforce that rule that would only exempt farmers selling their own produce.

- Bothfeld asked Zuckerman how BGS knows that a farmer didn't buy a product from another farmer in a pinch. Zuckerman said that BGS should find out. Bothfeld suggested they also change the word produce to product, allowing more Vermont grown and raised food to be accessed by state employees.

Press, Marketing and Communications:

FOIA Request from the New York Times – Melissa Moon, filling in for Alison Kosakowski, provided requested information regarding a FY13 Working Lands Capital/Infrastructure Grant for \$50,000 to Carina Driscoll at the Vermont Woodworking School.

Significant Events/Meetings:

- Marc Paquette, Weights and Measures Specialist, presented an informational talk on gas pump skimmers to a meeting of the Consumer Protection staff at our monthly meeting at the lab in Berlin. Staff will be watching for possible tampering with gas pumps.
- Assistant State Veterinarian placed a quarantine on a dairy farm in Danville with a confirmed positive rabid cat that had access to a barn with livestock. Staff will conduct a site assessment and all movement of live animals on and off the farm must be permitted.
- Assistant State Veterinarian/Produce Team reached out to New England agency produce points of contact to garner interest in meeting separately at the FDA hosted FDA hosted Produce Safety Rule National State Agency Planning Meeting that is being held in Orlando, Florida, March 22-24th. This meeting serves as a great opportunity for participants from New England state agencies to find a separate time to get together and discuss FSMA related areas of common interest. Some conversations that could be initiated include:
 - Begin or further the relationship building process between New England state counterparts involved with FSMA.
 - Share information on state plans to implement FSMA.
 - See if there is an opportunity for regional collaboration on the inspection process – rules, standards, inspection documents, etc.
 - Garner interest on continued, consistent communication between the New England POCs regarding FSMA implementation.
 - And, finally, discuss the prospect of a New England-wide common brand.
- The Animal Health office responded to a public records request issued by Green Mountain Animal Defenders this week. They are involved in a protest of a traveling circus that is coming to VT, and they requested copies of the import permit for the domestic livestock traveling with the circus.
- State veterinarians finalized the registration information for the Northeastern United States Animal Health Assn. meeting this week, being hosted by Drs. Haas and Mehlenbacher. The three-day meeting will be held in May at the Stowe/Flake and will address topics of interest to veterinarians, laboratory diagnosticians and animal agriculture industry members. Agenda topics may be of interest to VAAFM employees, and the registration information will be distributed in the near future.
- State Veterinarian, Kristin Haas, represented VT on the monthly conference call meeting of the New England States Animal Agriculture Security Alliance. Topics of discussion included HPAI preparedness and initial planning for a New England regional exercise in mid-May.
- State Veterinarians Haas and Mehlenbacher met with VAEL staff and director as well as BGS and Canon leadership this week to finalize equipment and floor plans for the animal pathology lab space.

Evolving Issues:

- Animal Health Section sent a letter of warning to a noncompliant National Poultry Improvement Plan participant who is misrepresenting herself on official poultry product export documents. Staff followed up in person to discuss with the producer why this was happening on her end.
- Animal Health staff reached out to the CT State Veterinarian regarding a CT poultry farm that is sending birds to VT producers without meeting VT import requirements. The VT producers are being followed up with to provide education and outreach regarding import regulations for poultry.
- Animal Health Section is providing the National Assembly of State Veterinarians VT comments on the USDA proposed tuberculosis and brucellosis rules.

Summary of Key Agency Department Activity

Administration:

Land Use

The Land Use Team would like to thank Sylvia Jensen for her 15 years of commitment to the Farmland Conservation Program in the Agricultural Development Division. She has accepted a position with the Agricultural Resource Management Division, as a member of the expanding water quality team. Her experience as a farmer and with farmland conservation will be an asset in her new position.

Two farms sold conservation easements since the beginning of the year. The LaFreniere Farm in Hinesburg, owned by the LaFreniere Family Revocable Trust, conserved 210 acres of meadows, pasture, and forested wetland. The property was then sold to Bernie Guilmette Farm to expand their land base in support of the home farm. The Vermont Housing and Conservation Board (VHCB) provided their support for conservation of the farm with a grant of \$495,000. A 57-acre parcel located in Alburgh was also conserved when the Reynolds Farm sold an easement to permanently protect this valuable acreage that provides feed for this growing medium farm operation. A VHCB grant in the amount of \$40,000 supported the conservation of the Reynolds Farm. The easement also identifies a 3.28 acre surface water protection zone (SWPZ) to protect a wetland area located in the northern portion of the parcel. In addition to the conservation of these two farms, the Bentley/Boomhower Farm located in Cambridge sold an Option to Purchase at Agricultural Value (OPAV). VHCB granted an award in the amount of \$125,000 for the OPAV acquisition facilitating the transfer of the farm to Greg & Kathy Beaudoin, nearby organic dairy farmers. SWPZ were also added to serve as buffers to perennial streams and wetlands throughout the farm.

Representatives from Senator Leahy and Senator Sanders, and Congressman Welch's office met with the VAAFM, Vermont Land Trust, Vermont Housing and Conservation Board and Vermont Natural Resource Conservation Service (NRCS) office to discuss a recent amendment to the rules that govern the use of the Farm Service Agency's Conservation Reserve Program (CRP/CREP), which pays for the installation of buffers and other conservation practices on farms to enhance water quality and provides an annual rental payment to farmers for the acreage removed from production. The recent amendment to the CRP rules prohibits dual enrollment in NRCS's Agricultural Conservation Easement Program (ACEP) (formerly FRPP - Farm and Ranch Protection Program), which provides funding to state land trusts to conserve quality farmland. The VAAFM and its partners are seeking clarity regarding the CRP rule change, and applicability in the Vermont based on the historical usage of similar programs together, and federal interpretation of the ACEP/FRPP and CRP programs being incompatible. Several closings on the purchase of farm's development rights will be delayed because of the rule change.

Agricultural Development:

Working Lands Enterprise Board

On Thursday, February 25th, the Forestry Committee of the Working Lands Enterprise Board hosted a Southern Vermont Forest Meetup where they released the results of the year-long Forest Systems Analysis and a new mapping tool. It was held at the Marlboro School of Graduate and Professional Studies in Brattleboro and was followed by a tour of Cersosimo Lumber, the largest sawmill in the state. Over 60 industry members and partners were in attendance. The event built on the success of last June's Forestry Summit, held at Sugarbush Resort, and focused on building connections within the sector.

The year-long report brought together hundreds of members of the forest and wood products industry. The three main takeaways defined a need for increased public awareness of the economic importance of the forest and wood products sector; industry wide network development; Increased consumer demand for Vermont made wood products.

The [Vermont Forest and Wood Products Online Directory](#) is an online, interactive map of many of the wood and forest related businesses and resources in the state. The tool can be utilized for a variety of purposes, including find a nearby forester or a kiln that dries a particular type of wood. The map is linked to the Working Lands website as well as that of the Department of Forests, Parks & Recreation.

WLEB Forestry Committee Chair, Joe Nelson, and County Forester, Matt Langlais, provided remarks. A three-person panel illustrated Southern Vermont's value chain. Panelists included Eli Gould, a WLEB grant recipient and owner of Ironwood Brand, Jeff Hardy from Cersosimo Lumber, and George Weir from the Windham Regional Woodlands Association.

Produce Program Coordinator Presentation to Vermont Tree Fruit Growers Association

- Produce Program Coordinator Kristina Sweet presented to the Vermont Tree Fruit Growers Association in Middlebury on the Food Safety Modernization Act (FSMA) Produce Safety Rule, which will impact farms that grow, harvest, pack or hold fresh produce.
- Sweet presented an overview of the FSMA Produce Safety Rule, key requirements and exemptions, and the timeline for implementation. Sweet also shared the timeline for public comment on the 2nd draft of Required Agricultural Practices.
- Association members asked clarifying questions about the Produce Safety Rule's exemptions.

Food Safety Modernization Act Educational Workshops Scheduled

- Produce Program Team—Abbey Willard, Kristina Sweet & Shelley Mehlenbacher—scheduled three educational workshops to share information about the FSMA Produce Safety Rule on March 31 in Montpelier, April 4 in Rutland, and April 5 in Rutland.
- These workshops will help farmers understand how the FSMA Produce Safety Rule may affect their farms. A representative from the Agency of Agriculture's Water Quality Team will also provide information on the 2nd draft Required Agricultural Practices (RAPs).
- The April 4 workshop will be co-hosted by the Vermont Department of Health and cover the FSMA Preventive Controls for Human Food rule, which addresses food processing, as well as the Produce Safety Rule.
- More information is available at go.usa.gov/3SV3F.

Food Safety Modernization Act Online “Decision Tree” Tool Launched

- Produce Program Team—Abbey Willard, Kristina Sweet & Shelley Mehlenbacher—launched an online survey to help farmers determine whether their farms will be covered by the FSMA Produce Safety Rule.
- Factors that determine whether a farm is covered include types of produce grown, annual sales of produce, and annual sales of food.
- The team also included several voluntary questions to help the Agency determine how small farm certification under the RAPs may impact produce growers.
- Farmers can take the survey at <https://www.surveymonkey.com/r/vtfsma>.

House Agriculture Committee Testimony & Discussions on H.778, relating the federal Food Safety Modernization Act

- Food Systems Section Chief Abbey Willard & Assistant State Veterinarian Shelley Mehlenbacher testified to the House Committee on Agriculture on H.778. The bill would authorize the Vermont Agency of Agriculture to enforce the federal Food Safety Modernization Act Produce Safety Rule.
- Produce Program Coordinator Kristina Sweet & Dr. Mehlenbacher monitored testimony given by Laurie Bombard, General Manager, Sam Mazza's Farm Market; Roger Noonan, President, New England Farmers Union; and Paul Harlow, Harlow Farm and answered questions during committee discussion.
- Sweet monitored testimony given by Cameron Wood, Legislative Counsel and answered questions during committee discussion.
- Bombard, Noonan & Harlow expressed support for a state-level produce program to implement FSMA and stated that they would prefer to see Agency of Agriculture inspectors on Vermont farms rather than FDA.
- Committee members emphasized the importance of providing education and technical assistance to farmers prior to inspections or enforcement actions, a sentiment with which the Produce Program Team concurs.

VAAFM Senior Agriculture Development Coordinator Zipparo Participates in New Farm to Plate Health Cross-Cutting Team

- The team was created recently, after the need to include health in the Farm to Plate strategy was fully realized. The Food Access Cross-Cutting team had, for many years, included the health conversation, but the time has come to allow a separate space for this important conversation.
- Members of this new team come from a wide variety of organizations, including VAAFM, VT Dept. of Health, American Heart and Cancer Associations, UVM Health Center, Blue Cross/Blue Shield, UVM, Vermont Food Bank, and several food and health related nonprofits.

- VAAFM's leadership in local food wellness campaigns, including those in farm to school and in state government, led to their inclusion in this team. Ali Zipparo serves as the representative to this team.

VAAFM Local Foods Administrator and Farm to School Coordinator Continue to Offer Testimony in S. 169, a Bill Related to Farm to School

- The bill largely aims to modernize language in the Rozo McLaughlin Farm to School Act, adding details that reflect the current climate of farm to school in Vermont and the US, including the inclusion of the Vermont Farm to School Network Goal to "Establish a food system that by 2025: engages 75% of Vermont schools in an integrated food system education program that incorporates community-based learning; and purchases 50% of food from local or regional food sources.
- The bill also specifically includes regulated childcare providers as an eligible applicant for the grant program, and adds a funding request for a new program to help schools participate in the federal Community Eligibility Program, which provides free meals to all students at eligible schools.
- The bill also proposes to increase the purchasing threshold for formal bids for school purchases from \$15,000 to \$25,000. The change intends to increase the amount of local food being procured by school food service. The federal threshold is \$150,000, but state law takes precedence over federal. By comparison, New Hampshire has no state level threshold, so they follow the \$150,000 federal threshold. Maine has a \$10,000 threshold, while Massachusetts is \$35,000. These thresholds are established to ensure a fair market for producers and buyers.
- Additionally, the bill adds language to the statute governing the ag exemption in the prohibition of solicitation on state grounds, specifying that food hubs and other food distribution systems also be prohibited from soliciting. This additional language would prohibit any farm that aggregates product from other farms, which is common practice in Vermont CSAs, from soliciting to state employees.

VAAFM in Vermont Veteran Farmer Coalition Meeting

- The recently established coalition is working with several organizations to help veterans connect to farming opportunities. NOFA-VT will hold a training workshop over the summer of 2016, specifically for aspiring farmers who are veterans. Cabot Cooperative has started a pilot program to have 5 dairy farms host aspiring veteran farmers as mentees.
- The President of the Vermont Veteran Farmer Coalition, Jon Turner, a 4-tour Iraq War veteran farmer from Bristol, will be the key-note speaker at the Veteran Summit in the NEK on March 12th.
- VAAFM has provided a significant amount of resource coordination and stakeholder meeting facilitation for the coalition, and continues to explore avenues for collaboration around workforce development for Vermont veterans who are interested in farming.

Review of Dairy in the Classroom Applications

- Dairy in the Classroom is coordinated by Shelburne Farms, and is funded by VAAFM through dairy promotion funding via the dairy check-off program.
- There were 46 applications this round, with funding for only 40 classes.
- While Dairy in the Classroom happens in other states, Vermont's is highly regarded, and will be used as a model for the development of Rhode Island's program, which is in development, and will be funded by Vermont Community Foundation Keep Local Farms Fund.
- VAAFM will take a more active role in this program, especially in regard to the connection to farm to school, and how to best align and leverage each program.

Meeting About Marketing Direct to Consumer Food Access Opportunities at Rest Stops

- The conversation came as a result of VAAFM and BGS's work on opportunities to expand local food procurement and marketing in state government, pursuant to Act 38.
- The concept of adding farmers' markets at select rest stop locations was discussed, but barriers related to Federal Highway Administration rules are a challenge in pursuing this kind of an initiative.
- Zipparo will continue to communicate with related partners, including the New York Department of Agriculture, Markets and Food, to identify opportunities. Various New York State rest stops feature farmers' markets throughout the summer, including the New York Thruway and the Teconic Parkway.

Meeting with NOFA Vermont to Discuss New Farmers' Market Opportunities

- The Vermont Veteran Farmers Coalition is interested in exploring the concept of a farmers' market at the VA hospital in White River. Zipparo and Buckwalter discussed opportunities and challenges around that concept, and established next steps in this idea.
- Agency of Natural Resources Universal Recycling team expressed interest in piloting an outreach initiative at farmers' markets, to establish best practices and education about Universal Recycling. The meeting explored barriers, opportunities, concerns and next steps.
- Buckwalter and Zipparo also discussed the feasibility of farmers' markets at rest areas, and will continue to explore this concept.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

Henry Marckres, Chief, Consumer Protection, met with representatives of the maple industry to discuss the Vermont Maple Law as it pertains to equipment used in maple production.

Meat Inspection:

- Meat Inspection assisted Federal APHIS with information concerning hogs being raised in Vermont
- Notice of Warning sent for misbranding of product at point of sale outlet – false VT claims
- Notice of Violation forwarded to Secretary for signing for multiple alleged violations from one producer – exceeding exemption allowances, non-licensing for wholesale distribution, slaughter for others without a proper sanitary facility or licensing
- Grand Isle slaughter facility submitted Humane Handling plan required for licensing. Plan sent for third party review. Establishment ready to start under federal inspection once compliance with requirements is verified.
- Brattleboro establishment that was preparing Ready to Eat (RTE) product illegally have contacted a federal establishment to help prepare the products legally after VT meat inspection representatives consulted with them and explained the requirements
- Meat Inspection representatives assisted producer with proper contacts in APHIS and FSIS for having ducks slaughtered. No VT operations are willing to slaughter for the operation which is looking to slaughter and process about 1000 ducks per week so individual is lining up a Canadian firm. Individual will ship live birds to Canada, have them slaughtered and then have the finished product imported back to VT for sale in the US
- Assisting multiple producers in figuring out the regulations for producing products ranging from Meat Sauces to Bone Broth as well as smoking and curing of multiple products and RTE Beef Jerky
- Consulted with NOFA representatives about issues associated with the slaughter and processing of alleged organic products without proper paperwork. Apparently product was produced in a federal plant and the onsite federal inspector was unaware of the requirements. Working with NOFA to relay some of this information through the contacts of the State Meat Inspection program to Federal representatives in this district

Animal Health:

Animal Health Field Staff

- Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and to complete the livestock market report.
- Provided information to two poultry producers requesting possible National Poultry Improvement Plan participation.
- Completed a voluntary High Path Avian Influenza assessment at an organic egg laying operation in Starksboro, VT.
- Scheduled High Path Avian Influenza Pre-Event Interviews and Assessments for 4 poultry operations in Addison and Windham Counties.

Completed a re-inspection of an animal shelter in Windham that is currently under an investigation for animal welfare complaints. Previously, the shelter met the inspections requirements for animal shelters, which are primarily health and hygiene based.

Agricultural Resource Management:

Industrial Hemp in the Virgin Islands

On Wednesday February 17, Plant Industry personnel provided testimony (via Skype) to the US Virgin Islands Senate committee on Economic Development, Agriculture and Planning, at the request of Senator Terrence “Positive” Nelson. The hearing was to review the proposed Virgin Islands bill to legalize cultivation of industrial hemp in the islands, and our testimony was to provide the committee with a brief history of hemp legislation and the status of our program here in Vermont. Senator Nelson has been a leader in the movement to encourage reformation of cannabis law in the Virgin Islands, and was especially interested in whether there were commercial quantities of hemp being cultivated in Vermont, and whatever obstacles we have had to address during program development and implementation. The testimony from other witnesses and the questions from other committee members was remarkably similar to (identical) discussions we had in Vermont several years ago, and focused on the ongoing conflict between Federal prohibitions on cannabis generally and the potential legal troubles facing the Territory and citizens should the Virgin Islands proceed with legalization of hemp.

2016 APHIS funding for Plant Industry projects

USDA APHIS announced the FY 2016 spending plan for the Farm Bill last week. Five project proposals that were submitted through Plant Industry received funding. Projects for 2016 include an Exotic Wood Boring Bark Beetle Survey, Asian Defoliating Moth Survey, Apple Commodity Survey, Grape Commodity Survey and continued funding for the Forest Pest Outreach Project. A total of \$134,000 was allocated for these projects. UVM extension will be receiving some Farm Bill Funds through the agency in order to help execute several of these projects.

Pesticide application violation

A Notice of Violation with a \$3200 penalty was sent to an applicator that was applying pesticides commercially for several years without the required pesticide certification or company license. He also failed to include all of the required information in his operational records and his invoices to customers.

Paul Girard Case

The Agency went to court last Wednesday, 2/17/16, in Essex Superior Court, aided by the AGO, to try the Paul Girard case. The Agency won, but the AGO had to rewrite the final Order. Mr. Girard was keeping pigs and poultry in his residential backyard and his neighbors were upset due to the constant manure smell. As soon as the AGO delivers the final Order to the court, it will be adjudged and ordered that (summarized):

1. Mr. Girard shall not keep hooved animals on the Property.
2. Mr. Girard shall not keep poultry on the Property. Mr. Girard shall remove any poultry currently kept on the Property.
3. Mr. Girard shall remove the top 8” of composted or raw state manure (the Material) in the area by June 1, 2016.
 - Mr. Girard may get an extension until July 1, 2016 to remove the Material, if the extension is needed due to wet conditions.
4. A penalty in the amount of \$1000 is imposed, \$500 of which is suspended as long as Mr. Girard meets the conditions listed in Paragraphs 1 through 3 above.

ARM Division Water Quality Team:

The Water Quality Section of the ARM Division has recently opened a satellite office in Williston. The Agency has outgrown the space/capacity at the Montpelier State Street office and in addition water quality program demands have increased and the Agency has taken on new program responsibilities. The satellite office puts the water quality team closer to a significant amount of our customer base in the Champlain Basin and will allow opportunity for the Agency to host partner organizations as well as trainings for farmers and producers.

Medium Farm and Large Farm Operation (MFO and LFO) Programs:

- Staff conducted a technical assistance on a LFO in Addison County to discuss their proposed permit amendment for herd expansion and construction of additional animal housing.
- Staff are processing LFO annual reports to determine whether or not their reports meet reporting requirements.
- Staff attended a no-till and cover cropping symposium held by UVM Extension in Burlington.
- Staff are working with the ARM Division financial management team to review Farm Agronomic Practices (FAP) Program applications for education/outreach grants and develop grants agreements with the applicants.

- Staff conducted a complaint inspection on a MFO in Addison County to evaluate manure stacking sites as well as a mortality composting site in relation to property boundary's.
- Staff attended a tactical basin planning meeting for the Lamoille River watershed and discussed ag hotspots within the watershed, data sharing for strategic planning and other basin planning processes.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing, waste storage, increase animal numbers and importation of wastes for digesters.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to work on and test the FoodSafety Water Quality database. We are currently working on enforcement actions, permit fees and payments, data tracking and data migration. Releases to the staging environment have allowed for continued testing.

LOTTERY

Confidential Weekly Report

Gov priorities - continuous review of job duties to ensure they reflect essential work.

Media - none this week.

Legis contact - spoke with Sen Econ comm about their vote on S.252 and introducing it on senate floor. Just to ensure their understanding of key points.

Evolving issues - none this week.

Dept activity - our security director returned from a month away for military training, allowing other staff to discontinue covering his duties. We will also step up efforts to get improvements completed in warehouse area.

Director comments - it is possible that'll see some more negative stories in national press about powerball games because an AP reporter was provided access to a private website used to share meeting minutes and memos. Not much there unless you want to speak negatively about lottery.

Sent from my iPad
Greg Smith

Memorandum

To: Governor Peter Shumlin

From: Annie Noonan, VDOL

Re: Weekly Report - Week Ending February 26, 2016

Unemployment Issues - Workforce Division Issues:

The continuing crisis in our UI computer system has led to inability to pull data for federal reports, delays on the Employer Services line, and in some cases, slight delays (1 day) in some UI benefits checks. The move to a new system will not be completed until early 2018, at best, and frankly, this entire system - which I now call the 'whack a mole' system - is keeping me up at night. We are trying to hire IT staff (to fill vacancies and to fill grant-funded consortium work).

UI Claims filing is down slightly. We paid 6,186 claims this week - a decrease of 15 claims. We are seeing traditional layoffs relating to school vacations (Sodexo and bus transit companies), as well as other layoffs: Dynapower (17 layoffs, plus a one week shutdown coming sometime soon); SMS Software - 10; Vermont Aerospace - 15. NSA was scheduled to do a job fair with our St. Johnsbury office, but cancelled it, saying they have not yet gotten the federal contract they have been expecting. The Bennington office is doing a job fair with the BCRC, and Burlington office is co-sponsoring a half-dozen job fairs/hiring events.

The State WIOA Draft Plan will need the Gov's signature sometime soon. USDOL has still not issued regulations, so we are doing the best we can in 'guessing' what they want. I heard a rumor that Vermont's fight against the take-down of the career resource center system may have gained some traction, but we won't know until later this spring.

Legislative:

VDOL spent most of the week in House Commerce on the Misclassification / Independent Contractor issue. VDOL's proposal under H773 is the version the committee is working from, which has really annoyed Rep. Scheurmann who has her own bill. I am still extremely pessimistic as to its long-term survival because I believe David Mickenberg will get it killed in Senate Finance. Despite all efforts to bring him along, he appears to be continuously angry that anyone is even talking about the issue. In addition, he pitched his idea to have the misclassification unit moved to the Attorney General's Office, but when Chairman Botzow reached out to the AG, they said they would not comment or take a position. I believe that David has some commitment from TJ, but people like Laura Sibilia and Fred Baser have already said they don't like that idea because they think the focus will move completely away from any information/education work and strictly to enforcement. I think Doug Hoffer's testimony actually made the committee more supportive of VDOL's position, which is clearly NOT what Hoffer wanted to happen.

Today, House Commerce is taking up a bunch of small bills for VDOL, none of which are critical to operations, but would streamline our approach to issues in UI, WC and the Workforce Board.

Yesterday, I got called to House Institutions on Community High School of Vermont. I think you are aware of how I got pulled in there. I spoke about VDOL's ability to work with incarcerated and DOC's probation and parole populations. VDOL is also trying to work with Lisa Menard on a USDOL grant specifically assisting the DOC population.