



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Friday, September 10, 2010

Ethan Allen Room, State House

- 9:30 a.m. Call to order and approve minutes of July 15, 2010 [Enclosure] **[Approved with correction]**
Representative Michael Obuchowski, Chair
- 9:35 a.m. A. Fiscal Office's Updates/Issues
1. Fiscal Officer's Report – Stephen Klein, Chief Fiscal Officer [Enclosure]
 - a. Fiscal Revenue Forecasting Contract Proposal [Enclosure] **[Approved]**
 - b. Revenues [see Fiscal Officer's report]
 - c. Other – Transportation [Enclosure]
 2. Updates
 - a. Education Fund - Mark Perrault [Enclosure]
 - b. Catamount Update – Nolan Langweil [Enclosure]
 - c. Waterfall Update – Stephanie Barrett [Handout]
 - d. Review of FY2012 Deficit – Klein, Barrett and Commissioner Reardon [Enclosure]
- 10:15 a.m. B. Administration's Updates/Issues
1. Fiscal Updates – James Reardon, Commissioner, Dept. of Finance & Management
 - a. Revenue Shortfall Reserve Report [32 V.S.A. § 308d(d), amended by Act 4 § 97 of 2009] [Handout]
 - b. Funds Status Closeout Report
 - (A) Education; (B) Transportation [Handout]; (C) General [Handout]
 - c. Report on FY 2011 Budget Adjustment Pressures (General & Challenges) [Handout]
 - d. Report on FY 2012 Budget Development Process
 2. Web Portal Board VIC Contract Review & e-Procurement follow-up [2 Enc. & 4 Handouts] [22 V.S.A. § 953 (c) as amended by Act 146 § B16(1), (2) of 2010]
David Tucker, Commissioner, Department of Information and Innovation, and Chair, Jamie Gage, General Manager, Vermont Information Consortium
 2. Environmental Contingency Fund Expenditures Follow-up – JARD Company site [3 Enclosures] [10 V.S.A. § 1283(b)(9)]
Justin Johnson, Commissioner, and George Desch, Director, Waste Management Division, Dept. of Environmental Conservation
 4. Report on Preferred Provider Network expanding alcohol and drug abuse programs. Referrals from DCF and Corrections to DVHA [Act 156 § E.313(b) of 2010] [Handout]
Linda Piasecki, Operations Chief, Alcohol and Drug Abuse Programs, VT Dept. of Health
 5. LIHEAP Update – Stephen Dale, Commissioner, and Richard Moffi, Fuel Assistance Program Chief, Department for Children & Families [Handout & Letter] **[NEXT PAGE]**

6. Federal Education Grant Informational Update [Treasurer Letter] [Enclosure]
Amando Vilaseca, Commissioner, and Bill Talbott, Deputy Commissioner,
Department of Education
7. Update on Start-up Business Competition Committee [Act 160 § 55] [Email]
[Committee ran out of time – Commissioner will submit testimony in writing]
Tayt Brooks, Commissioner, Dept. of Economic, Housing & Community Affairs

12:05 a.m. C. Challenges for Change Update – Senator Diane Snelling

12:10 p.m. Next Committee Meeting: Monday, November 15, 2010

1:05 p.m. Adjourn

Other Reports/Information available upon request:

- I. Health IT Fund Status Report [32 V.S.A. §10301 (g)] [Agency of Administration] [Handout]
- II. Catamount Fund Annual Report [33 V.S.A. § 1986 (e)] [Department of VT Health Access] [Enclosure]
- III. Human Services Caseload Reserve Transfers [32 V.S.A. §308b (b)] [Agency of Administration] [Handout]
- IV. VISION Errors Report [Act 66 § 12(a) of 2003] [Department of Finance & Management] [None – Memo]
- V. Global Commitment Fund detailed end of fiscal year report of managed care investments.
[33 V.S.A. § 1901e (c)] [Agency of Human Services] [Updated - Handout]
- VI. Burlington Tax Increment Financing (TIF) Annual Report [September 9, 2009 JFC Approved Motion]
[City of Burlington] [Enclosure]
- VII. Quarterly Report on excess receipts. [32 V.S.A. § 511] [Agency of Administration]
- VIII. Quarterly report on appropriations allotments [32 V.S.A. § 705(c)] [Agency of Administration] [None]
- IX. Global Commitment Appropriations, Transfer, Report: [Act 4 § 112(a) of 2009]
[Agency of Human Services] [Enclosure]
- X. Report of completed transfers of unexpended funds to out-of-state beds
[Act 1 § E.338(d) of SS2009, amended by Act 67 § 87 of 2010] [Dept. of Corrections] [None - Email]
- XI. ENVY July 26, 2010 Report from Fairewinds Associates. [on file]
- XII. Update on VSAC bond issuance for private and non-federal loans. [Enclosure]

JTOC materials enclosed (2 documents).

Contact: Theresa Utton-Jerman at (802) 828-5767 or tutton@leg.state.vt.us

JOINT FISCAL COMMITTEE

STATUTORY LANGUAGE FOR 9/10/09 MEETING

Agenda B.1.: 32 V.S.A. § 308d (d) REVENUE SHORTFALL RESERVE; CREATION AND PURPOSE

(a) It is the purpose of this section to create a revenue shortfall reserve to be used in times of economic or fiscal stress.

(b) There is hereby created a revenue shortfall reserve administered by the commissioner of finance and management. Any budgetary basis unreserved and undesignated general fund surplus in excess of one percent occurring at the close of a fiscal year after the general fund budget stabilization reserve established by § 308 of this title has been brought to its authorized level, and any additional amounts as may be authorized by the general assembly, shall be reserved in the revenue shortfall reserve created by this section.

(c) In any fiscal year, if the general assembly determines there are insufficient revenues to fund expenditures for the operation of state government at a level the general assembly finds prudent and required, it may specifically appropriate the use of the revenue shortfall reserve to compensate for a reduction of revenues or fund such needs as the general assembly may determine.

(d) Determination of the amount of the revenue shortfall reserve shall be made by the commissioner of finance and management with the approval of the legislative joint fiscal committee.

AMENDED - Sec. 97 of Act 4 of 2009

(d) Determination of the amount of the revenue shortfall reserve shall be made by the commissioner of finance and management with the approval of and reported to the legislative joint fiscal committee at its first meeting following September 1 of each year.

Agenda B.2.: 22 V.S.A. § 953. Vermont web portal board; duties

(c) Any charges created or changed by the board shall be approved by the joint fiscal committee before taking effect.

As Amended by Sec. B16 of Act 146 of 2010:

(c) Any charges created or changed by the board shall be approved ~~by the joint fiscal committee before taking effect~~ as follows:

(1) All such charges shall be submitted to the governor who shall send a copy of the approval or rejection to the joint fiscal committee through the joint fiscal office together with the following information with respect to those items:

(A) the costs, direct and indirect, for the present and future years related to the charge;

(B) the department or program which will utilize the charge;

(C) a brief statement of purpose;

(D) the impact on existing programs if the charge is not accepted.

(2) The governor's approval shall be final unless within 30 days of receipt of the information a member of the joint fiscal committee requests the charge be placed on the agenda of the joint fiscal committee or, when the general assembly is in session, be held for legislative approval. In the event of such request, the charge shall not be accepted

until approved by the joint fiscal committee or the legislature. During the legislative session, the joint fiscal committee shall file a notice with the house clerk and senate secretary for publication in the respective calendars of any charge approval requests that are submitted by the administration.

Agenda B.3.: 10 V.S.A. § 1283 - Conservation and Development - Water Pollution Control - Contingency fund (Environmental Contingency Fund Expenditures – JARD site in Bennington)

(b) Disbursements under this subsection may be made for emergency purposes or to respond to other than emergency situations; provided, however, that disbursements in response to an individual situation which is not an emergency situation shall not exceed \$100,000.00 for costs attributable to each of the subdivisions of this subsection, unless the secretary has received the approval of the general assembly, or the joint fiscal committee, in case the general assembly is not in session. Furthermore, the balance in the fund shall not be drawn below the amount of \$100,000.00, except in emergency situations. If the balance of the fund becomes insufficient to allow a proper response to one or more emergencies that have occurred, the secretary shall appear before the emergency board, as soon as possible, and shall request that necessary funds be provided. Within these limitations, disbursements from the fund may be made:

(9) to pay costs of required capital contributions and operation and maintenance when the remedial or response action was taken pursuant to 42 U.S.C. § 9601 et seq.

Agenda B.4.: Act 156 § E.313(b) of 2010 – Health - alcohol and drug abuse programs (Sec. B.313, #3420060000)

(b) For fiscal year 2011, the department of Vermont health access and the office of drug and alcohol programs shall determine a means, notwithstanding any other provision of law to the contrary, of opening the preferred provider network to expand Medicaid funded substance abuse services from licensed alcohol and drug abuse counselors in geographic areas in which there are waiting lists for services for referrals from the department of corrections, the department for children and families, and the judiciary. The Vermont addiction professionals association shall be consulted in determining the means of expanding treatment access. The commissioners shall report on this directive to the joint fiscal committee at the September 2010 meeting.

Agenda B.7: Act 160 Sec. 55 - Start-up Business Competition Committee

(b) The commissioner of the department of economic, housing and community development shall chair the committee and shall call its first meeting no later than August 15, 2010. The committee shall develop a business start-up business competition and report its activities to the house committees on ways and means and on commerce and economic development and to the senate committees on finance and on economic development, housing and general affairs no later than January 15, 2011.

Reports:

Report I.: 32 V.S.A. § 10301(g) - Health IT Fund Status Report

(g) The secretary of administration or his or her designee shall submit an annual report on the receipts, expenditures, and balances in the health IT-fund to the joint fiscal committee at its September meeting and to the commission on health care reform by October 1. The report shall include information on the results of an annual independent study of the effectiveness of programs and initiatives funded through the health IT-fund, with reference to a baseline, benchmarks, and other measures for monitoring progress and including data on return on investments made.

Report II.: – 33 V.S.A. § 1986(e) - Catamount Fund Annual Report

(e) The agency shall submit annual reports on the receipts, expenditures, and balances in the Catamount Fund established in section 1986 of this title to the joint fiscal committee at its September meeting.

Report III.: – 32 V.S.A. § 308b(b) – Human Services Caseload Reserve Transfers

(b) The secretary of administration may transfer to the human services caseload reserve any general fund carry-forward directly attributable to aid to needy families with children (ANFC) caseload reductions and the effective management of related federal receipts. A report on the transfer of any such carry-forward to the reserve shall be made to the joint fiscal committee at its first meeting following September 1 of each year.

Report IV.: – Act 66 § 12(a) of 2003 – VISION Errors Report

(a) The commissioner of finance and management is authorized to charge departments for recurrent VISION processing errors, and such charges shall be deposited into the financial management internal service fund. Prior to any such charge, the department of finance and management shall develop and establish a schedule of charges with an appeal and forgiveness process. Annually, by September 1, the department of finance and management shall submit to the joint fiscal committee a report on rates established and charges made during the prior fiscal year.

Report V.: - 33 V.S.A. § 1901e(c) – Global Commitment Fund detailed end of fiscal year report of managed care investments.

(c) At the close of the fiscal year, the agency shall provide a detailed report to the joint fiscal committee which describes the managed care organization's investments under Term and Condition 40 of the Global Commitment for Health Medicaid Section 1115 waiver, including the amount of the investment and the agency, department, or office authorized to make the investment.

Report VI.: - September 9, 2009 JFC Approved Motion – Burlington Tax Increment Financing (TIF) Annual Report.

Reporting Requirements:

The City of Burlington will prepare a report annually, beginning July 1, 2010, for both the Joint Fiscal Committee and the Tax Department, which will contain: a) the above calculation; b) a listing of each parcel within the Waterfront TIF District and the 1996

original taxable value, 2010 extended base value, and the most recent values for all homestead and nonresidential property; c) a history of all of the TIF revenue and debt service payments; and d) details of new debt authorized including repayment schedules.

Report VII.: - 32 V.S.A. § 511 – Quarterly Report on Excess Receipts

If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the secretary of administration. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the state to the expenditure of state funds, they may only be expended upon the approval of the legislature. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of state funds. The secretary of administration shall report to the joint fiscal committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.

Report VIII.: - 32 V.S.A. § 705(c) – Quarterly Report on Appropriations Allotments.

(c) The authority conferred by this section is granted solely for the ministerial purpose of managing the state's financial accounts. Nothing contained in this section shall authorize any decrease in any such appropriation. The secretary shall report to the joint fiscal committee on or before the 15th day of each quarter, identifying and describing the allotments made pursuant to the authority granted by this section during the preceding quarter.

Report IX.: - Act 4 § 112(a) of 2009 – Global Commitment Appropriations, Transfer, Report.

(a) In order to facilitate the end-of-year closeout for fiscal year 2009, the secretary of the agency of human services, with approval from the secretary of administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside of the agency of human services. At least three business days prior to any transfer, the agency shall submit to the joint fiscal office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the joint fiscal committee for review at the September 2009 meeting. The purpose of this section is to provide the agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

Report X.: - Act 67 § 87 of 2010, Added to Act 1 § E.338(d) of SS2009 – Corrections – correctional services (Sec. B.338, # 3480004000)

(d) In fiscal year 2010, the secretary of administration may, upon recommendation of commissioner of corrections, transfer unexpended funds between the respective appropriations for correctional services and for correctional services – out-of-state beds. At least three days prior to any such transfer being made, the secretary shall report the intended transfer to the joint fiscal office and shall report any completed transfers to the joint fiscal committee at its next scheduled meeting.



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

September 10, 2010

Minutes

Members present: Representatives Obuchowski, Ancel, Heath, Larson, and Senators Cummings, Bartlett, Sears, Shumlin, and Snelling.

Other attendees: Administration, Joint Fiscal Office staff, various media, lobbyists, and advocacy groups.

The Chair, Representative Obuchowski, called the meeting to order at 9:37 a.m., and Representative Heath made a motion to approve the July 15, 2010 minutes with a technical correction. Senator Snelling seconded the motion, and the Committee approved it.

A.1. Fiscal Office's Updates/Issues - Fiscal Officers' Report

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office (JFO), highlighted areas of the report sent previously to the Committee. JFO received one bid proposal for the Revenue Forecasting Services position (handout) from Tom Kavet of, Kavet, Rockler & Associates. The Committee's approval was sought by JFO to negotiate and sign a two- to- four year performance contract with Mr. Kavet.

Senator Cummings moved that the Joint Fiscal Office be authorized to negotiate and sign a performance contract for up-to four years with Kavet, Rockler & Associates for revenue forecasting and economic analysis, consistent with the negotiations to date, and the recommendation of the Joint Fiscal Office provided to the committee. Representative Heath seconded the motion, and the Committee approved it.

Mr. Klein highlighted other areas of the Fiscal Officer's Report. Representative Heath inquired whether details of the bank franchise tax settlement were known, and Mr. Klein responded he would investigate further. Representative Obuchowski asked for more information on President Obama's proposal relating to infrastructure funding, announced on Labor Day, and Mr. Klein stated that the proposal could potentially be a hundred million dollar item nationally towards infrastructure capital, and JFO would continue to monitor developments.

A.2.a. Education Fund

Mark Perrault, Fiscal Analyst, Joint Fiscal Office, handed out an updated Education Fund Outlook. In the post-FY 2010 Education Fund closeout, revenues are up \$5.7 million due to lower property tax adjustments and increased lottery and sales tax revenues. As a result, projected reserves for FY 2011 are up to 4.6%, a little below the full 5% statutory reserve. Preliminary JFO projections

for FY 2012 indicate that the reserve will be full and that a surplus of \$4.8 million may be available for education tax rate reductions. A meeting with the Administration to develop consensus projections is scheduled for next week. Since the preliminary figures for the FY 2012 Education Fund are promising, it may be possible to reduce the education tax rate subject to two caveats. First, that the General Fund transfer to the Education Fund is fully restored to statutory levels, and second, that schools are able to achieve the \$23.2 million reduction in spending called for in Act 146 of 2010.

A conversation ensued on the formula that the Department of Education created for school districts to meet Act 146 targets. In answering a question from Representative Heath, Mr. Perrault explained that school districts have until December 15, 2010 to report back to the Department on whether they intend to participate in the savings formula, and if so, whether the targets are attainable. The Department has discretion to change the formula if some of the targets are not achievable. (see JFO website for additional documents).

b. Catamount Update

Nolan Langweil, Fiscal Analyst, Joint Fiscal Office, gave a summary of a memo sent earlier to the Committee on the Catamount Health premium differential. Representative Heath inquired whether the Administration had sent letters to the affected parties, and Mr. Langweil explained that indeed a letter was sent to those parties with anniversary/renewal dates between June and October. He also mentioned that advocates expressed concern about the letters clarity concerning beneficiary options for switching health care companies if they preferred not to pay a higher cost. The Department of Vermont Health Access (DVHA) was modifying the letter to address the advocates concerns. Representative Larson asked for a copy of the letter, and Mr. Langweil supplied the information for the record.

c. Waterfall Update

Stephanie Barrett, Fiscal Analyst, Joint Fiscal Office, provided a summary of the contingent appropriations for FY 2010 and FY 2011 authorized under Sections C.102 and D.106 of Act 156 of 2010 (budget). The summary sheet handed out was entitled "Contingent Waterfall Items." The complete list of contingent appropriations totaled \$53.6 million, of which \$12.9 million was addressed by FY 2010 available revenues under Sec.C.102, covering all items listed in that section except for \$300,000 of the Case Management Project. The remaining items were covered by the transfer enabled by the congressional action extending the enhanced FMAP rate in the Medicaid program. An additional \$35.5 million of appropriations were covered, and \$5.1 million of appropriations are not needed at this time, leaving \$2 million in the caseload reserve for the budget adjustment process or FY 2012 budget needs.

d. Review of FY 2012 Deficit

Ms. Barrett distributed a FY 2012 Consensus Budget Gap Analysis (Deficit Review), and a copy of a JFO issue brief. \$1.184 million in revenue is projected for the FY 2012 budget; JFO and Finance and Management estimate a total budget need of \$1.296 million after analysis of pressures and offsets. This indicated a current budget gap of \$112 million for FY 2012. In answering Representative Heath's question, Ms. Barrett explained that the baseline growth assumption for FY 2012 general budget pressures was estimated at 3.5% of the budget.

With regard to the retirement related adjustments in the budget gap analysis, Mr. Klein explained that a conservative estimate of state employee retirement costs was projected to be over the previous projection of 3.5% growth level for teachers' retirement. Jim Reardon, Commissioner, Department of Finance and Management, explained that an Internal Revenue Service regulation states that state employee retiree health costs can not exceed 25% for qualified pension funds. The state teachers' retirement and health care benefits are disbursed from the teachers' pension fund and the healthcare percentage has been rising. In order to keep the fund within the federal cap allowance, \$3 million has been included in the General Fund gap analysis but the issue will need addressing in the 2011 legislative session. Mr. Klein further explained that this adjustment of \$1.3 million was included in the analysis related to teachers Other Post Employment Benefits (OPEB) liability, a first step at addressing this long-term fiscal issue. All of this is subject to change as the actuarial estimates are completed.

Ms Barrett continued her overview of the FY 2012 Consensus Budget Gap Analysis. In the Tobacco Settlement Trust Fund, 2010 revenues came in lower than anticipated, and payments disbursed from the trust fund are above the revenues being received. Currently, the trust fund is at \$24 million and projected to be at \$17 million at the end of 2010. Therefore, a \$6 million adjustment has been included for FY 2012 to keep the trust fund reserves at \$17 million.

Ms Barrett ended by stating that things that could change estimates are if revenues decrease, or if Challenges for Change savings are not realized.

B.1.a. Administration's Updates/Issue – Revenue Shortfall Reserve Report

Commissioner Reardon stated that the Revenue Shortfall Reserve was currently at zero balance. The General Fund preliminary August revenues were up \$3.6 million but there were \$5 million in one-time settlements. The Transportation Fund was relatively on target, and the Education Fund was slightly below its target at \$400,000, due to the motor vehicle Purchase and Use tax and Sales and Use tax that were slightly below estimates. The Lottery revenues are within targets, improving earlier projections.

b. Funds Status Closeout Report – A. Education, B. General, and C. Transportation

Commissioner Reardon handed out two documents and explained that there was concurrence with the JFO on its testimony earlier by Mr. Perrault on the Education Fund outlook. The Transportation Fund Reserve closed out at the 5% statutory requirement. The General Fund operating statement was consensus except for the FY 2012 figures.

c. Report on FY 2011 Budget Adjustment Pressures (General and Challenges)

Commissioner Reardon handed out a working document on potential items for the proposed FY 2011 budget adjustment act (BAA). General Fund reversion targets were above projections. Direct Application figures were not known but were being worked on. The Challenges for Change initiatives have not fully identified the \$38 million in projected savings but the full amount, including the unrealized portion, was anticipated for transfer to the General Fund in the next few weeks. Representative Heath asked for clarification on how the difference of the unrealized amount of the Challenges savings would be met if not through actual challenges, and Commissioner Reardon stated that he was hopeful all the savings could be met through additional challenges, rather than reductions.

Commissioner Reardon continued his review of the potential items for the FY 2011 BAA. Payment for a scheduled E-9-1-1 systems upgrade had been earmarked through a carryforward of FY 2010 surplus funds of \$1.2 million, and E-9-1-1 will need spending authority to use the funds for FY 2011. The Public Service Board decreased the Universal Service Fund to 1.35% causing a lower amount of revenue to support the systems upgrade, thereby, forcing the carryforward of surplus funds for the project. The rate would invariably need adjusting upwards in FY 2012 to cover the unexpected transfer. The Administration has requested that the newly hired Executive Director, Colonel James Baker, for the Criminal Justice Training Council (CJTC), rebuild CJTCs budget before the BAA discussions for any adjustments in FY 2011. The Vermont Veterans Home had reestablished its recruitment for a director, but in the meantime a contracted administrator would be hired. There will be a potential liability of \$1 million in Homeowners' Rebates, \$1 million for Renters Rebates, and \$1 million in the High School Completion Program. A projection of \$5.3 million in General Fund savings from a labor contract has been realized, of which \$950,000 may be needed to adjust employees' retirement savings booked at \$1.8 million in FY 2010 that were not realized. Authority to reduce the General Fund transfer from the labor contract and to transfer funds to the retirement savings may also be needed.

Commissioner Reardon continued the explanation of other areas of potential BAA areas, including \$125,000 to the University of Vermont for the Geological Survey Program, if it were transferred to UVM from the Department of Environmental Conservation. The funds were for replacement of the federal funds that the state was able to draw on for the program but UVM can not.

Senator Sears showed concern for achieving all of the Challenge savings, and Commissioner Reardon agreed it was a concern. Commissioner Reardon offered that the FY 2012 budget development instructions may be ready for transmission to departments by next Friday. Representative Obuchowski inquired whether Commissioner Reardon could address the tax expenditure report required by the Department of Taxes. Commissioner Reardon stated that \$20,000 was set aside for production of the report. Representative Heath asked whether there would be any communication with JFC on the budget development process instructions. Mr. Klein stated JFO would forward those to the Committee when they were received from the Administration.

2. Web Portal Board Vermont Information Consortium (VIC) contract review, and e-procurement follow-up.

David Tucker, Commissioner, Department of Information and Innovation (DII), and Chair, Web Portal Board, introduced Jamie Gage, General Manager, VIC, and handed out information on VIC and the web development process (also see full packet of enclosures of fee requests on e-procurement, #2455 and #2456). Mr. Gage explained who VIC was and its responsibilities. VIC had created 80 online fee based access services in the last 4 years, and of those, 66 were available with no fee. The contract with VIC is a self-funded model with no upfront appropriations, and in 2006, Vermont was the 18th state to create and participate in this type of arrangement. The state has a 3-year contract with VIC that expires in 2012. VIC websites for Vermont state government have ranked in the top-10 governmental websites nationally, during the last 2 years.

Representative Obuchowski inquired what assumptions were made to arrive at the calculations for savings in the Estimated Market cost graph on the handout. Mr. Gage offered to send a copy of the spreadsheet to the Committee showing the breakdown of the costs.

Representative Ancel stated DII was requesting a process outside of normal legislative committee process for collecting fees, therefore, information on the value of the services, and how many dollars in user fees collected should be reviewed by the Committee. Mr. Gage supplied a handout showing VICs profit and loss, and stated that VIC received \$1.2 million in 2009 and \$3.3 million in anticipated income over 3-years. Representative Obuchowski asked for data to substantiate the numbers in regards to expenses. He further inquired whether the chart on the handout was cumulative. Mr. Gage offered to research and send further information to the Committee. The Chair requested that the information include projections for VICs budget, along with a breakdown of expenses, based on historic growth with an explanation of the assumptions. He stated that since the web based processes are relatively new, there was a higher level of scrutiny, and this was the reason for the Committee's diligence in verifying the facts. Senator Bartlett inquired if VIC envisioned other potential areas in state government for web development, and Mr. Gage responded there were additional areas that other states had successfully included, such as areas in buildings and general services, commerce, and Secretary of State's office. Senator Snelling asked whether the Agency of Natural Resources had been discussed in future plans. Commissioner Tucker responded that VIC was working with the Agency to find ways to incorporate permits into a web based system.

Representative Heath queried on the rationale of choosing a public-private partnership rather than a state-run service company, in what appeared to be a potentially lucrative endeavor. Commissioner Tucker explained that DII would reevaluate VICs fees every 2 years to ensure appropriateness but that it was not disadvantaging users. If it appears the fees are showing a large profit, they will be renegotiated to a lower amount. Representative Obuchowski requested that VIC recommend to the Committee what 2- to- 3 board members could be converted to legislators for a total of 4-to-5 legislators on the 11-member board.

Mr. Klein gave an update on the process of the two fee requests, and informed the Committee that if it did not object to the fees, then automatic approval would come next Friday. The Chair inquired from the Committee its preference, and stated the Committee would not take formal action on approving the fees, but instead let the Friday deadline pass and with the fees taking effect.

3. Environmental Contingency Fund Expenditures follow-up – JARD Company Brownfield site.

Justin Johnson, Commissioner, and George Desch, Director, Waste Management Division, Department of Environmental Conservation (DEC), handed out two documents and referred to a visual map of the JARD site in Bennington, and explained that DEC investigated and found no correlation between the Bennington State Office Buildings' issues and the JARD site. Mr. Desch further elaborated that PCB levels were normal and no water quality issues were found. The histories of the sites were then explained by Mr. Desch. Senator Sears stated that there were some neighbors around the JARD site that had concerns about a broken pipe discovered and possible impacts from the new geo-thermal project for the veteran's home. Mr. Desch responded that DEC was in communication with the JARD site neighbors, and that an informational public hearing will be held when the full results from the well monitoring was known. It was requested that DEC inform and share the results with the Committee.

4. Report on Preferred Provider Network expanding alcohol and drug abuse programs.

Linda Piasecki, Operations Chief, Alcohol and Drug Abuse Programs (ADAP), Vermont Department of Health, distributed a handout and summarized the information. Senator Snelling inquired whether the plan for the revised ADAP network would help to resolve current client access issues, and Ms. Piasecki responded that was one of the goals. Senator Bartlett asked whether protocols had been established to implement the plan. Ms. Piasecki stated that ADAP had ongoing meetings to create the protocols and mechanics for implementing the plan, and agreed with Senator Bartlett the plan should include the issue of more timely service to clients. She further offered that ADAP was working closely with providers. Senator Bartlett requested that ADAP update the Committee on its implementation plan at its November meeting.

5. Low Income Home Energy Assistance Program (LIHEAP) update.

Stephen Dale, Commissioner, and Richard Moffi, Fuel Assistance Program Chief, Department for Children and Families, distributed a document of possible benefit projections for FFY 2011. The Commissioner clarified that the Department could only give estimates of the pre-season but by October a better estimate of fuel prices and federal funding levels should be known for November benefit disbursements. One of the biggest changes to the program was the recent change in state law. Historically, Vermont has always had the highest benefits and the most restrictive criteria which cause a substantial cliff to program users. The new state law will be implemented for the first time this heating season. Fewer funds will be distributed to people at the lowest end of the poverty scale, allowing people at the highest end of the poverty scale to avoid the funding cliff. Mr. Moffi explained the two possible scenarios for federal funding from the 2-sided handout. The 9,000 household recipients that leverage \$3 in fuel assistance receive additional 3SquaresVT benefits. Commissioner Dale offered that the handout showed very conservative estimates, and it did not include contingency levels. Representative Heath stated that Vermont's goal has been to cover 50% of eligible households and that in the last few years it had covered more than its goal, but now the federal funding estimates show that Vermont may only be able to cover 33% of its eligible households. She proposed that JFO draft a letter to the Vermont delegation about the Committee's concerns of the dramatic change this year to beneficiaries with the current federal funding proposal, which the Committee agreed to (letter entered into record, dated 9/20/2010).

6. Federal Education Grant Informational Update (\$19 million federal and \$23 million in Act 146 of 2010 [Challenge for Change] savings).

Armando Vilasecca, Commissioner, and Bill Talbott, Deputy Commissioner, Department of Education, answered questions from the Committee (see two enclosures). Representative Heath expressed concern that the Department did not include in its formula the district per pupil spending number as a factor for determining the districts savings targets, as prescribed by Act 146 of 2010. Because of the Department's formula, districts with low per-pupil spending received higher savings targets and visa versus. Commissioner Vilasecca explained that the Department used the equalized pupil spending, among other weighted formulas, because it caused less harm to high poverty areas. The challenge was to come up with a per pupil spending number when there are so many different organizational structures.

Mr. Talbott further explained that there was an economy of scale factor but there appeared to be no trend or pattern within the many different types of school districts. Representative Ancel asked what criteria were used to determine the target savings for school districts. Mr. Talbott replied that the Department reviewed the changes of five indicators: changes in total education spending,

change in per pupil spending over 4 years, and 3 staffing ratios (students to direct instructional staff, students to all other staff, and direct instruction to total staff). Some components of education spending were excluded, such as tuitions, and debt service; then adjustments were made to technical schools and Supervisory Unions. If the savings targets were spread across all the districts, each district would have had to adjust its budget for a flat percentage of 2.35%.

Commissioner Vilasecca added that all the formulas and the list of targets for the districts could be viewed on the Department's website. Senator Sears commented that it appeared there were no discussions at the Department or the school districts about outcomes during this challenge (Act 146, 2010) exercise; instead school districts view the targets savings as just reductions. Senator Snelling suggested that the Department engage school districts in a conversation on ideas of how to meet challenge targets by hiring an expert to facilitate those discussions. Senator Cummings agreed that there should be more constructive information on the structural changes for the challenge targets, and that the \$19 million from the Federal Education Grant would buy school districts time to organize those changes. She further stated that rather than small revisions to personnel in schools, bigger organizational changes, such as shared contracts or merged districts should be considered as a more efficient way to deliver services. Representative Heath added that shared resources and shared contracts within school districts to avoid duplication of services was an important conversation.

Commissioner Vilasecca stated that even though school districts appeared to be taking Act 146 seriously, the law mandated an unrealistic requirement for schools to achieve savings targets in the time frame given, and, with no expectations of structural change. He further added that the Department has given its recommendation to the Administration to allow the \$19 million Federal Education Grant to be used for schools as a buffer for meeting the Act 146 structural changes. Representative Ancel suggested tying the structural changes to achieve the Act 146 target with bridge funds from the Federal Education Grant. She inquired whether the Department could create some ideas on how to legislate a bridge of funds to incentivize structural change. Senator Bartlett suggested that one area to focus on is business management best practices for schools.

Commissioner Vilasecca stated that structural change assistance for school districts should be planned for 3-to-5 years to allow conversations of consolidation to ensue. He also stated that the Department has received 5 requests from school districts to form a Regional Educational District (RED), and 2-to-3 more requests were considering a RED. Senator Bartlett queried whether it made sense to set aside some funds from the Federal Education Grant to hire an expert to work with school districts on best practices. Mr. Talbott responded that there was a 2% allowance in the grant to administer the Jobs Bill that could be withheld from the districts.

The Commissioner agreed with Representative Heath that there was a fear, that he considered unfounded, of schools not having enough of a voice on a larger consolidated board. He also agreed that schools were concerned they would lose school choice with consolidating, but the Department was working on a technical amendment to address that issue in 2011. The Chair requested that the Department, in regards to the \$23 million Federal Education Grant, hire a consultant to guide and assist school districts and the legislature with discussions on voluntary merger. Commissioner Vilasecca agreed to consider the Committee's request.

7. Update on Start-up Business Competition Committee [§ 55 of Act 60 of 2010]

The Chair explained that due to time constraints, Commissioner Brooks has agreed to submit his testimony in writing to the Committee.

C. Challenges for Change Update

Senator Snelling explained that she had concerns about achieving the savings from Act 146, and that a list of investments from the Administration was pending. She informed the Committee that the Government Accountability Committee (GAC) was holding a special meeting on Monday to approve the proposed measures from the Administration, followed by a workshop on the use of measures. GAC was expecting a third quarterly progress report from the Administration in October. Representative Heath requested that the measures be sent to the chairs of the standing committees for consideration. Nathan Lavery, Fiscal Analyst, Joint Fiscal Office, agreed to send them to the chairs.

The Committee agreed on a next meeting date of Monday, November 15, 2010.

Respectfully,



Theresa Utton-Jerman, Joint Fiscal Office

Joint Fiscal Office

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MEMORANDUM

To: Representative Michael Obuchowski, Chair, Senator Ann Cummings
Vice Chair, and Members of the Joint Fiscal Committee

From: Stephen Klein, Chief Fiscal Officer

Date: September 8, 2010

Subject: September 2010 – Fiscal Officers' Report

What follows is an update of post-session developments – some of which will be part of the September Fiscal Committee meeting.

1. **FY 2011 Revenues:** Revenues are tracking fairly close to targets through the first two months of the fiscal year
 - a. General Fund – Through August, General Fund revenues are about \$3.7 million ahead of target. This is due largely to a bank franchise tax settlement which was received in August. As you may remember, the Secretary of Administration reported that General Fund revenues in July were -\$3.61 million, or -4.21%, off monthly targets. July income tax and corporate tax receipts were below forecast due largely to variances in processing. The Tax Department spent considerable time in June making education finance changes called for by the Legislature. Due to this additional workload on staff, refunds which might have been processed in June were processed in July. In August, even before the one-time bank franchise tax settlement, revenues exceeded forecasts by about \$2 million. After two months, the fiscal year income tax revenues are on target while corporate tax revenues remain \$1.7 million below forecast. After the end of the first quarter of the fiscal year, there should be a better indication of the trend in revenues.
 - b. The Transportation Fund is on target with a slightly lower level of purchase and use taxes (\$ -.7m) being offset by slightly more fee revenues (+\$.8m).
 - c. The Education Fund is \$1.4 million below forecast with most of this related to lottery receipts, which are somewhat unpredictable. In addition, \$.3 million of the shortfall is due to the purchase and use shortfall mentioned above.
2. **Revenue Forecasting Contract:** JFO will be recommending to the Committee that the Joint Fiscal Office complete negotiations on a new contract for Tom Kavet. While the proposal envisioned a two-year contract, JFO will be presenting the committee with an optional four-year proposal that involves

annual performance surveys. JFO would work with Mr. Kavet to develop performance thresholds. Attached you will find a memorandum detailing the RFP process and results. We will review this memorandum and our staff recommendations at the upcoming JFC meeting.

3. **The FY 2011 Budget Adjustment:** The FY 2011 budget adjustment pressures are still unclear. The identification of the full amount of “challenge” –related savings is expected to be the largest upward pressure. Costs in the Department of Corrections have been identified as a possible budget pressure. The July revenue forecast gave us about \$4.7 million in “FY 2011 room” within the forecast to meet budget pressures. We also may have some room in the Medicaid budget to meet some of a potential shortfall. For example, the decision not to require repayment by the Medicare Part D clients of the \$250 for pharmacy benefits will have a negative budget impact of about \$590,000 for FY 2011. Commissioner Reardon will present a preliminary review of budget adjustment pressures at the upcoming JFC meeting.
4. **FY 2012, \$112 Million Consensus Deficit:** The Joint Fiscal Office and the Administration have developed a consensus estimate of the FY 2012 General Fund deficit that the state is facing. This deficit projection assumes that all of the Challenges for Change initiative savings are realized. In addition to the FY 2011 Challenges for Change savings, there is an FY 2012 target of \$33 million in further savings. To the extent that these savings do not occur, the projected deficit will grow. The \$112 million deficit is below the level estimated at the end of the legislative session, due to the improved July revenue forecast. Some projected increases in human services costs, and our assumption of no further erosion of the tobacco settlement funds, are countervailing upward pressures. A copy of the consensus deficit sheet is attached and available on the Joint Fiscal Office’s website. Staff will review the deficit forecast at the JFC upcoming meeting.
5. **Health Care Developments:**
 - a. Catamount Pricing - 33 V.S.A. § 1984(c)(2)(B) established a mechanism for which Catamount Health beneficiaries pay the difference between the premium for the lowest cost plan and the premium for the plan in which the individual is enrolled. Up until July 2010, premiums for both BCBS of Vermont and MVP Healthcare had been roughly the same. In July 2010, MVP premiums increased by \$10 over BCBS. However, at the time, the Department of Vermont Health Access (DVHA) did not institute the increase to MVP beneficiaries because it was unclear if it would violate the maintenance of effort (MOE) provisions. In June, DVHA received clarification from the Centers for Medicare and Medicaid Services (CMS) that it would not violate MOE. As such, beginning in October 2010, MVP beneficiaries who hit their 12-month anniversary/renewal date will pay an additional \$36 a month on top of their premiums. See attached memo that explains this in more detail.

- b. Waiver Update - The Agency of Human Services is still awaiting word from CMS as to the status of the waiver renewal applications for both the Global Commitment 1115 waiver and the Choices for Care 1115 waiver. At this time, there is no indication as to when the status of these applications will be known.

- 6. **Federal Education Grant Update:** As you are aware, Congress recently enacted \$19 million in assistance to Vermont to save or create elementary and secondary education jobs in FY 2011. In order to receive these funds, the governor must apply to the U.S. Department of Education and agree, among other things, to the following conditions:
 - a. comply with maintenance of effort requirements for state support of elementary and secondary education;
 - b. make awards available to school districts for use in FY 2011 (although under the Tydings Amendment, school districts may use these fund through September 2012);
 - c. distribute funds either: (1) through the state's FY 2011 primary school funding formula; or (2) on the basis of the school district's share of under Title I of the ESEA.

The application for these funds must be submitted by September 9, and the Administration intends to apply. Although school districts have the discretion to decide how to use program funds, the commissioner of education has suggested that school districts should be encouraged to retain their program funds and use them to meet the FY 2012 spending targets set last session. To meet the spending targets, school districts would have to reduce spending statewide by \$23.2 million. If this approach is taken, it should be noted that the distribution of the program funds to school districts, under either permissible method, would not match the spending reductions required by the targets. A way to address this issue would be to ask the education department to revise the spending targets to match the distribution of program funds. The Administration is reportedly going to propose further reductions in FY 2011 that offset these funds. This approach would effectively force all school districts to use their program funds this year and would free up \$19 million for other purposes. Although this would appear to be contrary to the intent of the program, it is likely doable; however, it would require legislative approval.

- 7. **Education Fund Stabilization Reserve review:** At this point, we have posted a September 2010 Education Fund Outlook on the JFO website, indicating that FY 2011 and FY 2012 reserves are expected to be at, or in excess of, the 5% required by 16 V.S.A. § 4026(e). For FY 2012, the Education Fund Outlook is built on an assumption that the Education Fund receive its full statutory General Fund transfer (less challenge for change savings) which represents a \$47 million increase over FY 2011, and the Education Fund also receives \$6.9 million in Special Education Medicaid receipts, which went to the General Fund in FYs 2009 and 2010.

8. **The Entergy Nuclear Vermont Yankee relicensing update:** There have been several developments involving ENVY.
 - a. First, the State Auditor issued a report calling for more frequent reviews of the Decommissioning Fund. The Auditor concluded that the current requirement for the State to review the adequacy of the trust fund to meet all cleanup obligations every five years is not frequent enough. He said, "Given the speed at which the financial investment markets can turn these days and the possibility that other significant changes in circumstances might occur during the period between the State's reviews, we suggest more frequent comparisons of expected decommissioning costs and anticipated trust fund assets."
 - b. Second, ISO-New England, the operator of the New England power grid denied Entergy's request to de-list (not be committed) for power year 2013-14. ISO said that Entergy is necessary to maintain reliability for the New England grid (based on an analysis done by ISO). ISO then said that its **reliability** determination has no bearing on whether VY gets its license renewed; the NRC will make that decision/determination.
 - c. Third, *The Energy Daily Network*, a subscription-only online newsletter that covers the energy industry, was quoted in several Vermont news outlets as having reported several weeks ago that Exelon Corp. and NRG Energy Inc., have expressed an interest in buying the Vermont Yankee nuclear power plant in Vernon. Entergy declined to comment on this, but Mike Burns of Entergy did say "we have said that as part of Entergy's ongoing point-of-view-based strategy, we would consider buying or selling any asset or business depending on what option creates the most value." If they were to sell the plant, they would have to notify the Public Service Board. The Board would open a docket, and such a sale would be subject to approval.

9. **Capital Debt Affordability Committee Recommendation:** The Capital Debt Affordability Committee recommendation for FY 2012 will be constructed to allow a legislative option of one of two approaches. The first approach would be a traditional annual bill capped at \$87,130,000 – an increase of more than \$15 million from last year. The second option will allow the Legislature to make a two-year appropriation, not to exceed \$159,290,000. Details and the formal recommendation are still being developed. The two-year option would enable the Legislature to address some major projects which could be moved forward with a two-year authorization. It may also allow the State to take advantage of the current interest rate and cost bid environment, which is very favorable.

10. **Vermont's Blue Ribbon Tax Structure Commission:** The Commission's charge is to create clear, principle-based concepts to improve individual tax types and the entire tax system. Currently, the Commission is developing specific reform models for Vermont's personal income tax, sales and use tax, and other tax types. It is anticipated that the Commission will have preliminary reform ideas by October, and engage in a public input process late this Fall. The

Commission intends to release its final recommendations before the next legislative session. Michael Costa, the Commission's Staff Director, will be invited to the November JFC meeting and will provide an update on the specific directions the Commission is taking.

11. Joint Fiscal Office Updates:

- a. Web page – The Office is in the process of revising its website to make it more user friendly and increase information accessibility. The completion target is October or November.
- b. Enclosed with this report are two support letters received for the Department of Information web proposals. The International Truck Transit Registration letter from Senator Mazza, and the Property Transfer Tax Automation letter from Ellen Tofferi, the acting Commissioner of the Department of Taxes. These documents are referenced under the Web Portal Board section of the enclosed JFC agenda.

A.1.a.

MEMORANDUM

To: Representative Obuchowski, Chair; Senator Ann Cummings, Vice Chair;
and Members of the Joint Fiscal Committee

From: Stephen Klein, Sara Teachout, Legislative Joint Fiscal Office

Date: August 18, 2010

Subject: Bid Results for Revenue Forecasting Services

As of August 17th, the open period for bids for the Joint Fiscal Committee revenue forecast contract ended. Despite a fairly broad search and information process, we have received only one bid for the contract from our current provider Tom Kavet of Kavet, Rockler & Associates LLC. His proposal is a small increase from the prior contract and barring committee objection it is our recommendation that we negotiate a contract with him. I would ask the committee's approval to do so. Below are the details of the process and result:

1. **The RFP Document:** The bid solicitation is attached to this memorandum. One difference between this issuance and our prior issuance is that the bid solicitation contained the amounts that were paid under this contract during the past four years. As the solicitation indicates, the total amount paid for these contractual services, including interim and ad hoc services, has ranged from \$83,000 to \$155,000 over the past 5 years. In the last bid solicitation we received several bids from national firms whose fixed costs were comparable but offered hourly billable rates for ad hoc services of up to \$395 or \$400 per hour. The contract information as to past payments may have dissuaded those potential bidders.
2. **The Bid Period and Advertising:** The bid was open from July 16th through August 17th. The information was carried the JFO and State of Vermont web pages. In addition the RFP was promoted as follows:
 - a. Advertisements ran in the following Vermont papers: Burlington Free Press; Bennington Banner (2 weeks); Rutland Herald; Seven Days (paper, website and twitter link)
 - b. An email with a link to the solicitation was sent to:
 - i. 60 individuals listed to be recipients of information concerning the Blue Ribbon Tax Commission
 - ii. The UMass Econ Group: which is a link to economics academics
 - c. An advertisement was placed on the RFP Listing Page at the National Association for Business Economics www.nabe.com
 - d. It was listed on the websites: 30 days careerbuilder.com and hotjobs.com

3. **The Bid Proposal:** The bid proposal from Kavet, Rockler & Associates, LLC includes a small increase from the current contract. The current contract originated October 1, 2005 and went through October 1, 2009 with a one year extension with no rate change. The contract had a base estimating cost of \$61,800 in 2009 and 2010, and had the \$100 and \$80 hourly rates since 2005. Below are the proposed changes in the new contract proposal.

Brief Summary of Bid Proposal Rates

Component	Current Contract	New Year One	New Year Two
Base Forecast	\$61,800	\$63,600	\$64,800
Interim forecasts	\$8,000	\$8,000	\$8,000
Materials	\$4,000	\$4,000	\$4,000
Hourly Rates			
Base Rate (first 200 hrs)	\$100	\$110	\$110
Supplemental Rate 200+ hrs	\$80	\$80	\$90
Assistant Research Rate	N/A	\$60	\$60

In reviewing the new proposal he offers several options for added analysis which I would not recommend at this time. The option to use a research associate is intended to add potential savings to the contract. The ability to utilize this resource will depend largely on the type of work required during the contract period.

4. **Staff Recommendation:** The contract is negotiated with Kavet, Rockler and Associates substantially as proposed above with the following addition: a targeted performance survey will be designed to measure the services provided to the legislature in the revenue forecasting contract. The contract would be for two years with a two year extension contingent on achieving agreed upon performance criteria.

The rates listed below, would be those for the two year extension of the contract. These represent a 3.5% increase per year in the base forecast rates, a higher increase for materials in the first year and a staggering of the increase in the hourly rates.

Component	New Year Three	New Year Four
Base Forecast	\$67,100	\$69,400
Interim forecasts	\$8,300	\$8,600
Materials	\$4,200	\$4,300
Hourly Rates		
Base Rate (first 200 hrs)	\$115	\$115
Supplemental Rate 200+ hrs	\$90	\$95
Assistant Research Rate	\$60	\$60

Joint Fiscal Committee September 10, 2010 Motion

A.1.a. – Fiscal Revenue Forecasting Contract Proposal Approval.

Senator Cummings moved that the Joint Fiscal Office be authorized to negotiate and sign a performance contract for up to four years with Kavet, Rockler & Associates for revenue forecasting and economic analysis consistent with the negotiations to date, and the recommendation of the Joint Fiscal Office provided to the committee.

To: Joint Fiscal Committee
From: Neil Schickner / JFO
Date: 3 Sep 2010

Re: September 2010 AOT reports to JTOC

- ▶ The **Project Status Report** states that FY11 costs are running a total of \$7.7 million “over” budget. According to AOT, however, nearly all this amount is due to the slippage of work scheduled in FY10 into FY11. The work was funded in FY10 and the unspent funds were carried forward into FY11. Thus, FY11 costs are higher but for the most part the higher costs are fully funded. This amount is somewhat higher than in prior years but is not unusual.
- ▶ The **Contract Bid Award** report is basically unchanged from the July report as there were few new contracts awarded in the interim. The November report will reflect increased bid activity in August and September.
- ▶ **Appropriations reductions to meet ARRA MOE** (maintenance of effort): AOT reports that it reduced the FY10 and FY11 maintenance budget by a total amount of \$3.0 million in order to meet the ARRA MOE requirements. According to AOT most of this was accomplished by shifting funds from the maintenance pavement “level and seal” program which is ineligible for federal funding to projects in the paving program which are eligible for federal funding. In other words, to satisfy the MOE, paving projects were accelerated while level and seal was reduced.
- ▶ **ARRA MOE status:** As of September 3, AOT reports that it fully expects to satisfy the MOE requirements by the September 30th deadline.
- ▶ **Appropriations reductions to fund TIB bond reserves:** AOT reports that \$1.5 million of FY10 end year balances were re-allocated to fund the TIB bond reserve and cover FY11 TIB bond payments. The largest source was \$680,000 which relates to the DMV computer upgrade project. The amount apparently represents a combination of project savings and deliberate project cost reductions.

Education Fund Outlook

updated - Perrault

A.2.a.

(millions of dollars)	FY2010 Actual	FY2011 Current Law	FY2012 Projections
a Base Homestead Tax Rate	\$0.86	\$0.86	\$0.86
b Uniform Non-Homestead Tax Rate	\$1.35	\$1.35	\$1.35
c Base Rate on Household Income	1.80%	1.80%	1.80%
d Household Income Limit	\$90,000	\$90,000	\$90,000
e Housesite Value Limit if Income Over \$90K	\$200,000	\$200,000	\$200,000
f Base Education Amount Per Pupil	\$8,544	\$8,544	\$8,667
g Equalized Pupil Count	94,107	92,569	91,731
h Education Grand List Growth Rate	6.8%	2.6%	-0.9%
i Education Spending Growth Rate	2.0%	-0.1%	-2.0%

Sources

1 Homestead Education Tax	497.2	520.4	501.4
1a Homestead Property Tax Adjustment	(137.9)	(161.5)	(164.4)
2 Non-Homestead Education Tax	550.1	554.5	551.1
3 Sales & Use Tax	103.7	107.0	111.7
4 Purchase & Use Tax	23.2	24.5	26.2
5 General Fund Transfer (FY10 & FY11 excludes \$38.6M ARRA funds)	259.2	259.2	303.9
a. GF Transfer Reduction	(18.4)	(18.4)	-
b. Challenges for Change GF Savings	-	(6.0)	(14.2)
c. CHSVT & Early Ed Initiative Adjustment	-	0.0	(4.2)
6 Lottery Transfer	21.6	21.4	21.9
7 Medicaid Transfer	6.9	0.0	6.9
8 Vermont Yankee Education Tax	2.1	2.1	1.6
9 Total Sources	1,307.6	1,303.2	1,341.9

Uses

10 Education Payment (FY10 & FY11 excludes \$38.6M ARRA funds)	1,098.9	1,099.5	1,111.6
11 Special Education	142.5	142.5	149.6
12 State-Placed Students	15.6	15.3	16.1
13 Transportation	15.5	15.8	16.1
14 Technical Education	12.8	12.8	13.2
15 Small Schools	7.0	7.0	7.5
16 EEE Block Grant	5.7	5.7	6.0
17 Early Education Initiative	1.1	1.1	-
18 Capital Debt	0.2	0.2	0.2
19 Adult Education & Literacy	4.8	4.8	4.8
20 Renter Rebate (EF share only)	5.9	5.8	6.1
21 Reappraisal & Listing Payment	3.5	3.2	3.2
22 Other (EF interest; Other)	(0.1)	0.2	0.2
23 Total Uses	1,313.3	1,313.9	1,334.7

Fund Balance

24 Current Year Revenue Surplus/(Deficit)	(5.7)	(10.7)	7.2
25 Prior Year Fund Balance	42.4	36.7	26.0
28 Current Year Fund Balance	36.7	26.0	33.2

Stabilization Reserve

29 Revenue Surplus/(Deficit)	(5.7)	(10.7)	7.2
30 Prior Year Reversions	(3.5)	(2.5)	-
31 Transfer to/(from) Stabilization Reserve	(1.2)	(2.5)	2.4
32 Transfer to/(from) Unreserved/Unallocated	(1.0)	(5.7)	4.8
33 Stabilization Reserve	29.9	27.4	29.8
34 Percent of Prior Year Net Appropriations	5.0%	4.8%	5.0%
35 Maximum Reserve Target @ 5.0%	29.8	28.3	29.8
36 Minimum Reserve Target @ 3.5%	20.9	19.8	20.8
37 Available for education tax rate reduction	5.7	-	4.8

Vermont Legislative Joint Fiscal Office

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TO: The Joint Fiscal Committee
 FROM: Nolan Langweil
 DATE: 9/3/10
 RE: Catamount Health Premium Differential

In addition to laying out the premium contributions by federal poverty level (FPL) for Catamount Health beneficiaries receiving premium assistance, 33 V.S.A. § 1984(c)(2)(B) also established a mechanism for which beneficiaries pay the difference between the premium for the lowest cost plan and the premium for the plan in which the individual is enrolled. Up until June 2010, both Blue Cross Blue Shield (BCBS) and MVP Catamount Health premiums had been roughly the same. Beginning July 2010, MVP received approval from BISCHA for an increase which equated to a roughly \$10 differential between the two plans. However, at the time DVHA was unsure if charging MVP beneficiaries the additional \$10 would violate the maintenance of effort (MOE) provisions under both ARRA and the new federal health care reform law (PPACA) so they did not institute a \$10 increase for MVP beneficiaries.

Catamount Health Premiums			
Beginning date	BCBS	MVP	Differential*
11/1/07	\$393.11	\$393.11	\$0
1/1/10	\$453.03	\$453.03	\$0
4/1/10	\$442.25	\$441.89	\$0
7/1/10	\$442.25	\$452.08	\$10
10/1/10	\$415.72	\$452.08	\$36

* Note: Differential rounded to the nearest dollar.

On June 10, DVHA received guidance from CMS that applying this differential would not violate the MOE. As such, DVHA intends to start charging the premium differential to MVP beneficiaries with premium assistance as of October 1, 2010 (for which bills have already been sent). The differential as of 10/1/2010 will be \$36. The \$36 differential will be applied as beneficiaries reach their 12-month anniversary/renewal dates. For October, 68 MVP enrollees will receive the increase.

Example scenario's for Catamount premium assistant beneficiaries with October anniversary dates

	Carrier	FPL	Premium	Differential	Total monthly cost	
Individual A	BCBS	195%	\$60.00	\$0.00	\$60.00	} 60% difference
Individual B	MVP	195%	\$60.00	\$36.00	\$96.00	
Individual C	BCBS	240%	\$135.00	\$0.00	\$135.00	} 27% difference
Individual D	MVP	240%	\$135.00	\$36.00	\$171.00	
Individual E	BCBS	290%	\$185.00	\$0.00	\$185.00	} 19% difference
Individual F	MVP	290%	\$185.00	\$36.00	\$221.00	

The chart above provides examples of how this would apply to individuals in various scenarios. For instance, Individual A and Individual B are both at 195% FPL. However, Individual A, who is a BCBS beneficiary will pay \$60/month, while Individual B, an MVP beneficiary will pay \$96/month (\$60+\$36), a difference of 60%. As such, individual MVP beneficiaries will likely do one of three things:

- 1) switch to BCBS
- 2) stay with MVP and pay the higher total monthly cost
- 3) drop their Catamount Health coverage altogether

At this time we can only speculate what impact this might have on the Catamount Health Program. That said, we feel there is a strong likelihood that a good portion of MVP beneficiaries, particularly those at the lower FPL's, will either switch to BCBS or drop their coverage altogether when they hit their 12-month anniversary/renewal date. As a result, MVP, who currently covers approximately 21% of all Catamount Health beneficiaries, could see their Catamount Health pool decrease. It may also increase "churn" (the pattern of people moving into and out of the program) in the overall Catamount Health program.

While there are no policy decisions that the Joint Fiscal Committee needs to make on this issue at this time, we felt it was an issue worth bringing to your attention.

For more information, please contact Nolan Langweil at 802-828-1043 or by e-mail nlangeil@leg.state.vt.us.

Nolan - follow-up
A.2.b.

IMPORTANT INFORMATION ABOUT YOUR CHAP PREMIUM

There are two insurance companies that offer Catamount Health plans, Blue Cross Blue Shield (BCBS) of Vermont and MVP Health Care. The State of Vermont is currently assisting you with your monthly premium payments through the CHAP program. Rules require that if the Catamount Health plan you are enrolled in costs the state more than the other plan, you are required to pay the difference in the cost.

You are currently enrolled in the MVP plan, which now costs \$36 more than the BCBS plan. You will begin seeing this increase with the October 2010 premium bill (which is due by September 15). This extra \$36 will be added to your monthly premium amount.

The costs to the state of the two plans may change each year on your CHAP "anniversary date," which is the month that you enrolled in Catamount Health, so this extra charge could change at that time also.

If you have any questions, please call Green Mountain Care Member Services at 1-800-250-8427.

Note:

Those with July, August, or September anniversary dates
got the same notice, but the differential was \$10.

Contingent Waterfall Items

Sec. C 102 and D. 106

	As Passed and Enacted	Items Covered by FY10 Balance Available	Items Remaining	Actual EFMAP Passed by Congress
Caseload Reserve	62,264,000			37,703,988
EFMAP Contingent Items				
GC rate setting	13,500,000		13,500,000	13,500,000
VSH	10,000,000		10,000,000	10,000,000
Info Technology			-	
Server Consolidation	3,000,000	3,000,000	-	-
VIEWS	3,635,000		3,635,000	3,635,000
Fin&HR Update	5,000,000	3,000,000	2,000,000	2,000,000
Case Mgt	400,000	100,060	299,940	299,940
Community Investment	2,000,000		2,000,000	2,000,000
DOC investments	3,164,500		3,164,500	3,164,500
Hospital outpatient	1,000,000		1,000,000	1,000,000
<hr/>				
If needed				
LTC 53rd week	2,100,000		2,100,000	not needed
sped med	6,890,000	6,890,000	-	-
EF	3,000,000		3,000,000	not needed
	<hr/>			
	53,689,500	12,990,060	40,699,440	35,599,440
Amount remaining in caseload reserve				2,104,547
Amount Restored to Medicaid due to EFMAP differential				24,560,012

Consensus FY 2012 Budget Gap Analysis - August 20, 2010

Joint Fiscal Office and Finance & Management

		<i>in millions</i>
Revenue	Fiscal Year 2012	
July 2010 Revenue Projection	1,174.0	
Direct Apps Estimate	10.0	
Total Available Revenue	1,184.0	
Appropriations Estimate		
FY11 Base GF Approps	1,088.4	
Add back base ARRA funds	157.0	No ARRA funds are projected for FY 2012
	1,245.4	
Baseline growth assumption	43.6	General budget pressures -caseload, utilization, energy etc
	1,288.9	
Adjustments > base %		
Other Growth	10.0	AHS additional pressure based on preliminary assessment of caseloads
EF transfer restore	18.0	Makes up FY10 base reduction per legislative intent
VSERS - cost growth	2.0	Estimated \$5m gross cost pressure growth - actual numbers available in October
VSTRS - Retiree HC cost	3.0	Change in funding for retiree health care due to changes in fund accounting
VSTRS - OPEB	1.3	Reserve Part D payment (like VSERS) for OPEB not to fund current ARC - Begins to address OPEB issue
Tobacco settlement	6.0	Estimate of amount needed to maintain trust fund balance at FY11 level which is ~\$17m
Unemployment Fund	6.0	First interest payment on UI loans - this may grow in out years
26 year old HC coverage	1.0	Fed Health Care Reform requirement - Est of GF need to cover 26 yr olds in state employee HC system
TF to public safety	2.3	GF needed to meet statutory requirement of reducing public safety Transportation funds
	49.6	
Adjustments < base %		
Challenges for Change	(33.1)	Growth in savings from \$38m in FY11 to \$71m in FY12
EFMAP	(15.0)	FY11 carryforward in Medicaid GCF for FY12 (this is from the \$13.5m allocation of EFMAP)
	(48.1)	
Total Appropriations	1,290.4	
Transfer Estimates		
Next Generation	4.79	Level funded to FY11
Vermont Telecomm Authority	0.75	Base need for FY12
	5.54	
Total Uses	1,296.0	
Budget (Gap) / Surplus	(112.0)	

Notes

Property transfer tax runs at formula in FY12
 Higher Education funding at FY11 base amount only
 Special Education Medicaid balance back to EF
 Weatherization as dedicated
 Assumes only federal LIHEAP \$ only
 Assumes no surplus/(deficit) from FY11

Vermont Legislative Joint Fiscal Office

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

ISSUE BRIEF

August 18, 2010

Prepared by Stephanie Barrett

FY11 and FY12 Budget Gap Analysis – Comparison to Other States

In January 2010 the budget gap for FY11 was projected at \$267m or approximately 23% of the General Fund. Available ARRA funding reduced this gap to \$154m or 13.5%. This gap was closed by a variety of actions during the FY11 session, a summary of which can be found at <http://www.leg.state.vt.us/jfo/Appropriations/General%20Fund%20Budget%20Gaps%20FY09-FY11.pdf>

NCSL has recently released a survey of the states that shows 41 states reported a budget gap during the enactment of their FY 2011 budgets. Twenty-four states reported FY 2011 gaps at 10 percent or more of their general fund budgets. The largest gaps were reported by Nevada (45 percent), New Jersey (28 percent), Arizona (27.2 percent), Maine (26 percent), and North Carolina (25 percent). At least 25 states made assumptions about the extension of the enhanced FMAP; the extent to which additional gaps open up in FY11 will be a function of the degree to which the amount Congress passed is below the amount states expected when they passed their budget.

The current FY12 gap projection for Vermont is in the range of \$112m or just under 9%. While as a percentage this is an improvement from what has been faced in the recent past, the actions taken to close the gaps of the past have included both “low hanging fruit” and very difficult and negotiated reductions as well as redirection of one-time sources from other funds. It becomes more and more difficult to solve the remaining gap.

Vermont is not alone in this regard. The same NCSL survey asked the states to project the budget gaps they foresee for FY12. Thirty-three states forecast gaps in FY 2012, with 30 of them providing estimates. The cumulative tally for FY 2012 gaps is \$72.1 billion. Of the 33 states which reported, 18 states expect to address gaps in excess of 10 percent of their general fund budgets. A number of non-reporting states will have gaps; however, they have yet to make estimates. Among states that reported gaps, more than one-half of the reporting states have bigger gaps than Vermont. The FY12 gaps reported for the New England states are listed below. A copy of this survey can be found under the budget and revenue tab at www.ncsl.org

FY12 Budget Gaps Projected			
Connecticut	17.6%	New York	21.4%
Maine*	?	Rhode Island	10.3%
Massachusetts**	4%	Vermont	9%
New Hampshire*	?		

*Forecast not released yet **FY11 Budget not closed yet

State of Vermont
Agency of Administration
Department of Finance & Management
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.state.vt.us/fin

[phone] 802-828-2376
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Jim Reardon, Commissioner

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Jim Reardon, Commissioner, Department of Finance & Management
DATE: September 1, 2010
RE: Revenue Shortfall Reserve

In accordance with 32 VSA Sec 308d(d), I am reporting that the Revenue Shortfall Reserve has a June 30, 2010 balance of \$0. The \$14,845,633 reserved at EOFY 2009 was used in the FY 2010 budget for Special Education Medicaid and to compensate for the downgrade in the FY 2010 revenue projection, consistent with the use of the Revenue Shortfall Reserve authorized by 32 VSA Sec 308d(c).

I would be pleased to answer any questions the Committee may have.



TRANSPORTATION FUND SUMMARY

Line #		2009	2010	2011
		Final	Final	Jul Rev - As Passed
1	Revenues			
2	Current Law Revenues	203,693,736	213,339,967	218,500,000
	Adjustment		34,800	0
3	New Revenue	673,628	0	0
4	Federal Reimbursements	0	0	0
	Est. Reversions	0	0	0
	Current Year Reversions	0	0	0
5	Direct Applications & Reversions	0	0	0
6	Total Revenue	204,367,364	213,374,767	218,500,000
7	Carry forward balance	624,787	0	(0)
8	Total State Funds	204,992,151	213,374,767	218,500,000
9	Appropriations			
10	AOT Appropriations	177,364,104	178,273,015	182,696,449
11	Waterfall appropriations	0	0	0
12	Information Centers	0	0	0
13	Pay Act / FY11 27th Payroll	841,078	0	2,288,340
14	Transportation Debt Service	1,914,650	3,560,515	3,477,902
15	JTOC Appropriations	32,725,324	28,352,807	27,635,057
16	Contingent Approps / Ex Receipts	0	27,000	0
17	Other appropriations	0	50,000	0
18	Current Year Reversions	(7,173,262)	0	0
19	Net Budget Adjustments	0	(1,465,251)	0
20	Total Appropriations	205,671,894	208,798,086	216,097,748
21	Pre-Transfer balance	(679,743)	4,576,681	240,225.54
22	Transfers			
23	Transfer (to)/from General Fund	0	(1,713,505)	0
24	Transfer (to)/from Downtown Fund	(400,000)	(400,000)	(400,000)
25	Transfer (to)/from Central Garage Fund	1,485,111	(1,120,000)	(1,120,000)
26	Transfer (to)/from Other Reserves	0	0	0
27	Transfer (to)/from Recreational Trail Fund	(370,000)	(370,000)	(370,000)
28	Transfer (to)/from Other funds	729,351	(2,653,606)	(279,193)
29	Transfer (to)/from Stabilization Reserve	(91,091)	1,006,802	(154,959)
30	Transfer (to)/from Vision Reserve	0	0	0
	Transfer (to)/from Bond Reserve	(673,628)	673,628	0
	Closing Recon Entries	0	0	0
31	Transfer (to)/from Bridge Fund	0	0	0
31	Net Transfers	679,743	(4,576,681)	(2,324,152)
32	Ending Balance	0	0	78,100
	Bond Reserve	673,628	0	0
33	Stabilization Reserve Balance	11,290,397	10,283,595	10,438,554
34	5% Maximum Balance	11,290,397	10,283,595	10,438,554
35	Reserve Balance vs Maximum	0	0	0



General Fund Summary
Fiscal Years 2009 - 2012

(\$ in Millions)

met w/Stephanie

wait for her revised

B.1.b.C.

	6/30/09 Revenue Final Actual FY 2009	6/30/10 Revenue Final Actual FY 2010	5/23/2010 AS PASSED (post H.485 Veto) FY 2011	7/15/10 Rev AS PASSED (post H.485 veto) FY 2011	8/11/10 Rev AS PASSED (with e-FMAP) FY 2011	July 2010 Rev REVISED FORECAST FY 2012
Sources						
Current law revenues	1,103.98	1,038.24	1,095.80	1,090.40	1,090.40	1,174.00
Revenue Changes/fee bill	(1.52)	0.00	2.30	2.30	2.30	-
Proposed Tax changes	-	-	(1.13)	-	-	-
Other Proposed changes	-	-	0.55	-	-	-
VEDA debt forgiveness	-	0.00	-	0.00	0.00	-
Direct applications & reversions	39.06	20.47	25.78	25.78	25.78	10.00
Other Bills/Other Revenue	6.46	9.81	6.89	6.89	6.89	-
Additional property transfer tax to GF	1.30	6.45	6.80	7.89	7.89	-
Current year sources	1,149.28	1,075.08	1,129.84	1,133.26	1,133.26	1,184.00
For approp from GF Reserve ⁽¹⁾	19.13	14.85	15.20	15.20	15.20	4.58
Total sources	1,168.40	1,089.92	1,145.04	1,148.46	1,148.46	1,188.58
Uses						
Base appropriations (including GF ARRA supplant)	1,286.22	1,265.35	1,213.52	1,282.31	1,244.17	1,323.50
Budget adjustment (rescissions/reductions)	(27.31)	(12.93)	(37.09)	(37.89)	(37.89)	(33.10)
Budget adjustment (base changes)	-	15.28	-	-	-	-
Base Appropriations, adjusted	1,258.91	1,267.70	1,176.43	1,244.43	1,206.28	1,290.40
Percent Change	-	0.01	-5.50%	-	-	-
Less Base Replaced by ARRA	(76.33)	(202.20)	(113.29)	(182.00)	(119.30)	-
Base Appropriations, Net of ARRA	1,182.58	1,065.50	1,063.14	1,062.43	1,086.98	1,290.40
Percent Change	0.01	-	-	-	-	-
Budget adjustment/one-time	(42.65)	0.00	-	-	-	-
Other bills	1.82	2.58	0.25	0.25	0.25	-
One-time appropriations	2.23	13.28	18.25	18.25	18.25	-
One-time waterfall & other adjustments	2.30	8.11	-	-	35.60	-
Total appropriations	1,146.28	1,087.45	1,080.90	1,080.92	1,141.08	1,290.40
Transfer from HS caseload reserve	-	-	-	-	-	-
Total uses	1,146.28	1,087.45	1,080.90	1,080.92	1,141.08	1,290.40
Subtotal operating surplus (deficit)	22.12	2.47	61.14	67.53	7.38	(101.82)
Allocation of surplus						
Transfers (to) / from other funds						
Human service caseload reserve	0.96	16.22	(62.26)	(62.26)	(2.10)	-
Transportation fund	-	1.71	-	-	-	-
Tobacco settlement	3.55	0.00	-	-	-	-
General bond fund	1.97	2.63	1.46	1.46	1.46	-
Education Fund	(0.87)	(8.89)	0.00	0.00	0.00	-
Unreserved/Undesignated Balance	(3.32)	3.32	-	-	-	-
General funds (Part "D" refund)	-	0.00	-	-	-	-
Permitted trust fund (from estate tax)	-	0.00	-	-	-	-
Stamout Fund	-	0.00	-	-	-	-
Internal service funds	(3.12)	(0.77)	(0.30)	(0.30)	(0.30)	(0.75)
Next Generation fund	(7.29)	(3.29)	(4.79)	(4.79)	(4.79)	(4.79)
Assorted funds/Other	3.90	(1.45)	-	-	-	-
Total transfers (to) / from other funds	(3.93)	11.48	(65.90)	(65.90)	(5.74)	(5.54)
Reserved in GF (designated):						
Budget Stabilization Reserve	(2.17)	2.70	3.27	2.94	2.94	(2.68)
Reserved in GF for Bond Issuance Premium	(1.18)	(1.46)	-	-	-	-
Reserved in GF Contingency/Short Term	(8.38)	(0.10)	-	-	-	-
Reserved in GF Surplus/Other Reserve	(6.46)	(15.10)	1.49	(4.58)	(4.58)	-
Total reserved in the GF (designated)	(18.20)	(13.95)	4.76	(1.64)	(1.64)	(2.68)
Total allocated	(22.12)	(2.47)	(61.14)	(67.53)	(7.38)	(8.22)
Unallocated operating surplus/(deficit)	0.00	0.00	0.00	0.00	0.00	(110.05)
Stabilization Reserve 5% statutory level	60.01	57.31	54.05	54.37	54.37	57.05
GF Reserves (cumulative)						
Reserve Bond Issuance Premium/Debt Service	1.18	1.46	-	-	-	-
Budget Stabilization Reserve	60.01	57.31	54.05	54.37	54.37	57.05
Human Services Caseload Reserve	16.29	0.07	62.33	62.33	2.17	62.33
Reserved in GF Surplus (Contingency/Short Term)	8.38	9.10	-	-	-	-
Reserve for Subsequent Year	-	15.10	-	-	-	-
Reserved in GF Surplus Reserve/Rev. Shortfall	6.46	0.00	(1.49)	4.58	4.58	-
Total GF reserve balances	92.32	74.04	114.89	121.28	61.13	119.38
Contingent Appropriations:	0.00	0.000000	53.69	53.69	0.00	0.00

*Differences due to rounding



B.I.C.

Keep: FY 2011 BAA – potential items

Potential items for the FY 2011 BAA (from BAA Folder)

9/8/10 OT

GF Reversions: \$772,964 at 9/8/10. (Budgeted at \$550K)

Direct Applications: ??????

Reduction in FY 2011 education school district spending targets (?)

Changes in Challenges for Change savings targets

Fix Clean Energy Development Fund/ARRA \$2M funding in 2010 Act 161 Capital Bill: replace CEDF with ARRA in Sec 24(b) (and repeal (d)?)

Dept Labor: transfer \$11K from Employees Leasing Companies Fund to eliminate Passenger Tramways SF deficit

E 9-1-1 \$1.2M carryforward spending authority

Criminal Justice Training Council: use of special funds to increase FY 2011 appropriations

Tax Dept:

Homeowner Rebates – potential liability of \$1M (offset by \$262K GF CF)

Renter Rebates - potential liability of \$1M (offset by \$738K EdFund CF)

Education: High School Completion Program \$1M Education Fund?

Add authority to reduce and transfer other funds as part of \$5.5M GF labor contract savings (2010 Act 156 Sec B.1101(a)(1)); and adjust employees' retirement savings? (Sec B.1101(a)(2))

Dept Human Resources: add \$2.5M spending authority due to DHR consolidation (already did Excess Receipts)

Insurance Reserve Fund: replenish to (at least) \$100K deductible (balance is \$40K after 7/15/10 Rutland flood payout)

Amend 32 VSA Sec 706(1) to authorize the Comm of Finance & Management to make appropriation transfers (rather than Sec Admin)

Transfer of geological survey program from DEC to UVM? \$125K

Secretary of State recount?

Annual Carryforward Authority

Annual Global Commitment transfers & report

TECHNICAL AMENDMENTS

AOT TIB Funds added to BAA CF language (already did Excess Receipts?) (technical)

Fix name: Porter Hospital s/b Helen Porter Medical Center (2010 Act 156 Sec B.1103(a)(15)) (technical)

Fix "appropriation" to "allocation" in 2010 Act 146 Secs C25(a)(1) and G8(c)(1) (technical)

Changes in 2010 Act 156, per Legislative Statement of Intent (all technical, except maybe \$11K in Sec B.501)

Sec B.101 DII: reduce spending authority from \$700L to \$300K, due to \$400K from non-appropriated sources (per Sec D.101(a)(1)(A))

Sec B.102 Finance & Management: appropriate \$5K Adamant Flood Control grant per 2010 Act 160 Sec 56 (already did Excess Receipts) SHOULD IT BE FY 2010 OR FY 2011?

Sec B.501 Education Services: miscalculation of GF needed for grants – may need \$11,174 GF

Sec C.102 FY 2010 Contingent Reserves: Fix reference to Sec D.106(c)(2) (B)

Sec D.102 Tobacco Litigation Fund balance: add to Sec G.100 Effective On Passage sections

Sec E.300 DCF grant reductions: move subsection (a) to Sec E.317; and update title of section

Sec E.600 UVM and Sec E.602 VSC: reduce the allocations for EPSCoR and the Vt Manufacturing Extension Center to be consistent with UVM and VSC appropriations

Sec E.704 FPR Forestry: extend "notwithstanding 3 VSA Sec Sec 2807(c)" to excess receipts used to increase spending per 2010 Act 146 Sec B13 (?)

Fix 2010 Act 156 Secs C.102, D.102, D.106: Contingent reserves and Human Services Caseload Reserve language (technical)

Fix Sec reference in 2010 Act 156 sec F.9, amending 2010 H.792 Sec D12 (technical)

Fix Sec reference in 2010 Act 157 Sec 21 (technical)

Fix extra word "by" in 2010 Act 146 Sec G7(d)(2) (technical)

Fix Sec reference in 2010 Act 157 Sec 10(d) (technical)

Health Dept Alcohol & Drug Abuse 2010 Act 156 Sec B.313: correct major object categories (technical)

Emergency Personnel Survivors Benefit Special fund (EPSBSF) (both technical):

Amend 20 VSA Sec 3173 to remove JFC approval for payments that create a deficit in the SF

Transfer the \$70K GF that went to the Treasurer in 2010 Act 156 Sec B.1101(a)(15), to the EPSBSF

DII: Amend 3 VSA Sec 2283b the way we wanted in Senate version of 2010 Act 156 Sec E.100.3? (technical)

Fix reference to Dept taxes in 2010 H.485 Sec 5 (technical)

Various repeals and amendments need fixing in 2010 H.760 Boards & Commissions bill (technical)

Fix Sec reference in 2010 Act 148 Sec 4 (technical)

TIB Fund clarification in 32 VSA Sec 975(b): treasurer may pay from proceeds (technical?)

AHS Secretary's Office 2010 Act 156 Sec B.300: correct major object categories (technical)

DCF Admin Support 2010 Act 156 Sec B.316: correct major object categories (technical)

Remove reference to "central data processing" in 3 VSA Sec 2283a (technical)

Fix reference to "commissioners" in 32 VSA Sec 1715(a) (technical)

Correct Attny General language in 2010 Act 156 Sec E.200(a) referring to "one-half of any civil monetary penalty proceeds" (technical)

Fix or remove reference to DeptID in 2010 Act 156 sec B.1103(a)(6) (technical)

Fix 2010 Act 161 Capital Bill Sec 23(15) or (18) to remove double counting – and totals, too? (technical)

Fix 2010 Act 156 Sec E.114 BGS Fleet Management to assign mileage reimbursement report to Human Resources or Finance & Management, instead of BGS (which doesn't have the data) (technical)

Fee-for-space adjustments: Judiciary/Attny General/Probation-Parole/DMV (technical)

AHS Medicaid in Schools SF deficit \$216K (technical)



B.2.(a)

STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: August 19, 2010
Subject: Grant Requests

Enclosed please find three (3) requests that the Joint Fiscal Office has received from the administration.

JFO #2454 — \$75,000 donation from the American Association of State Highway and Transportation Officials (AASHTO) to the Agency of Transportation (AOT). This donation will be used to perform a field evaluation of crack sealing materials. The donation consists of approximately \$30,000 worth of crack sealing materials and installation expenses, and approximately \$45,000 to reimburse AOT for evaluation of the materials and traffic control for the project.

[JFO received 8/10/10]

JFO #2455 — Request to approve the proposed fee structure for online International Registration Plan. This online service would allow individuals to acquire a 72 hour trip permit authorizing them to travel in Vermont under international agreements. This fee request is subject to JFC review in accordance with 22 V.S.A. § 953(c).

[JFO received 8/12/10]

— See Attached letter from Sen. Mazza

JFO #2456 — Request to approve the proposed fee structure for online property transfer tax return service. This online service would allow Vermont property buyers and sellers to submit a property transfer tax return electronically. This fee request is subject to JFC review in accordance with 22 V.S.A. § 953(c).

[JFO received 8/12/10]

— See Attached letter from Ellen Tofferi

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for Joint Fiscal Committee review. Unless we hear from you to the contrary by September 2 we will assume that you agree to consider as final the Governor's acceptance of these requests.

cc: James Reardon, Commissioner
David Dill, Secretary
David Tucker, Commissioner

About VIC

Located on Stone Cutter's Way in Montpelier, Vermont Information Consortium (VIC) is the eGovernment Partner for the State of Vermont.

In 2006 VIC signed an exclusive long-term contract with the State of Vermont to build online services and re-develop the State portal Vermont.gov. This partnership has resulted in 39 government websites and 41 online services, multiple awards including two consecutive "Best of the Web" awards from the Center for Digital Government for Vermont.gov (2009 & 2010), and over **\$4.7 million dollars in cost savings** for the State.

Our only customer is the State of Vermont. Governed by the 10-member Vermont Web Portal Board made up of high-ranking state officials, legislators, and state employee association members, VIC works closely with state agencies and departments to bring technological efficiencies to state government.

Self-Funded Approach

The self-funded model is the most cost effective way for state government to build online services without upfront state or taxpayer funds.

VIC collects a nominal transaction fee for a limited number of online services to cover the costs of building, managing and maintaining all services and websites on behalf of the State. The self-funded model allows VIC to provide over sixty no-cost services for the State, including Vermont.gov, the Amber Alerts Service, and the Enterprise Content Management System (ECMS).

Public-Private Partnership

VIC is a subsidiary of NIC, the nation's leading provider of official government websites, online services, and secure payment processing solutions. Since 1991, NIC has provided eGovernment solutions for more than 3,000 federal, state, and local agencies that serve 97 million people in the United States. This combined experience provides economies of scale and an extensive knowledge base, which VIC leverages for the benefit of the State.

Value & Cost Savings

In addition to increasing access to state government by developing more online services, VIC helps create tremendous cost savings. The following graph demonstrates the estimated cost savings to the State that VIC has created through no-cost applications since 2007:

Estimated Market Cost (Cost Savings to the State)

* Graph does not include many other business-related costs such as security and technical requirements, legal, financial, and human resources, or other items provided at no cost by VIC.



Citizen Satisfaction

Since 2006, VIC's online services have become increasingly popular as more citizens choose the option to conduct business with the state using web and mobile technology. Our DMV Express service, for example, recently exceeded 500,000 vehicle renewals online and its usage continues to grow.

Whether through professional licensing, court payments, or registration renewals, VIC provides more online services for the State than anyone else, and we receive thousands of compliments annually praising the convenience our services provide.

VIC eGovernment services are designed to meet the needs of Vermont. Let us know how we can help!

Jamie Gage - General Manager • Vermont Information Consortium • 802-229-4171, ext. 223 • jgage@nicusa.com

Application & Website Development Process: VIC vs. T&M

The comparison below attempts to describe the different processes that guide service development for the State between VIC and a typical Time-and-Materials company. The comparison is based upon a hypothetical mid-range online service requiring approximately 150 hours of development time. We have made several assumptions about timelines regarding the T&M process with assistance from SOV management.

Working with VIC		Application & Website Development Process	
			<i>*if fee generating service, add 6 weeks for approval</i>
• Online Service Need Identified by Agency Meeting with VIC		Week 1	
• Requirements Gathering		Week 2	
• Statement of Work Proof-of-Concept Prototyping		Weeks 3-5	
• Development		Weeks 6-9	12-15*
• Testing		Weeks 10-11	16-17*
• Scanning (AppScan, SAS-70) <i>*VIC is fully PCI-DSS compliant for payment card services</i>		Week 12	18*
• Launch		Week 13	19*
• Proactive & No-Cost Updates		Ongoing	
• Maintenance & Support		Ongoing	
Total Cost to State of Vermont: (VIC cost: \$18,750)		\$0	

Working with Typical T&M Company

Application & Website Development Process

- | | |
|---|----------------------|
| • Web Service Need Identified
Online Service Need Identified by Agency | Week 1 |
| • RFP Process – (Posting, Response, Reviews, Selection) | Weeks 2-17 |
| • Requirements Gathering (typically longer, and no prototypes)
Statement of Work & other documentation | Weeks 18-24 |
| • Development | Weeks 25-28 |
| • Testing | Week 29-30 |
| • Scanning | Week 31 |
| • Launch | Week 32 |
| • Maintenance & Support 1 st Year (typically 20% of upfront cost) | 1 st Year |

Estimated Cost Avoidance to State of Vermont (Market Value): **\$ 28,125**

**does not include maintenance & support,
change request costs, overruns, or feature upgrades*

B.2
updated

2006 Legislation

[NO. 203. AN ACT RELATING TO THE VERMONT WEB PORTAL. (H.891)
22 V.S.A.:CHAPTER 16. THE VERMONT WEB PORTALS 950.]

Purpose: *"to increase, at no cost to the taxpayer, the ease of accessing needed information."*

About Vermont Information Consortium

- Located on Stone Cutters Way in Montpelier
- Only Client is the State of Vermont
- Governed by the 10-Member Web Portal Board
- Currently Employs 8 Staff Members
- A Subsidiary of eGovernment pioneer NIC (NASDAQ: EGOV)

Self-Funded Approach

- A Limited # of Fee-Based Services Funds Development of All Services
- No Upfront Tax Dollars or Appropriations Required
- Self-Funded Model is Currently in Use in 23 NIC States
- Self-Funded Model = High Quality & Consistently Maintained

Public-Private Partnership

NIC Manages The Official Web Sites For 23 States and Provides eGovernment Services for 97 Million People

Economies of Scale

- 20 Years of eGovernment Experience
- Centralized Hosting, Enterprise Level Software
- IT Support, Disaster Recovery
- Security, PCI DSS Compliance



* Portal Contracts as of 9/2010

Extensive Knowledge Base

- Access to the Latest Technologies, Best Practices, Research, eGovernment Trends
- Rapidly Develop Services

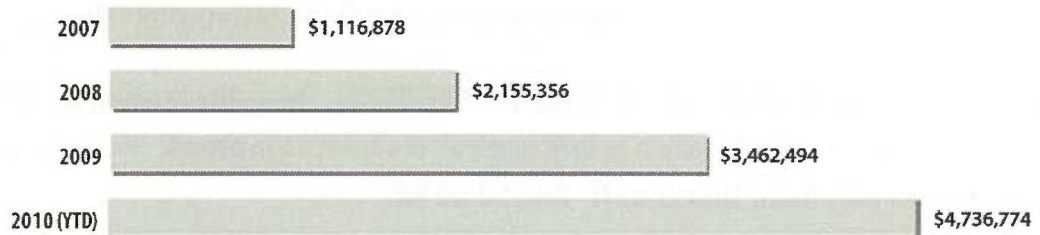
Awards for VIC Services

- 2009 & 2010 Best of the Web Finalist Award, Vermont.gov (Top 10 in the U.S.)
- Public Recognition Award, Finance and Management Website (2009 & 2010)
- Director's Award, Adam Woodworth, Vermont State Police (2009)
- SafeKids Award, Criminal Conviction Records Service (2009)
- A+ ranking Mobile Portal, Vermont.gov, *Government Technology Magazine*

Value & Cost Savings

Estimated Market Value (Cost Savings to the State)

* Graph does not include many other business-related costs such as security and technical requirements, legal, financial, and human resources, or other items provided at no cost by VIC.



Citizen Satisfaction

" **SURE BEATS THE REALLY LONG DRIVE FROM RICHFORD** in tough economic times." (DMV Express) **Richford**

"**I CAN'T THINK OF ANY IMPROVEMENTS** - you did a great job on this one. Homestead) **Burlington**

"**VERY SIMPLE TO USE**, only 3-4 screens. Receipt available to print. **I GIVE THIS SERVICE AN A**" (DMV Express) **Colchester**

"**IMPROVEMENTS: NOT SURE...**but I'm loving it so far." (VTBizFile) **Essex Junction**

"**EASY, FAST, SAVES TIME**, paper, gas, pollution, tax dollars - win - win " (DMV Express) **Thetford**

"**MUCH EASIER THAN TAKING TIME OFF FROM WORK**, driving across town, standing in line." (DMV Express) **Killington**

"Improvements: Can't imagine how. **YOU GUYS ROCK**" (DMV Express) **Orwell**

"This was fabulous. **SO EASY AND EFFICIENT. THANK YOU** for implementing." (DMV Express) **White River Junction**

"If it were any easier I don't know if I could handle it - **THANK YOU FOR A GREAT SERVICE**" (DMV Express) **Chester**

"Improvements: leave as is - **EXCELLENT**" (VTPay) **Putney**

State Employee Testimonials

"The online service VIC produced for issuing and managing an Amber Alert **FAR EXCEEDED MY EXPECTATIONS**. In my opinion the role VIC is performing for public safety, and state government in general, is **CRITICAL**."

Lieutenant Mark Lauer, Vermont State Police - Vermont Fusion Center

"Working with VIC was a **GREAT EXPERIENCE**. The CMS they built has **EMPOWERED** our employees to become integral contributors to our website by allowing them to create and update content whenever it is needed. **I LOOK FORWARD TO WORKING WITH THEM AGAIN.**"

Tori Pesek, Change Management Director - Department of Finance and Management

"**VIC PROVIDES A CRITICAL SERVICE** to State government agencies; the HRC and others would **BENEFIT GREATLY** from **CONTINUED AND EXPANDED SERVICES** from VIC."

Tracey Tsugawa, Civil Rights Investigator - Vermont Human Rights Commission

"DMVExpress **HAS BEEN GREAT FOR THE CITIZENS OF VERMONT**. The ability to renew vehicle registrations online saves people the inconvenience of mailing in their renewals or appearing in person. We receive positive feedback from our customers on a daily basis. **THEY LOVE IT - AND SO DO WE!**"

Ellen Hemond, Director of Support Services - Vermont DMV

Vermont Information Consortium - P & L 2007-2010

	2007	2008	2009	2010 (thru Q2)
Revenue	\$4,012,600	\$4,737,628	\$4,747,865	\$2,562,580
Cost of Sale	\$3,066,108	\$3,577,854	\$3,503,858	\$1,795,491
Gross Margin	\$946,492	\$1,159,772	\$1,244,007	\$767,089
Expenses	\$1,089,828	\$1,396,212	\$1,484,880	\$793,193
Net Income	\$(143,336)	\$(236,440)	\$(240,873)	\$(26,104)

This table reflects our GROSS revenue and the Cost of Sale associated with that gross revenue. The reason that this distinction is important is because it includes the full fee for Motor Vehicle Records – currently \$15 (after 9/1/2009) - of which we sold nearly 300,000 in 2009.

Out of that \$15, \$11 is statutory fee and \$4 is the portal fee. The \$11 goes to the DMV, and is reflected in our Cost of Sale. This means that, of \$3.5 million COS last year, roughly \$3 million was statutory fees, or state revenue.

Other Cost of Sale items: merchant fees and phone-related fees (we have two IVR services).

-Aug 27 08 12:21p

VT DEPT OF MOTOR VEHICLES 802-828-2426

P.2

B.2.(c)
Fee# 2455

STATE OF VERMONT
SENATE CHAMBER
115 STATE STREET
MONTPELIER, VT
05603-8801

Dear Joint Fiscal Committee members,

I am writing today regarding a new online service being proposed by the Department of Motor Vehicles for out-of-state trucking companies for which I hope to gain your support.

The International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) are registration reciprocity agreements among states of the U.S., District of Columbia, and provinces of Canada that provide for payment of apportionable fees and fuel taxes. These services allow individuals and fleet trucking companies to acquire a 72 hour trip permit which authorizes them to travel in Vermont under their respective International plans.

In Vermont, the processing of these permits currently requires a great deal of time by DMV staff, and the provision of an online service to handle this processing will greatly help the Department. The online service will streamline internal processes, create cost savings for the State, and provide a better user experience for the individuals who use the service. I understand the funding of the online service will be in the form of an access fee of \$5 to be paid by the out-of-state individuals and fleet trucking companies who use the service, and thus not require any taxpayer funds. This fee will be less than many of these truckers currently pay to third party vendors' private permitting services.

I encourage approval of this new permitting system as it will bring value to the state and to businesses engaged in commerce within Vermont.

Thank you for your consideration and please let me know if you have any questions.

Sincerely,

Dick Mazza

Clean copy on other side →

Dear Joint Fiscal Committee members,

I am writing today regarding a new online service being proposed by the Department of Motor Vehicles for out-of-state trucking companies for which I hope to gain your support.

The International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) are registration reciprocity agreements among states of the U.S, District of Columbia, and provinces of Canada that provide for payment of apportionable fees and fuel taxes. These services allow individuals and fleet trucking companies to acquire a 72 hour trip permit which authorizes them to travel in Vermont under their respective International plans.

In Vermont, the processing of these permits currently requires a great deal of time by DMV staff, and the provision of an online service to handle this processing will greatly help the Department. The online service will streamline internal processes, create cost savings for the State, and provide a better user experience for the individuals who use the service. I understand the funding of the online service will be in the form of an access fee of \$5 to be paid by the out-of-state individuals and fleet trucking companies who use the service, and thus not require any taxpayer funds. This fee will be less than many of these truckers currently pay to third party vendors' private permitting services.

I encourage approval of this new permitting system as it will bring value to the state and to businesses engaged in commerce within Vermont.

Thank you for your consideration and please let me know if you have any questions.

Sincerely,

Dick Mazza

B.2
#2455



SERVICE NAME:	DMV IRP-IFTA Service
AGENCY/DEPARTMENT:	Department of Motor Vehicles
FUNDING:	\$5.00 Transaction Fee

Service Overview

VIC and the Department of Motor Vehicles (DMV) are requesting that the Vermont Web Portal Board approve a fee of \$5.00 per online temporary registration for the International Registration Plan (IRP) and a temporary fuel permit for the International Fuel Tax Agreement (IFTA).

The International Registration Plan (IRP) is a registration reciprocity agreement among states of the United States, District of Columbia, and provinces of Canada providing for payment of apportionable fees on the basis of total distances operated in all jurisdictions.

The International Fuel Tax Agreement (IFTA) is also a reciprocity agreement among states of the United States, District of Columbia, and provinces of Canada providing for payment of fuel taxes.

Both services allow individuals to acquire a 72 hour trip permit which authorizes them to travel in Vermont under their respective International plans.

Current Process: In Vermont today, fleet drivers and companies who wish to purchase IRP and/or IFTA trip permits must submit their request to a third party permitting agency. The permitting agency assigns a Vermont permit number, which they have purchased in advance from the DMV, and faxes the IRP and/or IFTA permit back to the customer. Due to the volume of requests received by a permitting agency, this process can take 2 – 3 hours and requires that the individual pay a permit fee of \$15.00 and the permitting service fees which can be \$35.00 or more for each permit. Once the permit is issued, a copy is then faxed to the DMV and recorded. It is a very paper- and labor-intensive process, and requires multiple steps by Department resources.

Future Online Process: The online service to be developed by VIC will expedite these processes considerably. The service will help fleet drivers and companies register their vehicle and contact information online anytime, apply for their permits and pay by credit card, and receive their new permits immediately, enabling a quicker turnaround at much lower costs. The service will also reduce costs related to Department time dedicated to handling these requests, provide a comprehensive backend for reporting, and allow the DMV to have more overall control of the permitting process and better utilize their resources in other, more valuable ways.

Service Financial Expectations

Revenue

There are approximately 1,500 IRP and 750 IFTA permits sold each year in Vermont. At \$5.00 per permit, VIC expects total potential revenues of nearly \$11,250 from this service.

Expenses

This service will require low to moderate upfront application development and design hours, hosting, and ongoing support and maintenance. Credit card costs to VIC will also be paid out of the revenues.

VIC costs	Year 1	Year 2	Years 3-5
Project Management	30	10	10
Development/Design/Prototypes	80	10	10
Agency Support & Training	10		
Stakeholder Support			
Hosting, Maintenance & Support	20	20	20
Total Hours	150	40	40
blended rate - \$125/hr.	125	125	125
Total VIC Cost	18,750	5,000	5,000
Estimated Market Cost* (cost avoidance to the state)	\$28,125	\$7,500	\$7,500

* The self-funded model does not include additional resource hours or fees associated with overall portal maintenance and system administration, billing & invoicing, and other cost-of-sale related expenses. For the purposes of this table, we have factored the estimated market cost at 50% greater than VIC costs.

Table 1: Estimated VIC Revenue/Expenses - Years 1-5

	Year 1	Year 2	Year 3	Year 4	Year 5
Forecasted Fees Collected	\$ 11,250	\$11,250	\$11,250	\$11,250	\$11,250
Estimated VIC Team Costs	\$18,750	\$5,000	\$5,000	\$5,000	\$5,000
Projected Cumulative Cashflow	\$ (7,500)	\$ (1,250)	\$ 5,000	\$11,250	\$17,500

Grant #2455
B.2.(d)



State of Vermont
Department of Information & Innovation
133 State Street, 5th Floor
Montpelier, VT 05633-0210

Agency of Administration

[phone] 802-828-4141

August 5, 2010

The Honorable Governor James Douglas
Pavilion Building
Montpelier, Vermont 05602

Dear Governor Douglas:

DII has worked with the Vermont Information Consortium (VIC) and the Department of Motor Vehicles (DMV) to develop a statement of work to launch an online International Registration Plan (IRP) and a temporary fuel permit for the International Fuel Tax Agreement (IFTA), and VIC agreed to make capital investments to launch the site provided a fee structure was put in place that would over time cover the cost of investment into this site, support the Web Portal Project in general, and generate a reasonable return on their investment. The International Registration Plan (IRP) is a registration reciprocity agreement among states of the United States, District of Columbia, and provinces of Canada providing for payment of fees on the basis of total distances operated in all jurisdictions. The International Fuel Tax Agreement (IFTA) is a similar agreement among the same parties providing for payment of fuel taxes. These services will allow individuals to acquire a 72 hour trip permit which authorizes them to travel in Vermont under their respective international plans. The service will help fleet drivers and companies register their vehicle and contact information online anytime, apply for their permits and pay by credit card, and receive their new permits immediately, enabling a quicker turnaround at much lower costs.

The Web Portal Board met July 1st, 2010 and approved the proposed fee structure for the IRP system. In accordance with statutory changes that became effective July 1st, the next step in the process is for the Governor to consider whether to recommend to the Joint Fiscal Committee that the fee structure approved by the Web Portal Board should be affirmed. No work can begin on the proposed new system unless and until Joint Fiscal affirms the action of the Web Portal Board. Statute requires us to present to the Governor for his consideration:

- (A) the costs, direct and indirect, for the present and future years related to the charge;
- (B) the department or program which will utilize the charge;
- (C) a brief statement of purpose;
- (D) the impact on existing programs if the charge is not accepted.

Therefore, we submit the following for your consideration:

- (A) All costs of this service would be borne by the users, out of state trucking companies. Each permit would incur a \$5 fee for using the system which would complete both requirements. This system is voluntary but we expect the convenience of the service to attract many users to the online option. There are approximately 1,500 IRP and 750 IFTA permits sold each year in Vermont. At \$5.00 per permit, VIC expects total potential revenues of nearly \$11,250 from this service.

Once the service goes live it will be the sole method of acquiring these permits.



	Year 1	Year 2	Year 3	Year 4	Year 5
Forecasted Fees Collected	\$ 11,250	\$11,250	\$11,250	\$11,250	\$11,250
VIC Costs	\$18,750	\$5,000	\$5,000	\$5,000	\$5,000
Cumulative Cash flow	\$ (7,500)	\$ (1,250)	\$ 5,000	\$11,250	\$17,500

(B) This service will be used to request permits from the Vermont Department of Motor Vehicles.

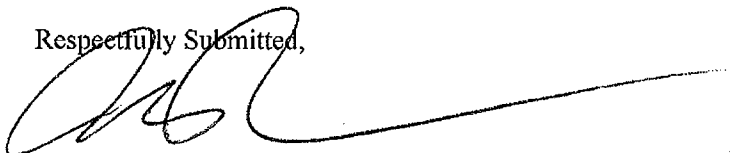
(C) In Vermont today, fleet drivers and companies who wish to purchase IRP and/or IFTA trip permits must submit their request to a third party permitting agency. The permitting agency assigns a Vermont permit number, which they have purchased in advance from the DMV, and faxes the IRP and/or IFTA permit back to the customer. Due to the volume of requests received by a permitting agency, this process can take 2 – 3 hours and requires that the individual pay a permit fee of \$15.00 and the permitting service fees which can be \$35.00 or more for each permit. Once the permit is issued, a copy is then faxed to the DMV and recorded. It is a very paper- and labor-intensive process, and requires multiple steps by department resources.

The proposed online service to be developed by VIC will expedite this process considerably. The service will help fleet drivers and companies register their vehicle and contact information online anytime, apply for their permits and pay by credit card, and receive their new permits immediately, enabling a quicker turnaround at much lower costs. The service will also reduce costs related to Department time dedicated to handling these requests, provide a comprehensive backend for reporting, and allow the DMV to have more overall control of the permitting process and better utilize their resources in other, more valuable ways.

(D) If this service is rejected the DMV will have to continue to rely on the current inefficient process to provide these permits. The fleet drivers and companies will continue to be inconvenienced by having to rely on what is now a manual process.

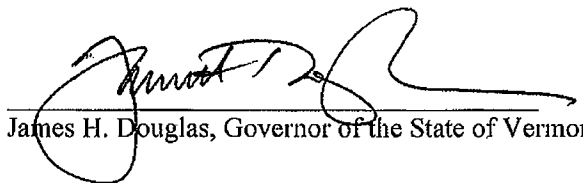
Based on the above description of the need for the system and on knowledge and belief that the fees associated with the system are both necessary and reasonable, I recommend that you approve the fee structure as proposed and forward this letter, along with your approval, to the Joint Fiscal office, so they may take the next steps to help us continue to create a modern tax system for the State of Vermont.

Respectfully Submitted,



David H. Tucker
Commissioner and CIO
DII

Approved



8/11/10
James H. Douglas, Governor of the State of Vermont





Grant #2456
B.2.(e)

State of Vermont
Department of Information & Innovation
133 State Street, 5th Floor
Montpelier, VT 05633-0210

Agency of Administration

[phone] 802-828-4141

August 5, 2010

The Honorable Governor James Douglas
Pavilion Building
Montpelier, Vermont 05602

Dear Governor Douglas:

DII has worked with the Vermont Information Consortium (VIC) and the Department of Taxes to develop a statement of work to launch an online property transfer tax return service (PTTR), and VIC agreed to make capital investments to launch the site provided a fee structure was put in place that would over time cover the cost of investment into this site, support the Web Portal Project in general, and generate a reasonable return on their investment. The PTTR service will allow Vermont Property buyers and sellers or their representatives to complete and submit a property transfer tax return electronically over the internet. The return will then enter a workflow process and be sent to the appropriate municipality (or municipalities) and the Vermont Department of Taxes (VDT) VIRCS-ETM system.

The proposed PTTR Service will benefit a large group of stakeholders—buyers and sellers or their representatives, Vermont municipal clerks, and VDT employees—by providing more accurate and timely information about properties in the transfer of ownership. The new service will streamline workloads for municipal clerks and attorneys, expedite payment to the State, and provide accurate information more quickly for all stakeholders in the process.

The Web Portal Board met July 1st, 2010 and approved the proposed fee structure for the PTTR system. In accordance with statutory changes that became effective July 1st, the next step in the process is for the Governor to consider whether to recommend to the Joint Fiscal Committee that the fee structure approved by the Web Portal Board should be affirmed. No work can begin on the proposed new system unless and until Joint Fiscal affirms the action of the Web Portal Board. Statute requires us to present to the Governor for his consideration:

- (A) the costs, direct and indirect, for the present and future years related to the charge;
- (B) the department or program which will utilize the charge;
- (C) a brief statement of purpose;
- (D) the impact on existing programs if the charge is not accepted.

Therefore, we submit the following for your consideration:

- (A) All costs of this service would be borne by the users. Each filing would incur a \$5 fee for using the system. This system is voluntary but we expect the convenience of the service to attract many users to the online option. There are approximately 30,000 property transfer returns in Vermont annually. Because it will not be mandated, we expect adoption rates will be around 20% and 40% in the first two years, which will provide revenues of \$30,000 and \$60,000 respectively.

Based on the Property Transfer Tax Return baseline of 30,000 average returns/year, with an estimated growth adoption rate of 20% (Year 1), 40% (Year 2), and 80% Years (3-5) with an ePTTR Portal Fee of \$5 per return, the following fees, costs, and cash flow amounts are calculated below.

	Year 1	Year 2	Year 3	Year 4	Year 5
Forecasted Fees Collected	\$ 30,000	\$ 60,000	\$ 120,000	120,000	120,000
VIC	\$ 172,500	\$ 37,500	\$ 30,000	30,000	30,000
Cumulative Cash flow	\$ (142,500)	\$ (120,000)	\$ (30,000)	\$60,000	\$150,000

(B) This service will be one input into the Vermont Department of Taxes (VDT) VIRCS-ETM system.

(C) The current process is extremely paper- and resource-intensive. Returns pass through the hands of the buyer's attorney, municipal clerks, the revenue accounting division at the VDT, and the tax examiners themselves. Payments are sent to the municipality where they required to be processed in 30 days. Because of this convoluted process VDT has very little control over the timing of the returns or ultimate payment. Municipalities frequently do not process the returns within 30 days due to lack of enforcement. As a consequence the Department often doesn't receive these payments in a timely manner.

As of January 1, 2011, per Vermont State Act 160 (Adj. Sess.) §§ 16-20, buyers will be required to pay the State directly instead of the municipality. The Department has determined that the best way forward to achieve this goal is through an online service deployed by VIC.

The proposed online service will process the returns by providing an online platform for all stakeholders—transferors/transferees or their representatives, municipal clerks, and VDT employees—to enter appropriate information about properties in the transfer of ownership. It will allow these parties to work through the return to its completion and submit to the service by closing, and pay by ACH debit (eCheck). The service will streamline the process and expedite the return and the accompanying payment. The service will provide better information to all parties involved, allowing all stakeholders to utilize their resources in more valuable ways.

(D) If this service is not implemented the VDT will be forced to create a different manual system to replace the current one in order to implement the statutory changes. Rather than relying on users to enter information for a large number of returns this function would fall back onto department staff taking up time better devoted to more value added activities than data entry. Deposit of payments into state accounts will be delayed, which will reduce any interest that may be earned on those deposits.

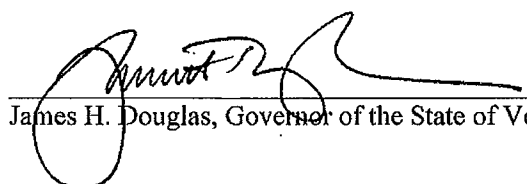
Based on the above description of the need for the system and on knowledge and belief that the fees associated with the system are both necessary and reasonable, I recommend that you approve the fee structure as proposed and forward this letter, along with your approval, to the Joint Fiscal office, so they may consider affirming the approval of the Web Portal Board.

Respectfully Submitted,



David H. Tucker
Commissioner and CIO
DII

Approved



James H. Douglas, Governor of the State of Vermont

8/11/10



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

B.2.(f)
Fee#2456

August 27, 2010

The Honorable Michael Obuchowski
Chair, Joint Fiscal Committee
One Baldwin Street
Montpelier, VT 05633

Dear Representative Obuchowski:

I am writing in support of a new online service and the associated fee for the Property Transfer Tax Returns (PTTR) as proposed by the Vermont Department of Taxes (DOT).

As you are aware, for a period of nearly two years, the DOT with the assistance of the Vermont Information Consortium (VIC) has consulted with an array of constituent groups including but not limited to the Vermont Bar Association, the Clerks and Treasurer's Association and the Vermont League of Cities and Towns regarding this service to ensure that our proposed service creates improvements and efficiencies in the administration of the Transfer Tax and, at the same time, does so in a way that is consistent with the needs of the affected groups.

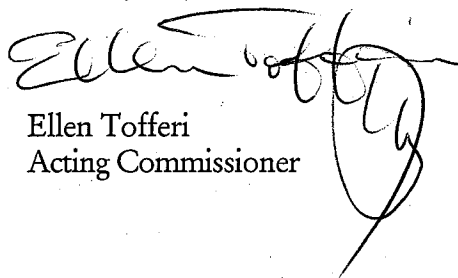
The result of this collaboration is a comprehensive and intuitive online service that will streamline and enhance the process of completing PTTRs and filing the documents with the Department and municipalities. The service, along with the changes to law enacted in the 2010 Session, will enhance revenue collections by sending Transfer Taxes directly to the State, improve the accuracy and completeness of the return information, create administration efficiencies for the Tax Department as well as provide an efficient and user friendly means for the filing of PTTRs and their acknowledgment by municipal clerks.

Throughout the development process the DOT and VIC have attempted to be responsive to input from the various constituency groups as well as the Legislature. For these reasons, it is my hope that the Joint Fiscal Committee will approve the service and the associated fee as proposed by the Department. With the Committee's approval it is our goal to implement this new service in the upcoming calendar year



Thank you for your consideration regarding this matter, and please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ellen Tofferi". The signature is fluid and cursive, with a large loop at the end.

Ellen Tofferi
Acting Commissioner

Cc: Jamie Gage, VIC

B.2
#2456



SERVICE NAME:	Electronic Property Transfer Tax Service (ePTTR)
AGENCY/DEPARTMENT:	Department of Taxes
FUNDING:	\$5.00 Transaction Fee

Service Overview

VIC and the Department of Taxes are requesting that the Vermont Web Portal Board approve a fee of \$5.00 per online property transfer tax return to allow Vermont Property buyers and sellers or their representatives to complete and submit a property transfer tax return electronically over the internet. The return will then enter a workflow process and be sent to the appropriate municipality (or municipalities) and the Vermont Department of Taxes (VDT) VIRCS-ETM system.

The proposed PTTR Service will benefit a large group of stakeholders—buyers and sellers or their representatives, Vermont municipal clerks, and VDT employees—by providing more accurate and timely information about properties in the transfer of ownership. The new service will streamline workloads for municipal clerks and attorneys, expedite payment to the State, and provide accurate information more quickly for all stakeholders in the process.

Current Process:

The current process is extremely paper- and resource-intensive and touches many different hands—from buyer's attorney to municipal clerk to the revenue accounting division at the VDT to the tax examiners themselves. Additionally, the payments themselves are sent to the municipality where they are held for 30 days and quite often much longer before being sent to the state.

Because there are so many stakeholders involved in the process, VDT has very little control over the timing of the returns or their accompanying payment. Although municipalities are required to send returns and payment to the state within 30 days, this is not much enforced, and as a consequence the Department often doesn't receive these payments and returns until long afterward.

Future Online Process:

As of January 1, 2011, per Vermont State Act 160 (Adj. Sess.) §§ 16-20, buyers will be required to pay the State directly instead of the municipality. The Department has determined that the best way forward to achieve this goal is through an online service deployed by VIC.

The proposed online service will process the returns by providing an online platform for all stakeholders—transferors/transferees or their representatives, municipal clerks, and VDT employees—to enter appropriate information about properties in the transfer of ownership. It will allow these parties to work through the return to its completion and submit to the service by closing, and pay by ACH debit (eCheck).

One of the main goals of the project will be to streamline the process overall, so that the online service expedites both the completed return and the accompanying payment, if applicable. The service will provide better and more accurate information to all parties involved, allowing all stakeholders to utilize their resources in more valuable ways.

Service Financial Expectations

Revenue

There are approximately 30,000 property transfer returns in Vermont annually. Because it will not be mandated, we expect adoption rates will be around 20% and 40% in the first two years, which will provide revenues of \$30,000 and \$60,000 respectively.

Expenses

This service requires extremely heavy upfront application development resource hours and project management, hosting, training, and ongoing support and maintenance. Detailed cost estimates are below.

VIC costs	Year 1	Year 2	Year 3
Project Management	300	40	40
Development/Design/Prototypes	1000	100	40
Implementation/Agency Support	120	20	20
Training, Marketing, Stakeholder Outreach			
*includes live trainings, webinars, association meetings	160		
Stakeholder Support	100	40	40
Hosting, Maintenance & Support	100	100	100
Total Hours	1780	300	240
VIC Cost (blended rate - \$125/hr.)	222,500	37,500	30,000
Estimated Market Cost* (cost avoidance to the state)	\$333,750	\$56,250	\$45,000

* The self-funded model does not include additional resource hours or fees associated with overall portal maintenance and system administration, billing & invoicing, human resources, legal, accounting, auditing, and other cost-of-sale related expenses. For the purposes of this table, we have factored that the estimated market cost would be 50% greater than VIC costs.

Table 1: Estimated VIC Revenue/Expenses - Years 1-3

Based on the Property Transfer Tax Return baseline of 30,000 average returns/year, with an estimated growth adoption rate of 20% (Year 1), 40% (Year 2), and 80% Years (3-5) with an ePTTR Portal Fee of \$5 per return, the following fees, costs, and cash flow amounts are calculated below.

	Year 1	Year 2	Year 3	Year 4	Year 5
Forecasted Fees Collected	\$ 30,000	\$ 60,000	\$ 120,000	120,000	120,000
Estimated VIC Costs	\$ 222,500	\$ 37,500	\$ 30,000	30,000	30,000
Projected Cumulative Cashflow	\$ (192,500)	\$ (170,000)	\$ (80,000)	\$10,000	\$100,000



State of Vermont
Department of Environmental Conservation
Waste Management Division
103 South Main Street/West Building
Waterbury, VT 05671-0404
(802) 241-3967
FAX (802) 241-3296
patricia.coppolino@state.vt.us

AGENCY OF NATURAL RESOURCES

MEMORANDUM

FROM: Patricia Coppolino, VTDEC Site Manager
Date: July 15, 2010
TO: Justin Johnson, VTDEC Commissioner
CC: George Desch, WMD Director
Matt Chapman, Division Counsel
SUBJECT: JARD site impact on Bennington Office Building

This memo is to address the concern of Senator Sears regarding potential impact from the JARD site on the Bennington Office Building property. In January 2007 VTDEC WMD staff collected six soil samples from areas of the Bennington Office Building that employees may recreate. The soil samples were collected and analyzed for PCBs, Beryllium and Zinc. The last two contaminants were requested by the VT Department of Health. All PCB samples were non-detect less than 1 part per million, all Beryllium and Zinc samples were less than the screening values used for residential locations.

Currently the VT DEC is evaluating migration and potential discharge of PCB contaminated groundwater from the JARD site. If this contaminated groundwater migrated onto the State Office Building site the likely hood of human impact is minimal. Impact would come from ingestion, inhalation or dermal contact all of which are highly unlikely due to the site receiving drinking water from the municipal system, depth to groundwater is greater than eight feet below ground surface which makes it difficult to come into contact with and based on current information groundwater flow from the site does not flow toward the State Office Building property.

If you have any questions or comments, please feel free to contact me by phone at (802) 241-3967, by email at patricia.coppolino@state.vt.us, or in writing at the above address.

Sincerely,

A handwritten signature in blue ink, appearing to be "Patricia Coppolino", written over a horizontal line.

Patricia Coppolino, Site Manager
Sites Management Section
Brownfields Response Program





STATE OF VERMONT
JOINT FISCAL COMMITTEE

July 16, 2010

Justin Johnson, Commissioner
Environmental Conservation
103 South Main St 1 South
Waterbury, VT, 05671-0401

Gerald J. Myers, Commissioner
Buildings and General Services
2 Governor Aiken Avenue
Montpelier, VT, 05633

Wendy Davis, M.D., Commissioner
Vermont Dept. of Health
108 Cherry Street P.O. Box 70
Burlington, VT, 05401

RE: Former JARD site in Bennington

Dear Commissioners Johnson, Meyers and Davis:

The Joint Fiscal Committee would like the administration to follow-up on two issues related to the former JARD site in Bennington at its next meeting on September 10, 2010. These issues are:

- 1) A summary of any investigations and findings that examined whether the contamination at the JARD site had any causal relationship to the past environmental issues at the Bennington State Office Building.
- 2) What actions are and/or will be taken to ensure no negative impact from the redevelopment of the JARD site on nearby properties including the Bennington State Office Building and the Vermont Veteran's Home.

Sincerely,

Rep. Michael Obuchowski, Chair

cc: Members of Joint Fiscal Committee
Neale Lunderville, Secretary of Administration

Vermont Department of Environmental Conservation*Agency of Natural Resources*

Commissioner's Office

103 South Main Street, 1 South [phone] 802-241-3808

Waterbury, VT 05671-0401 [fax] 802-244-5141

MEMORANDUM

To: Rep. Michael Obuchowski, Chair, Joint Fiscal Committee

From: Justin G. Johnson, Commissioner, VT DEC
Patricia Coppolino, VTDEC Site Manager

SUBJECT: Former JARD site impact on Bennington Office Building

Date: September 2, 2010

This memo is written to augment the initial response to concerns raised by Senator Sears, and expressed by the Joint Fiscal Committee in correspondence to the relevant Commissioners dated July 16th, regarding potential impact from the JARD site on nearby properties; in particular, the Bennington State Office Building and Vermont Veteran's Home. To date we have no evidence of a causal relationship between the contamination at the former JARD site and the environmental issues at the Bennington State Office Building. Additionally, the VTDEC, with the assistance of the USEPA, has focused its efforts over the last decade on protecting the environment through a series of remedial projects and increasing the feasibility of redeveloping the JARD site and the surrounding area, by assuring the protectiveness of the remedial projects.

With respect to the causal relationship, we mentioned in our initial response that we had collaborated with the Dept of Health in January, 2007, to evaluate the possibility that contaminants of concern associated with the JARD site were present in the vicinity of the state facilities, and found no such evidence in the soil samples collected. Since then, we have discussed recent groundwater monitoring and sampling done for the Dept of Buildings and General Services in relation to the development of geothermal energy at the State Office Building and Veteran's Home campus. Groundwater contours collected indicated that groundwater at the State Office Buildings and Veteran's home is running parallel to the Roaring Branch of the Walloomsac, just as it is on the JARD site and also groundwater sampling results indicated that there was no evidence of PCB or other JARD-related contaminants detected in groundwater. The soil sampling and groundwater assessments lead us to conclude that there is no relationship between the contamination found at the former JARD site and the past issues at the state complex.

Currently, the VT DEC is evaluating migration and potential discharge of PCB contaminated groundwater from the JARD site. This project is intended to better characterize the existing conditions, as well as to ensure that the redevelopment of the former JARD property is done appropriately and with adequate safeguards for the JARD property and the adjacent areas. We know that the JARD site is currently impacting the environment. We do not know the magnitude of the impact, but will share the results of the investigation as it progresses.

George Desch, Director of the Waste Management and Prevention Division, is prepared to attend the Sept 10th meeting of the JFC and respond to any questions. In the meantime, if you have any questions or comments, please feel to contact him or Trish Coppolino directly (241-3491 or 241-3967, respectively) by email at patricia.coppolino@state.vt.us, or in writing at the above address.

CC: Commissioner Wendy Davis, M.D.
Commissioner Gerald J. Myers

State of Vermont
Department of Health
108 Cherry Street • PO Box 70
Burlington, Vermont 05402
HealthVermont.gov

[phone] 802-863-7281
[fax] 802-951-1275
[toll free] 800-464-4343

Agency of Human Services

Report on Implementation of Act 156, Sec. E.313(b)
Vermont Department of Health, Division of Alcohol and Drug Abuse Programs
September 10, 2010

GOAL – To develop a plan to implement this Section in the context of the already existing Sec. E.313(a).

PROCESS – Held two meetings between DHVA and ADAP with Vermont Association of Addiction Professionals (VAPA), Vermont Association of Addiction Treatment Providers (VAATP) and VT Council on Mental Health and Developmental Disabilities.

IMPLEMENTATION PLAN SUMMARY

1. The means to open the network will be based upon an application request that a Licensed Alcohol and Drug Abuse Counselor may submit to the Vermont Department of Health/ADAP. This is consistent with existing Section E.313(a).
 - o Application will be reviewed to determine whether the counselor's license is in good standing. If so, s/he may be deemed able to receive a referral as a result of the conditions listed in E.313(b).
2. To meet the requirement of responding to an actual waiting list (more than 5 days) for treatment when a referral is made from the Department of Corrections, Children and Families and the judiciary, the following will be determined:
 - A documented referral exists from one of the above sources.
 - There is a confirmed waiting list for Medicaid patient as documented by ADAP Treatment Unit.
3. If there is an LADC with an approved application on file with ADAP, and the local outpatient preferred provider is not able to provide access to treatment within 5 days (definition of a "waiting list"), then the patient will be notified of the LADC(s) who can accept the referral.
4. If the patient chooses to pursue treatment with the designated LADC, ADAP will contact DHVA for authorization to provide time-limited services to the patient.
5. This protocol is contingent upon adequate funds being available in the ADAP Medicaid budget.
6. This protocol will be implemented for six months and then reviewed to determine actual feasibility. Adjustments to the protocol may be made to respond to implementation problems. Review of implementation will be done with input of VAPA, VAATP, VT Council, ADAP and DHVA.
7. Protocols to implement this plan will be developed by ADAP and disseminated to interested partners and stakeholders. Documentation of waiting lists, data gathered to document waiting lists and any other pertinent data will be maintained by ADAP.
8. Management of the authorization for time-limited services will be done by DHVA.



Language from Act 156 (Big Bill)

Sec. E.313 Health - alcohol and drug abuse programs (Sec. B.313, #3420060000)

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the state, a state-qualified alcohol and drug abuse counselor may apply to the department of health, division of alcohol and drug abuse programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b) For fiscal year 2011, the department of Vermont health access and the office of drug and alcohol programs shall determine a means, notwithstanding any other provision of law to the contrary, of opening the preferred provider network to expand Medicaid funded substance abuse services from licensed alcohol and drug abuse counselors in geographic areas in which there are waiting lists for services for referrals from the department of corrections, the department for children and families, and the judiciary. The Vermont addiction professionals association shall be consulted in determining the means of expanding treatment access. The commissioners shall report on this directive to the joint fiscal committee at the September 2010 meeting.

(c)(1) In accordance with federal law, the division of alcohol and drug abuse programs may use the following criteria to determine whether to enroll a state-supported Medicaid and uninsured population substance abuse program in the division's network of designated providers, as described in the state plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are developed, provided the standards identified in this subdivision (c)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the division's "request for bids" process.



LIHEAP Full Season Fuel Liability

Possible Benefit Projections for FFY2011

National Funding of \$3.2B = \$16.2M for Vermont **

\$665 Average Full Season Benefit for Prior Income group (19,275 households)
Households Below 155% "Gross" (formerly 125% "Net")
Compared to \$1,136 in FFY2010

\$665 covers 33% of a client's average winter heat cost *

\$270 Average Full Season Benefit for New Income group (4,555 households)
From 155-185% "Gross" (above the former max. of 125% "Net")
Compared to \$--0-- in FFY2010

\$270 covers 13% of a client's average winter heat cost *

****** Funding at this level would likely result in the release of contingency funds.

National Funding of \$5.1B = \$25.6M for Vermont

\$930 Average Full Season Benefit for Prior Income group (19,275 households)
Households Below 155% "Gross" (formerly 125% "Net")
Compared to \$1,136 in FFY2010

\$930 covers 46% of a client's average winter heat cost *

\$380 Average Full Season Benefit for New Income group (4,555 households)
From 155-185% "Gross" (above the former max. of 125% "Net")
Compared to \$--0-- in FFY2010

\$380 covers 19% of a client's average winter heat cost *

* Assumes averages of \$2.65/gallon and 764 gallons.

LIHEAP Seasonal Fuel Assistance
Eligible Caseload Projections for FFY2011
Compared to FFY2010

	"Net" 125%* FFY2010	"Gross" 185% FFY2011
Fuel Liability	18,000	24,365
Section 8 Fuel Liability	2,350	3,255
Fuel Liability Subtotal	20,350	27,620
Heated Renters	2,100	2,960
Roomers - \$50	925	1,070
Public Housing - \$5	4,425	5,100
3SquaresVT - \$3	0	9,000
TOTAL HHs ELIGIBLE	27,800	45,750

* 125% "Net" is approximately 155% "Gross"
of the federal poverty level

ONE BALDWIN STREET
MONTPELIER, VT 05633-5701

REP. MICHAEL OBUCHOWSKI, CHAIR
SEN. ANN CUMMINGS, VICE-CHAIR
SEN. DIANE SNELLING, CLERK
REP. JANET ANCEL
SEN. SUSAN BARTLETT



B.5,
PHONE: (802) 828-2295
FAX: (802) 828-2483

REP. CAROLYN BRANAGAN
REP. MARTHA HEATH
REP. MARK LARSON
SEN. RICHARD SEARS, JR.
SEN. PETER SHUMLIN

STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

September 20, 2010

U.S. Senator Patrick Leahy
U.S. Senator Bernard Sanders
U.S. Representative Peter Welch

Dear Vermont Congressional Delegation:

The Joint Fiscal Committee recently heard testimony from representatives of Vermont's Low Income Home Energy Assistance Program (LIHEAP) regarding federal funding for the coming heating season. The committee was told that the Senate and the President support a national funding level of \$3.3 billion and that the House supports a national funding level of \$5.1 billion. These national funding levels translate into a basic block grant for Vermont of \$16.2 million and \$25.6 million, respectively. Last heating season Vermont received a block grant of \$25.6 million and contingency funds of \$1.8 million.

The Vermont General Assembly made several changes to the LIHEAP program last session, one of which was to address the benefit cliff for people over 125% of the federal poverty level. Two eligibility categories were established for households that must pay for their home heat. This expands the population of people eligible for benefits. At the time the legislation was passed it was acknowledged that the federal block grant would have to be spread over the two eligibility groups, resulting in a slightly lower benefit for the lower income group, while establishing a new eligibility group for the first time. The lower income group was given priority for funding to reflect their more urgent need. The number of eligible households that must pay for their home heat is projected to grow from 20,350 last heating season to 27,620 this coming season, a 36% increase. The total number of households receiving a Seasonal Fuel Assistance benefit is projected to grow from 27,800 last heating season to 45,750 this winter, an increase of 65% for all benefit categories.

At the full national funding for LIHEAP of \$5.1 billion the average benefit for Vermont's lower income group would be \$930 for the heating season compared to \$1,136 last winter. The newly eligible higher income group would receive an average benefit of \$380 compared to no benefit last winter as these families were over last year's income limit. Should LIHEAP be cut to \$3.3 billion the lower income group would receive an average benefit of \$665 and the higher income group a benefit \$270. It is estimated that the average household's cost for heating oil in Vermont is \$2,063.

The committee strongly urges the passage of the House funding level for the LIHEAP program. The higher funding level would enable the State to provide adequate benefits to both of the LIHEAP eligibility groups for the upcoming heating season. Please let us know if you would like any additional information or if we can provide any assistance in this effort.

Sincerely,

Michael Obuchowski
Representative Michael Obuchowski
Chair, Joint Fiscal Committee

To: Joint Fiscal Committee
 From: Mark Perrault, JFO
 Date: September 1, 2010
 Subject: Use of Vermont's Education Jobs Fund Allocation

The recently enacted ARRA extension created an Education Jobs Fund Program. This program will allocate \$19.3 million in federal funds to Vermont to save or create elementary and secondary education jobs in FY2011. In order to receive these funds, the governor must apply to the US Department of Education by September 9th and agree, among other things, to the following conditions:

- The state must comply with maintenance of effort (MOE) requirements for state support of elementary and secondary education and public institutions of higher education.
- The state must make awards available to school districts for use in FY2011. (However, under the Tydings Amendment, school districts may use these funds through September 2012.)
- The state must distribute program funds to school districts either: (1) through the state's FY2011 primary school funding formula; or (2) on the basis of the school district's share of funds under Title I of the Elementary and Secondary Education Act (ESEA).
- The state must award at least 98% of the state's allocation of program funds to school districts, reserving no more than 2% for the cost of administering the program.

Department of Education - Although school districts have the discretion to decide how to use program funds, the commissioner of education has suggested that school districts be encouraged retain their program funds and use them to meet the FY2012 spending targets set last session. To meet the spending targets, school districts would have to reduce spending statewide by \$23.2 million.

If this approach is taken, it should be noted that the distribution of program funds to school districts under either permissible method would not match the spending reductions required by the targets. One way to address this issue would be to ask the education department to revise the spending targets to match the distribution of program funds. The education department has the authority to revise the targets.

Administration - The governor is reportedly proposing that the FY2011 education payments to school districts be reduced by an amount equal to their award. This approach would effectively force all school districts to use their entire award this year and would free up almost \$19 million for other purposes. Although this would appear

to be contrary to the intent of the program, it is possible¹; however, it would require legislative approval.

Legislative approval of this approach would be required because by law the education department must distribute FY2011 education payments to school districts as appropriated last session. Since these payments will be made incrementally between September and June, legislative approval could be obtained in the FY2011 budget adjustment bill next January.²

Withheld education payments to school districts would allow the legislature to reduce the general fund transfer to the education fund. Arguably, these freed-up general fund dollars could then be used for any purpose other than as reserve funds or for debt retirement. The “Initial Guidance for States on the Education Jobs Fund Program” provides that:

“A state may not use program funds, *directly or indirectly*, to establish or restore, or supplement a rainy day fund, or to supplant state funds in a manner that has this effect. Furthermore, a state may not use program funds, *directly or indirectly*, to reduce or retire debt obligations incurred by the state or to supplant state funds in a manner that has this effect.” (Emphasis added.)

Reportedly, the administration is considering recommending to the legislature that the freed-up general fund dollars be used to reduce the deficit in the teachers’ pension fund.

¹ This approach is possible because Vermont is able to comply with the MOE requirements even if it reduces current-law state fiscal support for elementary and secondary education in FY2011. Method 3, one of four ways to meet the MOE requirements set forth in the guidelines, is available to states with state tax collections in CY2009 that are less than state tax collections in CY2006. Under Method 3, the MOE requirement is met if the state maintains fiscal support for elementary and secondary education at *not less* than the level of such support in FY2006. Vermont qualifies for use of Method 3 and, under current law, exceeds the FY2011 MOE requirement under Method 3 by over \$129 million. Vermont is unusual in that all fiscal support for elementary and secondary education is considered to be state support; in most states, the property tax is a local source of support for elementary and secondary education.

² The education department makes the last education spending payment to “receiving” school districts on April 30th and receives a final payment from “sending” towns on June 1st.

B.6.

Theresa Utton-Jerman - ARRA Funds/Pensions

From: "Spaulding, Jeb" <Jeb.Spaulding@state.vt.us>
To: "Lunderville, Neale" <Neale.Lunderville@state.vt.us>, "Reardon, Jim" <Ji...
Date: 9/7/2010 12:42 PM
Subject: ARRA Funds/Pensions
CC: "Dubie, Brian" <Brian.Dubie@state.vt.us>, "Shap Smith(shapsmith@gmail.co...

Folks,

I write to express concern over the Governor's recommendation that we use the additional \$19.3 in federal education funds to effectively help pay for teacher retirement obligations. My concern is straightforward: We should not use one-time funds for ongoing commitments. This simply would not be prudent and would leave us with a significant budgetary hole in the very next year. That would make it more likely a future governor and legislature will underfund teacher retirement and could erode public confidence in the retirement system.

The Governor's proposal to distribute the federal funds and withhold an equal amount of State funds, for now, makes sense to me, but I encourage policymakers to instead find a way to use this one-time money as an incentive or bridge for school improvement and efficiency. We should leverage these funds in a way that will produce ongoing savings to our citizens.

Thanks for your consideration. If I am off base about what the Governor proposed or if I can be helpful in this regard, please let me know.

Jeb Spaulding, Vermont State Treasurer
Pavilion Building
109 State Street
Montpelier, VT 05609
802-828-1452 (phone)
802-8282272 (fax)

People are our most important asset

JAMES H. DOUGLAS
Governor



State of Vermont
OFFICE OF THE GOVERNOR

September 2, 2010

Dr. Joseph C. Conaty
Director, Academic Improvement and Teacher Quality Program
Office of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, S.W. Room 3E314
Washington, D.C. 20202

Dear Dr. Conaty:

Attached for your approval is Vermont's application to the Education Jobs Fund Program for Vermont's allocation of \$19,304,177. I believe you will find this application fully in accord with applicable law and U.S. Department of Education Guidance for States distributed on August 13, 2010.

You are likely aware that statistics at the U.S. Department of Education's National Center for Education Statistics profile Vermont as ranking 1st by far, for both the ratio of pupils to teacher and pupils to staff. While national averages for the pupils/teacher ratio and pupils/staff ratio are 15.5 to 1 and 7.9 to 1 respectively, Vermont's ratios are 10.7 to 1 (31 percent lower than the national average) and 4.9 to 1 (38 percent lower than the national average). In comparison, pupil to teacher ratios in New York, New Hampshire, Rhode Island, Massachusetts, Maine and Connecticut are 13.1, 13, 13.1, 13.6, 11.9 and 14.1 respectively.

Further, over the past decade, Vermont's enrollment has been in sharp decline, falling from 106,341 in 1997 to 91,134 this year – a 14.3 percent drop. During this same period, staffing levels have increased by almost 25 percent. Looking forward, Vermont's enrollment is projected to fall to below 88,700 by 2013.

When it comes to spending these additional federal funds, one size does not fit all. Clearly, given the above context, it would not be a prudent use of public funds to financially encourage unnecessarily high levels of staffing in Vermont's schools. In fact, Vermont has undertaken a number of initiatives to encourage expenditure constraint within our primary and secondary school system.

B.6.
[members Only]



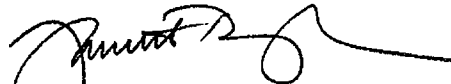
Dr. Joseph C. Conaty
September 2, 2010
Page 2

As noted in our application, Vermont will distribute Vermont's allocation to school districts through the state's elementary and secondary education funding formula. Notably, for fiscal 2011, school district voters have already established budgets for the current year and the expenditure of additional funds from the formula would require voter approval. Given this complication, among others, Vermont will distribute through the state's funding formula, inclusive of Education Jobs Funds, the amounts currently anticipated by district votes. Vermont will temporarily withhold the distribution of state funds equal to the amount of Education Jobs Funds distributed to school districts that is above the required maintenance-of-effort. These retained state funds will be the subject of further consideration by the legislature when convened next January.

My recommendation will be that these funds be used to support a current benefit for Vermont's teachers as related to liabilities of the teachers' retirement fund incurred during the 2010-2011 school year or to lower school district property taxes. Vermont understands that these funds cannot be used to create or enhance a "rainy day fund" or to reduce or retire debt obligations.

I appreciate the efforts of your staff to provide prompt guidance on this program. Should you have any questions regarding this application, please contact Coleen Krauss at (802) 828-2055.

Sincerely



James H. Douglas
Governor

JHD/tpc

cc: Senator Patrick Leahy
Senator Bernard Sanders
Representative Peter Welch
Commissioner Armando Vilaseca, Vermont Department of Education

Application of a Governor for Funding under the Education Jobs Fund Program



**U.S. Department of Education
Washington, D.C. 20202**

**OMB Number: 1810-0703
Expiration Date: 2-28-2011**

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is **1810-0703**. The time required to complete this information collection is estimated to average 2 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Education Jobs Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118.

EDUCATION JOBS FUND APPLICATION

(Public Law No. 111-226, Section 101)

Legal Name of Applicant:

James H. Douglas

DUNS No: **809049943**

Employer Identification Number:

Governor's Mailing Address:

Office of the Governor

109 State Street

5th floor

Montpelier, VT 05609-0101

State Contact for the Education Jobs Fund Program:

Contact's Position and Office:

Neale Lunderville, Secretary of Administration

Contact's Mailing Address:

109 State Street

5th floor

Montpelier, VT 05609-0101

Contact's Telephone No.: **802-828-2055**

Contact's Fax No.: **802-828-3320**

Contact's E-mail Address: **coleen.krauss@state.vt.us**

**Completion of this application constitutes a request by the Governor
for funding under the Education Jobs Fund program.**

The Governor hereby assures that:

1. The State will comply with all applicable statutes, regulations, and its approved Education Jobs Fund (Ed Jobs) application and will use funds under the program in accordance with those statutes and regulations and its approved application;
2. The State will comply with the maintenance-of-effort (MOE) requirements in section 101 (10)(A) of Public Law No. 111-226 (Act) and, within 60 days of the date of the State's grant award, submit to the U.S. Department of Education (Department) the most current applicable MOE data available;
3. The State will use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for funds under the Ed Jobs program, including procedures to ensure compliance with Federal cash management requirements;
4. The State will reserve not more than 2 percent of its allocation for the administrative costs of carrying out its responsibilities with respect to Ed Jobs funds and will use all remaining funds to make awards to local educational agencies (LEAs) for the support of elementary and secondary education in accordance with section 101(5) of the Act;
5. The State will make awards to LEAs on a timely basis so that funds are available for their use during the 2010-2011 school year;
6. The State will not require an LEA that has previously submitted the required local application under the State Fiscal Stabilization Fund (SFSF) program to submit an application to receive funding under the Ed Jobs program;
7. The State will not use funds under the Ed Jobs program, directly or indirectly, to (a) establish, restore, or supplement a rainy-day fund; (b) supplant State funds in a manner that has the effect of establishing, restoring, or supplementing a rainy-day fund; (c) reduce or retire debt obligations incurred by the State; or (d) supplant State funds in a manner that has the effect of reducing or retiring debt obligations incurred by the State;
8. The State will develop and implement a monitoring plan that will enable the State to ensure that its LEAs comply with all applicable programmatic and fiscal requirements;
9. The State will comply with the reporting requirements (including subrecipient reporting requirements) of section 1512 of the American Recovery and

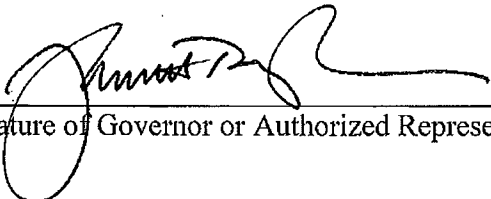
Reinvestment Act of 2009 and such other reporting requirements as the Secretary may establish;

10. The State will comply with all applicable assurances in OMB Standard Form 424B (Assurances for Non-Construction Programs); and
11. With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.

The Governor further assures that the State will distribute funds to LEAs on the basis of *either* – (check one of the boxes below)

- ☒ The State's primary elementary and secondary education funding formula(e) as identified in its application for funding under the SFSF program; *or*
- ☐ The LEAs' relative shares of funds under Part A of Title I of the Elementary and Secondary Education Act of 1965 for the most recent fiscal year for which data are available.

JAMES H. DOUGLAS
Governor or Authorized Representative (Printed Name)


Signature of Governor or Authorized Representative

9/2/10
Date

State Maintenance-of-Effort Submission
under the
Education Jobs Fund Program



U.S. Department of Education
Washington, D.C. 20202

OMB Number: 1810-0703
Expiration Date: 2-28-2011

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0703. The time required to complete this information collection is estimated to average 2 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Education Jobs Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118.

MOE Method 2 Source Documentation

For the FY 2010 baseline data, a State must provide documentation substantiating –

- The State's final appropriations or expenditures for elementary and secondary education and for public IHEs. Such documentation may include tables or text from official State budget documents (*e.g.*, a State budget summary or table of expenditures from the State's accounting system); and
- Final total State revenues for the baseline year. These data would include both general and special revenues from sources such as personal income taxes, corporate income taxes, and sales and use taxes.

Some States have revenues that are dedicated to particular activities and are not available to the State to support elementary, secondary, or postsecondary education. A State may, if it chooses, exclude from its total revenues those dedicated revenues that are unavailable to support elementary, secondary, or postsecondary education provided that, subsequent to August 10, 2010 (the date of enactment of the Ed Jobs statute), the State has not increased the basis on which the dedicated revenues are derived. For example, if a State has revenues from gasoline taxes that are available only for transportation projects, the State may exclude all such revenues from total State revenues if the State that has not increased its gasoline taxes since August 10, 2010. If a State chooses to exclude dedicated revenues, it must do so for both FYs 2011 and 2010. Furthermore, as part of its application, the State must identify the source and amounts of any dedicated revenues excluded.

For the projected FY 2011 data, a State must provide –

- Enacted or estimated appropriations to establish levels of support for education. Such documentation may include a Governor's budget proposal or proposed or enacted legislative appropriations; and
- The most recent State revenue estimates.

Following the close of State FY 2011, the Department will be collecting final appropriations or expenditure data for that fiscal year to verify that the State met the statutory MOE requirements.

**State Maintenance-of-Effort (MOE) Submission
under the Education Jobs Fund Program**

STATE: VERMONT

**MOE Method 3: Comparing Fiscal Year 2011 Dollar Levels of Support with
Fiscal Year 2006 Levels**

NOTE: This method is available only to States with State tax collections for calendar year 2009 that are less than State tax collections for calendar year 2006.

For State fiscal year (FY) 2011, the State will maintain State support for elementary and secondary education (*in the aggregate*) at not less than the level of such support for State FY 2006; and

For State FY 2011, the State will maintain State support for public institutions of higher education (IHEs) (not including support for capital projects or for research and development or tuition and fees paid by students) at not less than the level of such support for State FY 2006.

State Tax Collections Data

\$ 2,341,637,000 State tax collections for calendar year 2006.

\$ 2,334,312,000 State tax collections for calendar year 2009.

TABLE 3: STATE TAX COLLECTIONS BY STATE AND TYPE OF TAX
(thousands of dollars)

Year: 2009 Revision: 4		2009 Total Vermont	2006 Total Vermont	2009-2006 Total Vermont
Total Taxes		2,334,312	2,341,637	-7,325
Property tax	T01	909,969	844,323	65,646
General sales and gross receipts	T09	311,160	337,282	-26,122
Motor fuel sales taxes	T13	84,195	86,168	-1,973
Alcoholic beverages	T10	20,354	18,898	1,456
Public utilities	T15	12,240	11,355	885
Insurance	T12	56,219	55,015	1,204
Tobacco products	T16	65,081	57,748	7,333
Pari-mutuels	T14	X	X	X
Amusements	T11	X	X	X
Other selective sales and gross receipts	T19	148,163	164,908	-16,745
Alcoholic beverages	T20	371	425	-54
Public utilities	T27	X	X	X
Motor vehicles	T24	65,759	58,097	7,662
Motor vehicle operator	T25	6,613	6,660	-47
Corporations in general	T22	2,063	2,092	-29
Hunting and fishing licenses	T23	6,509	5,118	1,391
Amusements	T21	40	32	8
Occupation and business licenses	T28	13,116	12,089	1,027
Other licenses taxes	T29	4,355	3,781	574
Individual income taxes	T40	500,879	551,831	-50,952
Corporation net income taxes	T41	87,802	85,758	2,044
Death and gift taxes	T50	27,277	17,032	10,245
Severance taxes	T53	X	X	X
Documentary and stock transfer taxes	T51	7,828	18,980	-11,152
Other miscellaneous taxes	T99	4,319	4,045	274

*The current quarter amount was not available. The figures shown represent an estimate.

Note: X = No such tax for that state

http://www.census.gov/govs/ntax/table_3.php

PUBLIC ACTS, 2005 SESSION

NO. 71

Education fund	108,600,000
Total	118,966,276
Sec. 173a. Sec. 187 of No. 122 of the Acts of 2004, as amended by Sec. 58 of No. 6 of the Acts of 2005, is further amended to read:	
Sec. 187. Tax department – property tax assistance	
Grants	98,811,600
Source of funds	104,511,600
General fund	5,280,000
Transportation fund	3,520,000
Education fund	90,011,600
Total	98,811,600
Sec. 174. Total general education and property tax assistance	
	1,696,950,426
Source of funds	
General fund	304,750,342
Transportation fund	2,903,066
Education fund	1,240,167,487
Special funds	1,202,885
Tobacco fund	984,007
Federal funds	115,413,832
Pension trust fund	17,903,869
Interdepartmental transfer	13,624,938
Total	1,696,950,426
Sec. 175. University of Vermont	
Grants	39,271,166
Source of funds	
General fund	39,271,166
(a) <u>The commissioner of finance and management shall issue warrants to pay one-twelfth of the appropriation to the University of Vermont on or about the 15th of each calendar month of the year.</u>	
(b) <u>Of the above appropriation, \$367,965 shall be transferred to EPSCoR for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds, or both.</u>	
Sec. 176. University of Vermont - Morgan horse farm	
Grants	5,000
Source of funds	
General fund	5,000
Sec. 177. Vermont public television	
Grants	573,832
Source of funds	
General fund	573,832
Sec. 178. Vermont state colleges	

Grants	22,532,878
Source of funds	
General fund	22,532,878

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of the appropriation to the Vermont state colleges on or about the 15th of each calendar month of the year.

(b) Of the above appropriation, \$100,000 shall be reserved for use as the state's fiscal year 2006 contribution toward the growth of the endowment fund for the Vermont state colleges. The state's funds are to serve as a challenge match to enhance the state colleges' ability to secure endowment contributions from alumni and other interested parties. The intent is that the fiscal year 2006 appropriation will be the last of five annual appropriations, totaling \$500,000. The conditions of this challenge match are that the state colleges are required to raise three dollars for each dollar appropriated by the state. A method for accounting for the state colleges' share has been agreed to between the state colleges and the commissioner of finance and management. Transfers to the state colleges' endowment fund shall be under the condition that only the interest accruing to the fund will be available for purposes as designated by the board of trustees of the state colleges. By June 30, 2007, any remaining state appropriations designated for the state colleges' endowment fund that have not been matched by the state colleges shall revert to the general fund. The funds appropriated for this purpose shall be retained by the state.

(c) Of the above appropriation, \$414,950 shall be transferred to the Vermont manufacturing extension center for the purpose of complying with the state matching fund requirements necessary for the receipt of available federal or private funds, or both.

(d) The balance held by the treasurer in the Vermont state college bond fund (#21010) in the principal amount of \$723,850 shall be transferred to the Vermont state colleges for the purposes of a reserve for future debt service.

Sec. 178a. VERMONT STATE COLLEGES; COLLECTIVE BARGAINING AGREEMENT

(a) With the exception of the early retirement provisions referenced in the decision of the Vermont labor relations board, 28 VLRB 28, the last best offer of the administration of the Vermont state colleges, as recommended by the VLRB to the general assembly, is approved, pursuant to the provisions of 3 V.S.A. § 925(i), and it shall be the collective bargaining agreement between the Vermont state colleges and the Vermont state colleges faculty federation, AFT Local #3180. The early retirement provisions shall be determined in accordance with subsection (b) of this section.

(b) The parties to the collective bargaining agreement are directed to recommence negotiation of provisions regarding the early retirement program and if agreement is not reached and ratified by September 30, 2005, then the provisions shall be submitted for final and binding resolution to a neutral arbitrator selected in accordance with the proce-

lures of and through the American Arbitration Association. Until such time as any new early retirement provisions are determined pursuant to this subsection, provisions of the current early retirement program shall continue in effect.

(c) 3 V.S.A. § 925(i) is amended to read:

(i) If the dispute remains unresolved 15 days after transmittal of findings and recommendations, each party shall submit as a single package its last best offer on all disputed issues to the board. Each party's last best offer shall be certified as such to the board by the fact-finding panel. The board may hold hearings as it deems appropriate. Within 30 days of the certifications it shall select between the last best offers of the parties, considered in their entirety without amendment. In the case of the state of Vermont ~~or the Vermont state colleges~~ the board shall recommend its choice to the general assembly as the bargaining agreement which shall become effective subject to appropriations by the general assembly. The board shall determine the cost of the package selected and request the appropriation necessary to fund the recommendation. In the case of the University of Vermont ~~or the Vermont State Colleges~~, the decision of the board shall be final and binding on each party. Nothing herein precludes the general assembly from enacting laws amending provisions of any collective bargaining agreement involving the state of Vermont ~~or the Vermont state colleges~~ arrived at under this section.

(d) Subsections (a) and (b) of this section shall be effective on passage. Subsection (c) of this section shall take effect July 1, 2005. The provisions of subsection (c), amending 3 V.S.A. § 925(i), shall not affect the contract negotiations referenced in subsection (a) which shall be final and binding under the procedures of subsection (b).

Sec. 179. Vermont state colleges - allied health

Grants	993,527
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Source of funds	
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General fund	993,527
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Sec. 180. Vermont interactive television

Grants	815,331
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Source of funds	
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General fund	815,331
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Sec. 181. Vermont student assistance corporation

Grants	17,771,050
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Source of funds	
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General fund	17,771,050
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(a) Of the above appropriation, \$25,000 shall be deposited into the trust fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsection (a) of this section, not less than 100 percent of grants shall be used for direct student aid.

(c) The balance held by the treasurer in fund #21385, approximately \$62,552, from the amount appropriated in No. 38 of the Acts of 1964 and from such other amounts as may have been appropriated, earned, or otherwise deposited in that account from time to time

Sec. B.513 Appropriation and transfer to education fund	
Grants	<u>240,803,945</u>
Total	240,803,945
Source of funds	
General fund	<u>240,803,945</u>
Total	240,803,945
Sec. B.514 State teachers' retirement system	
Personal services	7,269,278
Operating expenses	20,964,109
Grants	<u>46,913,381</u>
Total	75,146,768
Source of funds	
General fund	46,913,381
Pension trust funds	<u>28,233,387</u>
Total	75,146,768
Sec. B.515 Total general education	1,861,916,435
Source of funds	
General fund	296,413,882
Education fund	1,305,442,881
Special funds	15,739,988
Tobacco fund	988,917
Global Commitment fund	1,053,092
Federal funds	128,720,522
ARRA funds	46,719,169
Pension trust funds	28,233,387
Interdepartmental transfers	29,561
ARRA interdepartmental transfer	<u>38,575,036</u>
Total	1,861,916,435
Sec. B.600 University of Vermont	
Grants	<u>40,746,633</u>
	VT LEG 259081.1

Total	40,746,633
Source of funds	
General fund	36,740,477
Global Commitment fund	<u>4,006,156</u>
Total	40,746,633
Sec. B.601 Vermont Public Television	
Grants	<u>547,683</u>
Total	547,683
Source of funds	
General fund	<u>547,683</u>
Total	547,683
Sec. B.602 Vermont state colleges	
Grants	<u>23,107,247</u>
Total	23,107,247
Source of funds	
General fund	<u>23,107,247</u>
Total	23,107,247
Sec. B.603 Vermont state colleges - allied health	
Grants	<u>1,116,503</u>
Total	1,116,503
Source of funds	
General fund	711,096
Global Commitment fund	<u>405,407</u>
Total	1,116,503
Sec. B.604 Vermont interactive television	
Grants	<u>785,679</u>
Total	785,679
Source of funds	
General fund	<u>785,679</u>
Total	785,679

Sec. B.605 Vermont student assistance corporation

Grants	<u>18,363,607</u>
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Total	18,363,607
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Source of funds

General fund	<u>18,363,607</u>
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Total	18,363,607
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Sec. B.606 New England higher education compact

Grants	<u>84,000</u>
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Total	84,000
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Source of funds

General fund	<u>84,000</u>
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Total	84,000
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Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	<u>1</u>
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Total	1
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Source of funds

General fund	<u>1</u>
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Total	1
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Sec. B.608 Total higher education 84,751,353

Source of funds

General fund	80,339,790
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Global Commitment fund	<u>4,411,563</u>
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Total	84,751,353
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Sec. B.700 Natural resources - agency of natural resources - administration

Personal services	3,496,740
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Operating expenses	1,107,048
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Grants	<u>70,510</u>
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Total	4,674,298
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Source of funds

General fund	4,269,265
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(b) In fiscal year 2011, the secretary of administration is authorized to reduce the following amounts from appropriations for savings associated with the consolidation of servers and other information technology changes.

<u>General fund</u>	<u>\$1,636,574</u>
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Sec. B.1102 FISCAL YEAR 2011 CONTRACT IMPLEMENTATION

(a) There is appropriated to the secretary of administration for contract nonsalary items, to be transferred to departments as the secretary may determine to be necessary:

<u>General fund</u>	<u>\$556,500</u>
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Sec. B.1103 FISCAL YEAR 2011 ONE-TIME APPROPRIATIONS

(a) In fiscal year 2011, the following amounts are appropriated:

(1) To the secretary of administration for the 27th payday in fiscal year 2011, to be transferred to departments as the secretary may determine to be necessary:

<u>General fund</u>	<u>\$9,485,885</u>
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<u>Transportation fund</u>	<u>\$2,288,340</u>
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(2) To the department of finance and management, for the governor's transition. These funds are for costs incurred by the transitions of the executive office. No funds shall be used for inaugural celebrations. Any unexpended portion of these funds shall revert to the general fund:

<u>General fund</u>	<u>\$75,000</u>
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(3) To the secretary of state for the 2010 elections:

<u>General fund</u>	<u>\$610,000</u>
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(4) To the agency of commerce and community development for communities to utilize the sales tax reallocation in fiscal year 2011 pursuant to Sec. 54 of H.783 of 2010:

<u>General fund</u>	<u>\$600,000</u>
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(5) To the department of environmental conservation for transition of the geological survey program to the University of Vermont:

<u>General fund</u>	<u>\$125,000</u>
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(6) To the military department, division of veterans' affairs for Supplemental Assistance to Survivors (DeptID 2150890501) to be used in accordance with the guidelines as set forth in Sec. 72b of No. 66 of the Acts of 2003, as amended by Sec. 16 of No. 80 and Sec. 72 of No. 122 of the Acts of the 2003 Adj. Sess. (2004):

<u>General fund</u>	<u>\$30,000</u>
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(7) To the department of finance and management for ARRA audits:

	<u>General fund</u>	<u>\$351,000</u>
(8) To the University of Vermont:	<u>General fund</u>	<u>\$2,587,646</u>
(9) To the Vermont State Colleges:	<u>General fund</u>	<u>\$1,722,837</u>
(10) To the Vermont Student Assistance Corporation:		
	<u>General fund</u>	<u>\$1,244,995</u>
(11) To the department of health to be allocated by the tobacco evaluation and review board:	<u>General fund</u>	<u>\$1,200,000</u>
(12) To the department of tourism and marketing for a grant to the Shires of Vermont:	<u>General fund</u>	<u>\$20,000</u>
(13) To the department of mental health for a grant to the Howard center for mental health services provided to Vermont National Guard personnel and their families:	<u>General fund</u>	<u>\$100,000</u>
(14) To the secretary of state for initial costs associated with reapportionment; it is anticipated that in fiscal year 2012 additional costs will be incurred:	<u>General fund</u>	<u>\$30,000</u>
(15) To the department of Vermont health access for a grant to Porter Hospital for costs incurred related to closure of the Crown Point Lake Champlain Bridge:	<u>General fund</u>	<u>\$40,000</u>
(16) To the agency of commerce and community development for a grant to the Bennington County industrial corporation for expansion of the composites industry cluster:	<u>General fund</u>	<u>\$25,000</u>
(b) In fiscal year 2011, the following amount is appropriated to the secretary of administration (DeptID 1100020000) from the American Recovery and Reinvestment Act: State Fiscal Stabilization Fund to be transferred and expended in Sec. B.505 – adjusted education payment:		
		<u>\$38,575,036</u>

Sec. C.100 Sec. B.309 of No. 1 of the Acts of the 2009 Special Session as amended by Sec. 21 of No. 67 of the Acts of the 2009 Adj. Sess. (2010) is further amended to read:

Sec. B.309 Office of Vermont health access - Medicaid program - state only

Grants	<u>34,701,782</u>	<u>24,801,782</u>
Total	<u>34,701,782</u>	<u>24,801,782</u>
Source of funds		
General fund	<u>26,015,203</u>	<u>16,115,203</u>

MOE Method 3 Source Documentation

To document State tax collections for calendar years 2006 and 2009, a State may use the sum of the State quarterly tax collections data from the U.S. Census Bureau (Census), which are available at http://www.census.gov/govs/qtax/table_3.php. A State may provide revised State tax collection data if it has available more recent auditable data that differs from the information that was reported to Census. A State may, if it chooses, exclude from State tax collections those tax revenues that may not be used to provide support for elementary, secondary, or postsecondary education. For example, a State may exclude gasoline taxes that generate revenue that is available to support only transportation projects. If a State chooses to exclude dedicated taxes, it must do so for both calendar years 2006 and 2009. Furthermore, as part of its application, the State must identify the taxes excluded and the amounts of the State tax collections under such taxes.

For the FY 2006 baseline data, a State must provide documentation substantiating the State's final appropriations or expenditures for elementary and secondary education and for public IHEs. Such documentation may include tables or text from official State budget documents (e.g., a State budget summary or table of expenditures from the State's accounting system).

For the projected FY 2011 data, a State must provide enacted or estimated appropriations levels. Such documentation may include a Governor's budget proposal, legislative budget proposals, or enacted appropriations.

Following the close of State FY 2011, the Department will be collecting final appropriations or expenditure data for that fiscal year to verify that the State met the statutory MOE requirements.

B.7.

Theresa Utton-Jerman - Fwd: Start Up Business Competition Committee update

From: Michael Obuchowski
To: Theresa Utton-Jerman
Date: 9/15/2010 12:10 PM
Subject: Fwd: Start Up Business Competition Committee update

Please share with JFC. Thank you.

>>> "Brooks, Tayt" <Tayt.Brooks@state.vt.us> 9/15/2010 10:23 AM >>>

MEMORANDUM

TO: Representative Obuchowski
FROM: Tayt Brooks, Commissioner, DEHCD
DATE: September 15, 2010
RE: Start Up Business Competition Committee

Dear Rep. Obuchowski,

On Friday September 10th, Steve Klein indicated to me that you would like a brief update on this committee's work.

The committee is comprised of the following individuals.

Prof. Jim Black	Johnson State College
Rocki-Lee Dewitt, PhD.	University of Vermont
John Evans, PhD.	VT Technology Council
Linda Rossi	VT Small Business Development Center
David Bradbury	Vermont Center for Emerging Technologies
Bruce Bowman	Norwich University
Charlie Nagelschmidt	Champlain College
Prof. Jessica Holmes	Middlebury College
Jeff Lewis	Brattleboro Development Credit Corporation

All of these individuals are directly involved in entrepreneurship programs, and many are currently involved in small business competitions throughout Vermont.

The committee met on September 1st at the Agency of Commerce and Community Development. A wide ranging discussion of existing models and general principles resulted in a number of consensus concepts for the committee going forward.

1. That this endeavor is at its core a "marketing effort" for doing business in Vermont
2. That we should keep growth, wealth creation and jobs as a key precept
3. Developing a statewide initiative that could be "fed" by the variety of existing

competitions might be attractive

4. The prize level should be in the \$100,000 range to have sufficient credibility and impact
5. The competition should attract from both within and outside Vermont if possible

The group was charged with sharing existing models of other states that hold competitions to discuss at the next meeting to be held on October 6th.

If you have any additional questions please let me know.

Best, Tayt

Tayt R. Brooks, Commissioner
Department of Economic, Housing and Community Development
One National Life Drive
National Life North Building - 6th Floor
Montpelier, VT 05620-0501

Phone: (802) 828-5216

I,

From: "Blair, Hunt" <Hunt.Blair@ahs.state.vt.us>
To: <tutton@leg.state.vt.us>, <nlangweil@leg.state.vt.us>
Date: 9/10/2010 7:14 AM
Subject: Regretably, a "just in time" production
Attachments: HIT Fund Memo to Joint Fiscal Cmt (09-10-10).pdf

Hi Theresa and Nolan,

Because Melissa Jenkins in the DVHA Business Office is leaving us (today actually) and the crush of work she's been responsible for overseeing had her deliverables substantially backed up, I only received the financial details I needed to complete the attached late yesterday. I apologize for not providing hard copies or getting it to you earlier so that it could be included in the Committee's pre-meeting packets. I mention it in the Memo, but please let the Chairs know that I am available to them or to the full committee to provide more detail on the HIT Fund's historical and current status.

Nolan, note that for sanity's sake, Susan, Carrie and I have determined that it makes more sense for us to track and report on the Fund on the SFY rather than go through the confusing juggle back and forth between FFY and SFY that I did last year. We should schedule time to meet with Carrie to follow up on the moving parts at our earliest mutual convenience.

- Hunt

Hunt Blair
Director, Division of Health Care Reform
& State Health Information Technology Coordinator
Department of Vermont Health Access
802-879-5988 (Exec. Asst., Diane Hawkins)
802-879-5625 (direct)
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**Department of Vermont Health Access
Division of Health Care Reform**

312 Hurricane Lane, Suite 201

Williston, VT 05495

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[phone] 802-879-5988

MEMORANDUM

TO: Joint Fiscal Committee

FROM: Hunt Blair, Director, Division of Health Care Reform & State HIT Coordinator

DATE: September 10, 2010

RE: Health Information Technology Fund Update

Responsibility for administration of the Health Information Technology (HIT) Fund was transferred to the Department of Vermont Health Access (DVHA) effective July 1, 2009. This Memo responds to the requirement for an annual report to the Joint Fiscal Committee and to the Commission on Health Care Reform as required by 32 V.S.A. chapter 241 § 10301 (g) on the status of the Fund.

As noted in past reports, there is opportunity for confusion because the Fund was established – and payments from insurers are billed and collected – on the federal fiscal year (October – September). On that calendar, we are currently in the final quarter of the second year of the Fund. However, since the Fund is appropriated, and grants from the Fund are dispersed, on the state fiscal year, DVHA now manages the Fund on the state fiscal year and this report reflects that. Summary totals for SFY09 are included for context.

SFY09* Revenue: \$ 1,725,506

SFY09* Expenses: \$ 1,404,447

* - Q2-Q3-Q4 only

SFY10: Cash Balance at 07/01/2009 **\$ 321,059**

SFY10 Revenue:

Insurer Payments Qtr Ended 09/30/2009	\$ 587,622	
Insurer Payments Qtr Ended 12/31/2009	\$ 741,702	
Insurer Payments Qtr Ended 03/31/2010	\$ 488,977	
Insurer Payments Qtr Ended 06/30/2010	\$ 640,696	\$ 2,458,997

Interest income	\$ 3,831
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Total Revenue	\$ 2,462,828
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SFY10 Expenses:

VITL	\$	102,231
Altarum	\$	23,755
Innotas	\$	270
Match for Federal Grants	\$	1,133

Total Expenses \$ 127,389

Total SFY10 Activity: \$ 2,335,439

SFY10: Cash Balance at 06/30/2010 **\$ 2,656,498**

SFY11 Revenue (Year to Date):

Insurer Payments through 09/09/2010 \$ 487,066

SFY11: Cash Balance at 09/09/2010 **\$ 3,143,564**

As evident in the table above, there was limited dispersal of grants or other expenses from the Fund in SFY10 and a significant balance carried forward to the present date. This reflects several factors having to do with timing and with additional fiscal resources available related to HIT from federal sources which led DVHA to manage the Fund resource conservatively.

This does not reflect a change in the need for the Health IT Fund as a resource or a change in the need for resources to support VITL (Vermont Information Technology Leaders, Inc.) in its HIT and Health Information Exchange (HIE) activities. Rather, it reflects the changes in the HIT and HIE environment subsequent to passage of the federal HITECH Act, a subsection of the American Recovery and Reinvestment Act (ARRA) passed in February 2009 and DVHA's management of the Fund to maximize opportunities to leverage federal resources. Many of the HITECH and ARRA funds require a state match, so DVHA has been conserving the Fund for that purpose. However, because of the pace at which the federal HIT programs are being implemented, there was very limited opportunity to match the HIT Fund in SFY10.

As an additional strategy for extending the HIT Fund resource (because once federal programs begin to be implemented in full through SFY11 and beyond, there will be significant opportunity to use the Fund to match federal grants), DVHA has adopted a strategy of utilizing Global Commitment funding when available and applicable, to support HIT grants and further extend state resources through federal matching opportunities. Accordingly, DVHA's SFY10 grants to VITL totaled \$2,918,678, 92% of which (\$2,692,904) came from DVHA's Global Commitment appropriation. A much smaller percentage of VITL's SFY11 grants will come from GC funds because other federal match opportunities will be available in the current state fiscal year. These matching strategies will be reported on by the Fund's external evaluator (Altarum) in their report, which will be submitted in early October.

Both VITL President/CEO, Dr. David Cochran, and I will be presenting a detailed status update on the state's HIT initiatives at the September 15 meeting of the Health Care Reform Commission. We are also both available to the Joint Fiscal Committee for testimony to the Committee, if it wishes, at a future meeting.

II.



Department of Vermont Health Access

SFY 10 Catamount Health Actual Revenue and Expense Tracking
Friday, August 13, 2010

	SFY '10 BAA				Consensus Estimates for SFY to Date				Actuals thru 6/30/10				
	<=200%	>200% before 1/1/10	>200% after 1/1/10	Total	<=200%	>200% before 1/1/10	>200% after 1/1/10	Total	<=200%	>200% before 1/1/10	>200% after 1/1/10	Total	% of SFY to-Date
TOTAL PROGRAM EXPENDITURES													
Catamount Health	32,353,840	5,479,988	6,483,491	44,317,319	32,353,840	5,479,988	6,483,491	44,317,319	31,258,773	6,436,111	7,515,602	45,210,486	102.02%
Catamount Eligible Employer-Sponsored Ins.	1,365,354	259,097	334,275	1,958,726	1,365,354	259,097	334,275	1,958,726	866,035	239,713	236,506	1,342,255	68.53%
Subtotal New Program Spending	33,719,193	5,739,085	6,817,766	46,276,045	33,719,193	5,739,085	6,817,766	46,276,045	32,124,809	6,675,825	7,752,108	46,552,741	100.60%
Catamount and ESI Administrative Costs	1,254,021	471,714	471,714	2,197,448	1,254,021	471,714	471,714	2,197,448	1,254,021	607,033	314,476	2,175,530	99.00%
TOTAL GROSS PROGRAM SPENDING	34,973,214	6,210,799	7,289,480	48,473,493	34,973,214	6,210,799	7,289,480	48,473,493	33,378,830	7,282,858	8,066,584	48,728,271	100.53%
TOTAL STATE PROGRAM SPENDING	10,505,954	6,210,799	3,008,368	19,725,120	10,505,954	6,210,799	3,008,368	19,725,120	10,027,000	7,282,858	3,314,559	20,624,417	104.56%
TOTAL OTHER EXPENDITURES													
Immunizations Program	-	1,327,000	1,250,000	2,577,000	-	1,327,000	1,250,000	2,577,000	-	1,327,000	955,902	2,282,902	88.59%
VT DOL Admin Costs Assoc. With Employer Assess.	-	197,036	197,036	394,072	-	197,036	197,036	394,072	-	197,036	210,585	407,621	103.44%
Marketing and Outreach	500,000	-	-	500,000	500,000	-	-	500,000	500,000	-	-	500,000	100.00%
Blueprint	-	923,357	923,357	1,846,713	-	923,357	923,357	1,846,713	-	923,357	830,936	1,754,293	95.00%
TOTAL OTHER SPENDING	500,000	2,447,393	2,370,393	5,317,785	500,000	2,447,393	2,370,393	5,317,785	500,000	2,447,393	1,997,424	4,944,816	92.99%
TOTAL STATE OTHER SPENDING	150,200	2,447,393	2,370,393	4,967,985	150,200	2,447,393	2,370,393	4,967,985	150,200	2,447,393	1,997,424	4,595,016	92.49%
TOTAL STATE SPENDING	10,656,154	8,658,192	5,378,761	24,693,105	10,656,154	8,658,192	5,378,761	24,693,105	10,177,200	9,730,251	5,311,983	25,219,433	102.13%
TOTAL REVENUES													
Catamount Health Premiums	4,851,343	1,800,889	2,305,426	8,957,657	4,851,343	1,800,889	2,305,426	8,957,657	4,773,771	1,704,249	2,235,615	8,713,635	97.28%
Catamount Eligible Employer-Sponsored Ins. Premiums	378,607	158,259	204,249	741,115	378,607	158,259	204,249	741,115	305,240	115,175	136,986	557,401	75.21%
Subtotal Premiums	5,229,949	1,959,148	2,509,675	9,698,772	5,229,949	1,959,148	2,509,675	9,698,772	5,079,011	1,819,424	2,372,601	9,271,036	95.59%
Federal Share of Premiums	(3,658,873)	-	(1,473,932)	(5,132,805)	(3,658,873)	-	(1,473,932)	(5,132,805)	(3,553,276)	-	(1,397,699)	(4,950,975)	96.46%
TOTAL STATE PREMIUM SHARE	1,571,077	1,959,148	1,035,743	4,565,967	1,571,077	1,959,148	1,035,743	4,565,967	1,525,735	1,819,424	974,902	4,320,061	94.61%
Cigarette Tax Increase (\$.60 / \$.80)	-	-	-	9,774,300	-	-	-	9,774,300	-	-	-	9,995,005	102.26%
Floor Stock	-	-	-	340,934	-	-	-	340,934	-	-	-	341,858	0.00%
Employer Assessment	-	-	-	7,121,207	-	-	-	7,121,207	-	-	-	7,233,000	101.57%
Interest	-	-	-	-	-	-	-	-	-	-	-	17,785	0.00%
State Fund Transfer due to Enhanced ARRA	-	-	-	(3,352,082)	-	-	-	(3,352,082)	-	-	-	(3,208,525)	95.66%
TOTAL OTHER REVENUE	-	-	-	13,884,359	-	-	-	13,884,359	-	-	-	14,381,124	103.58%
TOTAL STATE REVENUE	1,571,077	1,959,148	1,035,743	18,450,326	1,571,077	1,959,148	1,035,743	18,450,326	1,525,735	1,819,424	974,902	18,701,184	101.36%
State-Only Balance	-	-	-	(6,242,779)	-	-	-	(6,242,779)	-	-	-	(6,518,249)	-
Carryforward	-	-	-	7,311,891	-	-	-	7,311,891	-	-	-	7,311,891	-
DEFICIT/SURPLUS	-	-	-	1,069,112	-	-	-	1,069,112	-	-	-	793,641	-
Reserve Account Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
REVISED DEFICIT/SURPLUS WITH RESERVE FUNDING	-	-	-	1,069,112	-	-	-	1,069,112	-	-	-	793,641	-

NOTE: The total program expenditures include both claims and premium costs

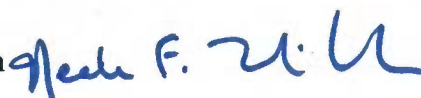
State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.adm.state.vt.us

[phone] 802-828-3322
[fax] 802-828-3320

Neale F. Lunderville, Secretary

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Neale F. Lunderville, Secretary of Administration
DATE: September 1, 2010
RE: Human Services Caseload Reserve



Pursuant to 32 VSA § 308b(b), I am reporting that in FY 2010 there was no transfer to the Human Services Caseload Reserve under the provisions of § 308b(b). However, there was other activity involving the Reserve, as follows:

	Reserve Balance at July 1, 2009	\$16,285,719
2009 Spec Sess Act 1 Sec.D.101(b), as amended by 2010 Act 67 Sec. 77		<u>(16,215,719)</u>
	Reserve Balance at June 30, 2010	<u>\$ 70,000</u>

In 2009 Spec Sess Act 1 Sec.D.101(b), as amended by 2010 Act 67 Sec. 77, \$16,215.719 was unreserved and made available for appropriation for agency of human services caseload-related needs, including in the department of corrections.



State of Vermont
Agency of Administration
Department of Finance & Management
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109 State Street
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Jim Reardon, Commissioner

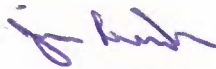
September 2, 2010

Joint Fiscal Committee
One Baldwin Street
Montpelier, VT 05633

In accordance with 2003 Act 66 § 12, the Commissioner of Finance & Management is authorized to charge departments for recurrent VISION processing errors. To date, the Department of Finance and Management has not developed a schedule of charges nor have any charges been made. The level of errors that prompted this language continues to decrease. Therefore, in FY2010 we did not bill departments for recurrent errors in VISION.

Our primary goal continues to be elimination of the recurrent errors rather than charging for them. If the recurrent errors continue to decrease in volume as they have in prior years, the Department of Finance and Management is not likely to develop a process in FY2011 either. Nonetheless, we believe having the latitude to charge departments for the costs of mistakes has had some deterrent effect.

Sincerely,



Jim Reardon
Commissioner



MCO Investment Expenditures

Department	Investment Description	SFY06 Actuals -				
		3/4 SFY	SFY07 Actuals	SFY08 Actuals	SFY09 Actuals	SFY10 Actuals
DOE	School Health Services	\$ 6,397,319	\$ 8,956,247	\$ 8,956,247	\$ 8,956,247	\$ 8,956,247
AOA	Blueprint Director	\$ -	\$ -	\$ 70,000	\$ 68,879	\$ 179,284
BISHCA	Health Care Administration	\$ 983,637	\$ 914,629	\$ 1,340,728	\$ 1,871,651	\$ 1,713,959
DII	Vermont Information Technology Leaders (moved to DVHA in SFY10)	\$ 266,000	\$ 105,000	\$ 105,000	\$ 339,500	\$ -
VVH	Vermont Veterans Home	\$ 747,000	\$ 913,047	\$ 913,047	\$ 881,043	\$ 837,225
VSC	Health Professional Training	\$ 283,154	\$ 391,698	\$ 405,407	\$ 405,407	\$ 405,407
UVM	Vermont Physician Training	\$ 2,798,070	\$ 3,870,682	\$ 4,006,152	\$ 4,006,156	\$ 4,006,152
AHSCO	2-1-1 Grant	\$ -	\$ -	\$ -	\$ 415,000	\$ 415,000
VDH	Emergency Medical Services	\$ 174,482	\$ 436,642	\$ 626,728	\$ 427,056	\$ 425,870
VDH	AIDS Services/HIV Case Management	\$ 152,945	\$ -	\$ -	\$ -	\$ -
VDH	TB Medical Services	\$ 27,052	\$ 29,129	\$ 15,872	\$ 28,359	\$ 41,313
VDH	Epidemiology	\$ 326,708	\$ 427,075	\$ 416,932	\$ 204,646	\$ 241,932
VDH	Health Research and Statistics	\$ 276,673	\$ 403,244	\$ 404,431	\$ 217,178	\$ 254,828
VDH	Health Laboratory	\$ 1,369,982	\$ 1,908,982	\$ 2,012,252	\$ 1,522,578	\$ 1,875,487
VDH	Tobacco Cessation: Community Coalitions	\$ 938,056	\$ 1,647,129	\$ 1,144,713	\$ 1,016,685	\$ 535,573
VDH	Statewide Tobacco Cessation	\$ -	\$ -	\$ -	\$ 230,985	\$ 484,998
VDH	Family Planning	\$ 365,320	\$ 122,961	\$ 169,392	\$ 300,876	\$ 300,876
VDH	Physician/Dentist Loan Repayment Program	\$ 810,716	\$ 439,140	\$ 930,000	\$ 1,516,361	\$ 970,000
VDH	Renal Disease	\$ 15,000	\$ 7,601	\$ 16,115	\$ 15,095	\$ 2,053
VDH	Newborn Screening	\$ 74,899	\$ 166,795	\$ 136,577	\$ -	\$ -
VDH	WIC Coverage	\$ 161,804	\$ 1,165,699	\$ 562,446	\$ 86,882	\$ -
VDH	Vermont Blueprint for Health	\$ 92,049	\$ 1,975,940	\$ 753,087	\$ 1,395,135	\$ 1,417,770
VDH	Area Health Education Centers (AHEC)	\$ -	\$ 35,000	\$ 310,000	\$ 565,000	\$ 725,000
VDH	Community Clinics	\$ -	\$ -	\$ -	\$ 640,000	\$ 468,154
VDH	FQHC Lookalike	\$ -	\$ -	\$ 30,000	\$ 105,650	\$ 81,500
VDH	Patient Safety - Adverse Events	\$ -	\$ -	\$ 190,143	\$ 100,509	\$ 44,573
VDH	Coalition of Health Activity Movement Prevention Program (CHAMPPS)	\$ -	\$ 100,000	\$ 291,298	\$ 486,466	\$ 412,043
VDH	Substance Abuse Treatment	\$ 1,466,732	\$ 2,514,963	\$ 2,744,787	\$ 2,997,668	\$ 3,000,335
VDH	Recovery Centers	\$ 171,153	\$ 287,374	\$ 329,215	\$ 713,576	\$ 716,000
VDH	Immunization	\$ -	\$ -	\$ -	\$ 726,264	\$ -
VDH	DMH Investment Cost in CAP	\$ -	\$ -	\$ -	\$ 64,843	\$ -
VDH	Poison Control	\$ -	\$ -	\$ -	\$ -	\$ 176,340
DMH	Special Payments for Treatment Plan Services	\$ 101,230	\$ 131,309	\$ 113,314	\$ 164,356	\$ 149,068
DMH	MH Outpatient Services for Adults	\$ 775,899	\$ 1,393,395	\$ 1,293,044	\$ 1,320,521	\$ 864,815
DMH	Mental Health Elder Care	\$ 38,563	\$ 37,682	\$ 38,970	\$ -	\$ -
DMH	Mental Health Consumer Support Programs	\$ 451,606	\$ 546,987	\$ 673,160	\$ 707,976	\$ 802,579
DMH	Mental Health CRT Community Support Services	\$ 2,318,668	\$ 602,186	\$ 807,539	\$ 1,124,728	\$ -
DMH	Mental Health Children's Community Services	\$ 1,561,396	\$ 3,066,774	\$ 3,341,602	\$ 3,597,662	\$ 2,569,759
DMH	Emergency Mental Health for Children and Adults	\$ 1,885,014	\$ 1,988,548	\$ 2,016,348	\$ 2,165,648	\$ 1,797,605
DMH	Respite Services for Youth with SED and their Families	\$ 385,581	\$ 485,586	\$ 502,237	\$ 412,920	\$ 516,677
DMH	CRT Staff Secure Transportation	\$ -	\$ -	\$ 52,242	\$ -	\$ -
DMH	Recovery Housing	\$ -	\$ -	\$ 235,267	\$ -	\$ 332,635
DMH	Transportation - Children in Involuntary Care	\$ 4,768	\$ 1,075	\$ -	\$ -	\$ -
DMH	Vermont State Hospital Records	\$ -	\$ -	\$ -	\$ -	\$ 19,590
DVHA	Vermont Information Technology Leaders (moved from DII in SFY10)	\$ -	\$ -	\$ -	\$ -	\$ 339,500
DVHA	Buy-In	\$ 4,594	\$ 314,376	\$ 419,951	\$ 248,537	\$ 200,868
DVHA	Vscript Expanded	\$ 1,695,246	\$ -	\$ -	\$ -	\$ -
DVHA	HIV Drug Coverage	\$ 31,172	\$ 42,347	\$ 44,524	\$ 48,711	\$ 38,904
DVHA	Civil Union	\$ 373,175	\$ 543,986	\$ 671,941	\$ 556,811	\$ 627,976
DVHA	Vpharm	\$ -	\$ -	\$ -	\$ 278,934	\$ 210,796
DVHA	Hospital Safety Net Services	\$ -	\$ -	\$ 281,973	\$ -	\$ -
DCF	Family Infant Toddler Program	\$ -	\$ 199,064	\$ 326,424	\$ 335,235	\$ 81,086
DCF	Medical Services	\$ 69,893	\$ 91,569	\$ 120,494	\$ 65,278	\$ 45,216
DCF	Residential Care for Youth/Substitute Care	\$ 9,181,386	\$ 10,536,996	\$ 10,110,441	\$ 9,392,213	\$ 8,033,068
DCF	AABD Admin	\$ 988,557	\$ -	\$ -	\$ -	\$ -
DCF	AABD	\$ 2,415,100	\$ -	\$ -	\$ -	\$ -
DCF	Aid to the Aged, Blind and Disabled CCL Level III	\$ 96,000	\$ 2,617,350	\$ 2,615,023	\$ 2,591,613	\$ 2,827,617
DCF	Aid to the Aged, Blind and Disabled Res Care Level III	\$ -	\$ 143,975	\$ 170,117	\$ 172,173	\$ 137,356
DCF	Aid to the Aged, Blind and Disabled Res Care Level IV	\$ 210,989	\$ 312,815	\$ 349,887	\$ 366,161	\$ 299,488
DCF	Essential Person Program	\$ 542,382	\$ 675,860	\$ 614,974	\$ 620,052	\$ 485,536
DCF	GA Medical Expenses	\$ 254,154	\$ 339,928	\$ 298,207	\$ 380,000	\$ 583,080
DCF	CUPS/Early Childhood Mental Health	\$ -	\$ -	\$ 52,825	\$ 499,143	\$ 166,429
DCF	VCRHYP/Vermont Coalition for Runaway and Homeless Youth Program	\$ -	\$ -	\$ 1,764,400	\$ -	\$ -
DCF	HBKF/Healthy Babies, Kids & Families	\$ -	\$ -	\$ 318,321	\$ 63,921	\$ -
DCF	Catamount Administrative Services	\$ -	\$ -	\$ -	\$ 339,894	\$ -
DCF	Therapeutic Child Care	\$ -	\$ -	\$ -	\$ 978,886	\$ 577,259
DCF	Lund Home	\$ -	\$ -	\$ -	\$ 325,516	\$ 175,378
DDAIL	Elder Coping with MMA	\$ 441,234	\$ -	\$ -	\$ -	\$ -
DDAIL	Mobility Training/Other Svcs.-Elderly Visually Impaired	\$ 187,500	\$ 250,000	\$ 250,000	\$ 250,000	\$ 245,000
DDAIL	DS Special Payments for Medical Services	\$ 394,055	\$ 192,111	\$ 880,797	\$ 522,058	\$ 469,770
DDAIL	Flexible Family/Respite Funding	\$ 1,086,291	\$ 1,135,213	\$ 1,341,698	\$ 1,364,896	\$ 1,114,898
DDAIL	Quality Review of Home Health Agencies	\$ -	\$ 77,467	\$ 186,664	\$ 126,306	\$ 90,227
DOC	Intensive Substance Abuse Program (ISAP)	\$ 382,230	\$ 299,602	\$ 310,610	\$ 200,000	\$ 591,004
DOC	Intensive Sexual Abuse Program	\$ 72,439	\$ 46,078	\$ 85,542	\$ 88,523	\$ 68,350
DOC	Intensive Domestic Violence Program	\$ 109,692	\$ 134,663	\$ 230,353	\$ 229,166	\$ 173,938
DOC	Women's Health Program (Tapestry)	\$ 460,130	\$ 487,344	\$ 487,231	\$ 527,956	\$ -
DOC	Community Rehabilitative Care	\$ 1,038,114	\$ 1,982,456	\$ 2,031,408	\$ 1,997,499	\$ 2,190,924
DOC	Return House	\$ -	\$ -	\$ -	\$ 51,000	\$ -
DOC	Northern Lights	\$ -	\$ -	\$ -	\$ -	\$ 40,000
		\$ 45,455,809	\$ 55,495,719	\$ 59,918,097	\$ 62,419,988	\$ 55,554,314

V



OFFICE OF THE CLERK/TREASURER

City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

Voice (802) 865-7000

Fax (802) 865-7014

TTY (802) 865-7142

VI,

July 19, 2010

Representative Michael Obuchowski
Chair Joint Fiscal Committee
72 Atkinson Street
Bellows Falls, Vt 05101-1321

To Representative Michael Obuchowski:

The City of Burlington is filing their 1st annual Tax Increment District (TIF) report in accordance with the Joint Fiscal Committee approved requirements. There are four requirements. This letter addresses each of them.

- a) 25% times the tax increment is due the State. April 1, 2010 is the baseline. Since the baseline is the current year there is no tax increment. The annual payment due December 10, 2010 is zero.
- b) A listing of each parcel within the Waterfront TIF District and the 1996 original taxable value, the 2010 extended base value, and the most recent values for all homestead and nonresidential property. This listing is attached as Exhibit A.
- c) A history of all of the TIF revenue and debt service payments. This listing is attached as Exhibit B.
- d) Details of new debt authorized including repayment schedules. No new debt was issued in the TIF district during Fiscal Year 2010.

Sincerely,

Marie J. Friedman

Marie J. Friedman, CPA

EXHIBIT A

CITY OF BURLINGTON, VERMONT									
Tax Increment Financing District Listing				1996	April 1, 2010	April 1, 2010	April 1, 2010	April 1, 2010	April 1, 2010
				ORIGINAL	FY 2011	FY 2011	FY 2011	FY 2011	2010/2011
				BASE VALUE	HOMESTEAD SH	NON-HOMESTD SN	TOTAL		WATERFRONT TIF
114-035-SPAN	Account #	LOCATION AND DESCRIPTION	Property Owner	VALUE	Actuals	Actuals	Actuals	Increment	BASE VALUE
114-035-14434	043-4-009-001	216 Lake St Unit 101	KELLEHER AND GOLEC	76,000	178,300	-	178,300	102,300	SH 178,300
114-035-14437	043-4-009-004	216 Lake St Unit 104	GLASER Adam T	75,000	178,300	-	178,300	103,300	SH 178,300
114-035-14447	043-4-009-014	216 Lake St - Unit 304	Eichhorn WILLIAM	75,000	178,300	-	178,300	103,300	SH 178,300
114-035-14448	043-4-009-015	216 Lake St - Unit 305	DRINKWINE USCHI	90,000	207,300	-	207,300	117,300	SH 207,300
114-035-14453	043-4-010-004	200 Lake St UNIT4	Hill		570,400	-	570,400	570,400	SH 570,400
114-035-14454	043-4-010-005	200 Lake St UNIT5	TURNER AMANDA D		561,100	-	561,100	561,100	SH 561,100
114-035-14455	043-4-010-006	200 Lake St UNIT5	Urbanowski	191,800	565,900	-	565,900	374,100	SH 565,900
114-035-14456	043-4-010-007	200 Lake St UNIT7	Moglenn	191,800	560,100	-	560,100	368,300	SH 560,100
114-035-14459	043-4-010-010	200 Lake St UNIT10	VAN WEES JOHANNES	191,800	576,900	-	576,900	365,100	SH 576,900
114-035-14461	043-4-010-012	200 Lake St UNIT12	Greenberg		617,400	-	617,400	617,400	SH 617,400
114-035-14462	043-4-010-013	200 Lake St UNIT13	DACYSHYN GREGORY		610,600	-	610,600	610,600	SH 610,600
114-035-20782	044-2-145-201	35 Cherry ST 201	Workman		450,700	-	450,700	450,700	SH 450,700
114-035-20788	044-2-145-303	35 Cherry ST 303	Duckman		473,500	-	473,500	473,500	SH 473,500
114-035-20789	044-2-145-304	35 Cherry ST 304	Patterson, John and Mafinda		519,100	-	519,100	519,100	SH 519,100
114-035-20790	044-2-145-401	35 Cherry ST 401	Brown, Margaret		542,100	-	542,100	542,100	SH 542,100
114-035-20792	044-2-145-403	35 Cherry ST 403	Milne John and Catherine		546,800	-	546,800	546,800	SH 546,800
114-035-20798	044-2-145-601	35 Cherry ST 601	Church, NED		619,300	-	619,300	619,300	SH 619,300
114-035-20800	044-2-145-603	35 Cherry ST 603	BEILSTEIN, THOMAS AND LISA		602,700	-	602,700	602,700	SH 602,700
114-035-20801	044-2-145-604	35 Cherry ST 604	Bolanis Andrew and Anne		681,900	-	681,900	681,900	SH 681,900
114-035-20802	044-2-145-701	35 Cherry ST 701	Wertheimer Allan and Susan		652,200	-	652,200	652,200	SH 652,200
114-035-20803	044-2-145-702	35 Cherry ST 702	Hyde		618,900	-	618,900	618,900	SH 618,900
114-035-20809	044-2-145-804	35 Cherry ST 804	Lawrence, BRADLEY		732,600	-	732,600	732,600	SH 732,600
114-035-20810	044-2-145-901	35 Cherry ST 901	Russell		829,600	-	829,600	829,600	SH 829,600
114-035-20811	044-2-145-902	35 Cherry ST 902	Glen Don and Mira		1,170,100	-	1,170,100	1,170,100	SH 1,170,100
114-035-20812	044-2-145-904	35 Cherry ST 904	Dousecvicz Carol		1,092,200	-	1,092,200	1,092,200	SH 1,092,200
114-035-16988	049-1-080-003	1 Steele St #3 RES CONDO	Piper		167,000	-	167,000	167,000	SH 167,000
114-035-16989	049-1-080-004	1 Steele St #4 RES CONDO	STEWART CARYL J		265,000	-	265,000	265,000	SH 265,000
114-035-16991	049-1-080-006	3 Main Street Apt. #2	MILLHAM ERIC E & KARENZ		466,600	-	466,600	466,600	SH 466,600
114-035-16992	049-1-080-007	1 Main Street Unit 2	WALLMAN ELIZABETH ROSALIE &		459,800	-	459,800	459,800	SH 459,800
			Total Homestead Value	891,400	15,694,700	-	15,694,700	14,803,300	15,694,700
114-035-20566	043-3-208-001	300 Lake St - Apts 40 units	Waterfront Housing Limited		-	2,259,800	2,259,800	2,259,800	NR 2,259,800
114-035-14435	043-4-009-002	216 Lake St - Unit 102	Mowary Danielle	75,000	-	178,300	178,300	103,300	NR 178,300

EXHIBIT A

CITY OF BURLINGTON, VERMONT									
Tax Increment Financing District Listing				1996	April 1, 2010	April 1, 2010	April 1, 2010	April 1, 2010	April 1, 2010
				ORIGINAL	FY 2011	FY 2011	FY 2011	FY 2011	2010/2011
				BASE VALUE	HOMESTEAD SH	NON-HOMESTD SN	TOTAL		WATERFRONT TIF
SPAN	Account #	DESCRIPTION	Property Owner	VALUE	Actuals	Actuals	Actuals	Increment	BASE VALUE
114-035-14436	043-4-009-003	216 Lake St - Unit 103	Casey, Eileen L	75,000	-	178,300	178,300	103,300	NR
114-035-14438	043-4-009-005	216 Lake St - Unit 105	Peter Pryor	80,000	-	178,300	178,300	98,300	NR
114-035-14439	043-4-009-006	216 Lake St Unit 106	Bourgeois Bryan	80,000	-	178,300	178,300	98,300	NR
114-035-14440	043-4-009-007	216 Lake St - Unit 107	Maynard McLaughlin	75,000	-	178,300	178,300	103,300	NR
114-035-14441	043-4-009-008	216 Lake St - Unit 108	Michael Conroy	75,000	-	178,300	178,300	103,300	NR
114-035-14442	043-4-009-009	216 Lake St Unit 109	Brodman, Vera	75,000	-	178,300	178,300	103,300	NR
114-035-14443	043-4-009-010	216 Lake St - Unit 110	Catherine Stanekhu	80,000	-	178,300	178,300	98,300	NR
114-035-14444	043-4-009-011	216 Lake St - Unit 301	RIMASH Tamare	80,000	-	178,300	178,300	98,300	NR
114-035-14445	043-4-009-012	216 Lake St - Unit 302	GRANT Susan G	75,000	-	178,300	178,300	103,300	NR
114-035-14446	043-4-009-013	216 Lake St - Unit 303	Benson GAIL	75,000	-	178,300	178,300	103,300	NR
114-035-14450	043-4-010-001	200 Lake St UNIT1	Grant	490,000	-	570,400	570,400	80,400	NR
114-035-14451	043-4-010-002	200 Lake St UNIT2	Lockwood	-	-	568,600	568,600	568,600	NR
114-035-14452	043-4-010-003	200 Lake St UNIT3	Mcnaully John & Christine	-	-	570,400	570,400	570,400	NR
114-035-14457	043-4-010-008	200 Lake St UNIT8	Finley Stephen	191,800	-	561,100	561,100	369,300	NR
114-035-14458	043-4-010-009	200 Lake St UNIT9	ROTH CHARLES D	191,800	-	561,100	561,100	369,300	NR
114-035-14460	043-4-010-011	200 Lake St UNIT11	Platner	-	-	609,600	609,600	609,600	NR
114-035-14463	043-4-010-014	200 Lake St UNIT14	HALPERIN MICHAEL ARLENE	-	-	695,800	695,800	695,800	NR
114-035-14464	043-4-010-015	200 Lake St UNIT15	DAY JOHN JANE	-	-	665,000	665,000	665,000	NR
114-035-14465	043-4-010-016	200 Lake St UNIT16	SLANINA AND JAECKLE	-	-	698,000	698,000	698,000	NR
114-035-14861	044-2-001-000	102 Lake Street	Lake & College LLC	805,700	-	1,575,300	1,575,300	769,600	NR
114-035-14862	044-2-002-000	112 Lake Street	Haigh Mill Associates	1,765,900	-	2,014,100	2,014,100	248,200	NR
114-035-14863	044-2-003-000	86 Lake Street	Lake Street Associates	1,743,800	-	1,712,400	1,712,400	(31,400)	NR
114-035-14874	044-2-014-001	67 Burlington Square - MACY'S	The May Department Stores Co	3,100,000	-	11,123,400	11,123,400	8,023,400	NR
114-035-20906	044-2-145-001	35 Cherry Street Parking condo	Westlake Residential Partners LLC	-	-	129,700	129,700	129,700	NR
114-035-20783	044-2-145-202	35 Cherry ST 202	Conner	-	-	439,100	439,100	439,100	NR
114-035-20784	044-2-145-203	35 cherry ST 203	Stonehenge Investment Corporation INC., Pension Plan	-	-	499,300	499,300	499,300	NR
114-035-20785	044-2-145-204	35 Cherry ST 204	Mossman, Barry	-	-	573,300	573,300	573,300	NR
114-035-20786	044-2-145-301	35 Cherry ST 301	Stonehenge Investment Corporation INC., Pension Plan	-	-	568,800	568,800	568,800	NR
114-035-20787	044-2-145-302	35 Cherry ST 302	Stonehenge Investment Corporation INC., Pension Plan	-	-	554,900	554,900	554,900	NR
114-035-20791	044-2-145-402	35 Cherry ST 402	Postesta	-	-	527,800	527,800	527,800	NR
114-035-20793	044-2-145-404	35 Cherry ST 404	Kinsky, Terry and Laquer Brenda	-	-	557,600	557,600	557,600	NR
114-035-20794	044-2-145-501	35 Cherry ST 501	Greenberg Norman and Selma	-	-	598,500	598,500	598,500	NR

EXHIBIT A

CITY OF BURLINGTON, VERMONT										
Tax Increment Financing District Listing				1996	April 1, 2010	April 1, 2010	April 1, 2010		April 1, 2010	April 1, 2010
				ORIGINAL	FY 2011	FY 2011	FY 2011		FY 2011	2010/2011
114-035-SPAN	Account #	LOCATION AND DESCRIPTION	Property Owner	BASE VALUE	HOMESTEAD SH	NON-HOMESTD SN	TOTAL		Increment	WATERFRONT TIF
				VALUE	Actuals	Actuals	Actuals			BASE VALUE
114-035-20795	044-2-145-502	35 Cherry ST 502	Monamara		-	386,500	386,500		386,500	NR
114-035-20796	044-2-145-503	35 Cherry ST 503	Robison		-	568,300	568,300		568,300	NR
114-035-20797	044-2-145-504	35 Cherry ST 504	Hubbell, Richard and Dale, Rosemary		-	637,900	637,900		637,900	NR
114-035-20799	044-2-145-602	35 Cherry ST 602	Westlake Residential Partners LLC		-	415,900	415,900		415,900	NR
114-035-20804	044-2-145-703	35 Cherry ST 703	Westlake Residential Partners LLC		-	427,100	427,100		427,100	NR
114-035-20805	044-2-145-704	35 Cherry ST 704	Carolyn A Chandler Revocable Trust		-	714,900	714,900		714,900	NR
114-035-20806	044-2-145-801	35 Cherry ST 801	Marler Robert and Joanne		-	694,800	694,800		694,800	NR
114-035-20807	044-2-145-802	35 Cherry ST 802	McDonnell James and Marion		-	683,100	683,100		683,100	NR
114-035-20808	044-2-145-803	35 Cherry ST 803	Westlake Residential Partners LLC		-	468,200	468,200		468,200	NR
114-035-20755	044-2-146-000	25 Cherry Street	Westlake Hospitality		-	16,268,700	16,268,700		16,268,700	NR
114-035-15302	044-4-004-000	49 Church Street - MALL	The Burlington Town Center LLC	18,244,300	-	20,837,900	20,837,900		2,593,600	NR
114-035-15303	044-4-004-001	5 Burlington Square - Office BLDG	DK Burlington Town Center LTD	2,800,000	-	4,117,100	4,117,100		1,317,100	NR
114-035-15304	044-4-005-000	37 Church ST - Old Navy Clothing Store	Pomerleau Antonio	1,600,800	-	3,437,200	3,437,200		1,836,400	NR
114-035-16980	049-1-075-000	197-209 Battery Street	Stone Store Holdings LLC	2,525,400	-	3,138,100	3,138,100		612,700	NR
114-035-16981	049-1-076-000	181 Battery Street (Restaurant)	Spillane Lowell & Susan	396,700	-	851,300	851,300		454,600	NR
114-035-16983	049-1-078-000	0 King ST - Ferry dock	Lake Champlain Transportation	1,782,500	-	3,816,400	3,816,400		2,033,900	NR
114-035-16984	049-1-079-000	171 - 177 Battery ST - Office Building	Tanwood NV	866,400	-	1,555,600	1,555,600		689,200	NR
114-035-16985	049-1-080-000	1 Main Street - Commercial Office Bldg	Main Street Landing Company	2,300,200	-	5,858,200	5,858,200		3,558,000	NR
114-035-16986	049-1-080-001	1 Steele St - 1 RES CONDO	Hart Richard		-	270,000	270,000		270,000	NR
114-035-16987	049-1-080-002	1 Steele St #2 RES CONDO	LAWRENCE JOHANNA & EMILY		-	167,000	167,000		167,000	NR
114-035-16990	049-1-080-005	1 Main Street - Commercial Office Bldg	Main Street Landing Company		-	471,500	471,500		471,500	NR
114-035-16993	049-1-080-008	1 Main Street - Commercial Office Bldg	Main Street Landing Company		-	474,000	474,000		474,000	NR
114-035-16994	049-1-081-000	Cornell Trading Upgrade	Cornell Main Street LP	845,400	-	1,080,800	1,080,800		235,400	NR
114-035-16995	049-1-082-000	117 Battery ST - conv store	Spillane Lowell & Susan	422,300	-	923,400	923,400		501,100	NR
114-035-16999	049-1-086-000	60 Lake ST	Lake and College LLC	603,500	-	7,754,500	7,754,500		7,151,000	NR
			TOTAL Non-Residential Value	41,521,500	-	106,613,700	106,613,700	-	65,092,200	NR
			Total Homestead Value	891,400	15,694,700	-	15,694,700	-	14,803,300	NR
			Grand Total	42,412,900	15,694,700	106,613,700	122,308,400	-	79,895,500	122,308,400

EXHIBIT B
City of Burlington Tax Increment Financing (TIF) District
Schedule of TIF Revenues and TIF Debt Service payments

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
REVENUES:													
TIF Revenue	-	-	-	282,634	646,294	618,581	821,877	614,141	905,051	1,221,466	1,369,839	1,488,197	7,968,080
Returned TIF to VT (Gilabane)									(163,177)				(163,177)
Vt Trans. Revenue		500,000	250,000	250,000	-		750,000	250,000	250,000	250,000			2,500,000
Vt Sales Tax Reallocation			159,653		69,845								229,498
Developer's Payments						144,037							144,037
	-	500,000	409,653	532,634	716,139	762,618	1,571,877	864,141	991,874	1,471,466	1,369,839	1,488,197	10,678,438
DEBT SERVICE:													
Section 108 Lake St Reconstruction	20,000	90,948	95,856	93,432	110,167	116,518	107,893	108,847	100,049	163,304	14,692	72,694	1,094,400
Sect 108 Lake St Housing						12,765	26,410	26,446	26,411	26,411	26,411	26,411	171,265
COPS Urban Reserve	25,304	104,943	103,367	106,680	104,855	102,980	105,957	106,470	106,470	104,026	106,447	108,604	1,186,103
COPS Lakeview Garage	98,423	236,216	476,316	505,716	523,559	535,131	535,884	545,816	540,031	548,529	551,104	298,067	5,394,792
COP Fishing Pier			22,329	33,924	34,250	34,040	33,802	33,537	33,247	32,930	34,035	33,585	325,679
COPS Lakeview & Westlake Garages									330,194	635,194	632,994	635,393	2,233,775
Bank fees										3,195		3,125	6,320
	143,727	432,107	697,868	739,752	772,831	801,434	809,946	821,116	1,136,402	1,513,589	1,365,683	1,177,879	10,412,334
Net (Revenue less Expense)	(143,727)	67,893	(288,215)	(207,118)	(56,692)	(38,816)	761,931	43,025	(144,528)	(42,123)	4,156	310,318	266,104
Cumulative Net Revenue	(143,727)	(75,834)	(364,049)	(571,167)	(627,859)	(666,675)	95,256	138,281	(6,247)	(48,370)	(44,214)	266,104	

Debt Service includes the following: Portions of HUD Section 108 and Certificates of Participation debt service in TIF District




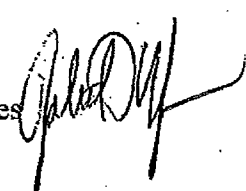
Agency of Human Services
103 South Main Street
Waterbury, VT 05671-3711

Agency of Human Services
Office of the Secretary
103 South Main Street
Waterbury, VT 05671-0204
[phone] 802-241-2220
[fax] 802-241-2979

MEMORANDUM

TO: Neale F. Lunderville, Secretary of Administration

FROM: Jim Giffin, AHS CFO 

THROUGH: Robert Hofmann, Secretary, Agency of Human Services 

DATE: June 2, 2010

RE: Global Commitment Closeout Adjustments

Please find attached a list of requested Global Commitment adjustments that reflect the AHS closeout plan for Agency Central Office and our Departments. These adjustments total less than 1% of the appropriated amount for the Global Commitment fund.

Some key points on this year's adjustments.

- We made the full annual cap payment on June 1st for first time since we went to prospective capitated payments. There was no "short-pay" to roll into FY11, avoiding a CAFR liability and we start FY11 without any GC payment shortfall to make up with the July 1 payment. This is excellent news, and validates the collective decision to use the caseload reserve in the FY10 BAA to address the expected shortfall and maximize ARRA funds.
- This plan maximizes the use of the HIT fund to cover Global Commitment expenditures in FY10.
- The plan covers the deficit in fund 21834 HE- Medicaid in Schools that was created in the FY07 closeout.
- I expect the full \$43M GC carry forward planned for in the SFY11 appropriations act available in the GC fund June 30, 2010. Confirmation will come in July after the books are closed.
- The only concern is that OVHA estimates that State-Only appropriation (that includes GC and Catamount receipts), will not meet the savings that were expected from increased



pharmacy rebates in FY10 leaving a potential \$1.5M shortfall. When the State receives the pharmacy rebates OVHA must then parse them between GC and State-Only expenses. The initial allocation of impact among the programs remains an estimate until further work is completed. Also, there is great variability week to week in these receipts and the \$1.5M need is based upon the best available information today.

- The GF transfers from AHS-GC to the AHS Secretary's Office and Human Services Board reflect the structural amounts of unused GF available for match to these appropriations.
- Other changes reflect the ebb and flow of Medicaid and servicing consumers in different appropriations.

These adjustments reflect the approved process for limited Appropriation adjustments per Section 86 of the SFY2010 Budget Adjustment Act (see next page for detail).

Finally, we do not anticipate additional adjustments under the following provision. However, we may need further adjustments the last week of June due to the variances in the weekly Medicaid draw, the drug company refunds and the final Medicaid payment processed on June 30th. We will keep you informed.

AHS ADJUSTMENTS ON ATTACHED SPREADSHHET

- Human Services Board
- AHS Central Office
- Office of Vermont Health Access
- Vermont Department of Health
- Department of Mental Health
- Department of Disabilities, Aging, and Independent Living
- Department for Children and Families

Approved:

Teale 6/4/10

[Signature] 6/3/10

Date:

Neale F. Lunderville
Secretary of Administration

Sec. 86. GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT¹

In order to facilitate the end-of-year closeout for fiscal year 2010, the secretary of human services, with approval from the secretary of administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the agency of human services. At least three business days prior to any transfer, the agency shall submit to the joint fiscal office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the joint fiscal committee for review at the September 2010 meeting. The purpose of this section is to provide the agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

¹ <http://www.leg.state.vt.us/docs/2010/Acts/ACT067.pdf>

**Global Commitment SFY10
AHS GC Closeout Adjustments**

Department	Dept ID	Fund Codes	General 10000	Calamount 21196	HIT 21916	HE-Medicaid in Schools 21934	IDT 21500	Federal 22005	ARRA Federal 22040	Global Commitment 20406	Total
AHS	3400010000	Human Services Board									
		State Share from GC 50/50 non-MCO Admin to GF - cover unearned Federal (GC) Admin	69,498				(69,498)				0
AHS	3400010000	AHS Secretary's Office									
		State Share from GC 50/50 non-MCO Admin to GF - cover unearned Federal (GC) Admin	271,636				(271,636)				0
DRS	3400003000	Division of Rate Setting									
DOC	3400004000	Correctional Services									
TOTAL AHS/DRS/DOC			341,132				(341,132)				0
OVHA	3410010000	Administration									
		neutral transfer from OVHA Admin to OVHA State Only appropriation to cover pharmacy issue	(75,000)								(75,000)
		neutral transfer of earned Calamount admin from OVHA State Only to OVHA Admin appropriation		209,828							209,828
		neutral transfer of HIT funds from OVHA Admin to GC Appropriation			(628,619)						(628,619)
	3410015000	Global Commitment									
											0
	3410017000	State Only									0
		neutral transfer from OVHA Admin to OVHA State Only appropriation to cover pharmacy issue	75,000								75,000
		neutral transfer from OVHA non-waiver to OVHA State Only approp to cover pharmacy issue	150,000								150,000
		neutral transfer from AHSCO GC to OVHA State Only to cover pharmacy issue	438,033								438,033
		neutral transfer of earned Calamount admin from OVHA State Only to DCF Admin appropriation	154,516	(154,516)							0
		neutral transfer of earned Calamount admin from OVHA State Only to OVHA Admin appropriation			(209,828)						(209,828)
		neutral transfer from VDH ADAP to OVHA State Only to cover pharmacy need	258,381								258,381
		neutral transfer from AHSCO GC to OVHA State Only to cover pharmacy issue	412,619								412,619
	3410018000	Non-Waiver Matched									0
		neutral transfer from OVHA non-waiver to OVHA approp to cover pharmacy issue	(150,000)								(150,000)
TOTAL OVHA			1,263,549	(154,516)	(628,619)						480,414
VDH	3420010000	Admin & Support									
		neutral transfer from VDH PH to VDH Admin								450,000	450,000
											0
	3420021000	Public Health									
		neutral transfer from VDH PH to VDH Admin							(450,000)		(450,000)
		neutral transfer from VDH PH to ADAP							(1,071,000)		(1,071,000)
											0
	3420060000	ADAP									
		neutral transfer from VDH PH to ADAP							1,071,000		1,071,000
		neutral transfer from VDH ADAP to OVHA State Only to cover pharmacy need	(258,381)								(258,381)
TOTAL VDH			(258,381)								(258,381)
DMH	3150070000	Mental Health									
		neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations								(17,356)	(17,356)
		neutral transfer from DAIL VR to DMH								191,125	191,125
		neutral transfer from DAIL DS to DMH								7,418	7,418
											0
	3150080000	Vermont State Hospital									0
TOTAL DMH										181,187	181,187

**Global Commitment SFY10
AHS GC Closeout Adjustments**

Department	Dept ID	Fund Codes	General 10000	Catamount 21198	HIT 21916	HE-Medicaid in Schools 21834	IDT 21500	Federal 22005	ARRA Federal 22040	Global Commitment 20405	Total	
DDAIL	3460010000	Administration & Support										
		neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations								17,356	17,356	
		neutral transfer from DS to DAIL Admin								650,000	650,000	
	3460020000	DAIL Grants									0	
		neutral transfer from DS to DAIL Grants								150,000	150,000	
	3460030000	Blind and Visually Impaired									0	
											0	
	3460040000	Vocational Rehabilitation										
		neutral transfer from DS to VR									191,125	191,125
		neutral transfer from DAIL VR to DMH									(191,125)	(191,125)
	3460050000	Developmental Services										
		neutral transfer from DS to DAIL Admin									(650,000)	(650,000)
		neutral transfer from DS to DAIL Grants									(150,000)	(150,000)
		neutral transfer from DS to TBI									(480,000)	(480,000)
		neutral transfer from DS to VR									(191,125)	(191,125)
		neutral transfer from DAIL DS to DMH									(7,418)	(7,418)
	3460070000	TBI, Home & Comm. Based Waiver										0
		neutral transfer from DS to TBI									480,000	480,000
												0
	TOTAL DDAIL										(181,187)	(181,187)
DCF	3440010000	Administration & Support Services										
		neutral transfer from DCF Admin to DCF GA									(175,000)	(175,000)
		neutral transfer of earned Catamount admin from OVHA State Only to DCF Admin appropriation	(154,516)	154,516								0
	3440020000	Family Services										0
		Child Development										0
		Disability Determination Services										0
		Aid to Aged, Blind, and Disabled										0
	3440060000	General Assistance										
		neutral transfer from DCF Admin to DCF GA									175,000	175,000
	3440080000	Reach Up										0
												0
	TOTAL DCF			(154,516)	154,516							
	AHSCO	34000040000	Net by fund:	1,191,784		(628,619)		(341,132)				
Secretary's Office												
Global Commitment												
neutral transfer from AHSCO GC to OVHA to cover pharmacy issue			(449,734)									(449,734)
payroll GF increase			11,701									11,701
neutral transfer of HIT funds from OVHA Admin to GC Appropriation					628,619							628,619
neutral transfer of HIT funds from OVHA Admin to GC Appropriation			628,619		(628,619)							0
cover prior year deficit in Special Fund 21834			(216,000)			216,000						0
neutral transfer from AHSCO GC to OVHA to cover pharmacy issue			(412,619)									(412,619)
non-MCO Admin Impact:												
State Share from GC 50/50 non-MCO Admin to GF - cover unearned Federal (GC) Admin. - Human Service Board			(69,496)					(69,496)				(138,992)
State Share from GC 50/50 non-MCO Admin to GF - cover unearned Federal (GC) Admin. - AHS CO			(271,635)					(271,635)				(543,272)
SUBTOTAL AHSCO			(779,165)			216,000		(341,132)			(438,033)	
			HIT Reduction 21834 for	(628,619)								
				216,000								
				(1,191,784)								



X

Vermont Student Assistance Corporation

10 East Allen Street • PO Box 2000 • Winooski VT 05404-2601
802-655-9602 • Fax 802-654-3765 • TDD 800-281-3341
www.vsac.org • info@vsac.org • Toll-free 800-642-3177

September 2, 2010

Stephan A. Klein
Chief Legislative Fiscal Officer
State House
115 State Street
Montpelier, VT 05633-5201

Re: VSAC Education Loan Bond Activity in FY 2011

Dear Steve:

This letter responds to your request on behalf of the Legislative Joint Fiscal Committee for updating information about VSAC's loan program in FY 2011. On August 3, VSAC issued \$19 million of tax exempt, private activity revenue bonds to fund its private loan program for the 2010-2011 school year. The structure of the bonds will enable VSAC to make roughly \$24 million of loans.

In prior years, this summer VSAC would also be issuing \$200-\$300 million of private activity revenue bonds to fund federal loans, but effective July 1, 2010, the U.S. Congress terminated the federal loan program VSAC has administered since the 1960's. VSAC is preparing a report for the General Assembly, due January 15, 2011, covering how we are responding to this major program change.

For many years, the four agencies that regularly issue private activity bonds (VHFA, VSAC, VEDA, and the Vermont Municipal Bond Bank), plus certain municipal issuers represented by J. Paul Giuliani, Esq., have collaborated to agree on fair and effective allocations and reallocations of bond cap. Statewide need is determined by December of each year, in advance of the January meeting of the Emergency Board. This process generates a letter from all parties to the Secretary of Administration, containing the recommendation from all of the issuers to the Emergency Board, which considers and acts on the recommendation. This process has worked well and is supported by the participating issuers.

In recent discussions with the Executive Directors of VEDA, VHFA and the Bond Bank, we have learned that to the extent there will be a diminished need for private activity bonds related to student loan programs, those agencies will likely use any additional allocation resulting from this to fund eligible projects as they are proposed and vetted, using their established underwriting

criteria. It is my understanding that the agencies' ability to take advantage of additional bond cap will be driven by the strength of the eligible projects under those underwriting criteria.

I would be pleased to make a presentation about these issues to the Committee, and answer members' questions, although I am not available to do so on September 10.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Tom Little', with a long horizontal flourish extending to the right.

Thomas A. Little, Esq.
General Counsel

Summation for 2009 to 2010 Legislative Year

For the Joint Fiscal Committee

Reliability Oversight

Entergy Nuclear Vermont Yankee (ENVY)

**Fairewinds Associates, Inc
Arnold Gundersen, MSNE, RO
Chief Engineer
Margaret Gundersen, Paralegal
July 26, 2010**

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- 2.3. NRC Regulatory Information Conference - buried pipes v underground**

Section 3. Slow Progress Toward Developing Action Plans

Section 4. Decommissioning Issues: Costs and Greenfield

- 4.1. Decommissioning Fund Status with Graph**
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Section 9. Background

Attachments:

Attachment 1. Dr. Ahlfeld Letter to Legislature and Biographical Sketch

Attachment 2. NY Times Article

Attachment 3. Vanags DPS prefled testimony as filed

Introduction

Fairewinds Associates, Inc began its contract with the Joint Fiscal Committee (JFC) and the Joint Fiscal Office (JFO) in July 2009 in order to review the progress made by Entergy Nuclear Vermont Yankee (ENVY) toward addressing the challenges identified by Act 189: An Act Relating To A Comprehensive Vertical Audit (CVA) And Reliability Assessment Of The Vermont Yankee Nuclear Facility, and to present ongoing information and analysis regarding reliability issues with Entergy's Vermont Yankee Nuclear Power Plant.

This report is a summation of Fairewinds Associates' oversight of ENVY to the Joint Fiscal Committee for the legislative year 2009 to 2010. This summary includes an assessment of ENVY's progress (as of July 1, 2010) toward meeting the milestones outlined by the Act 189 Vermont Yankee Public Oversight Panel in its March 2009 report to the Legislature, the new milestones that have been added since the incident with the tritium leak and buried underground pipes, and the new reliability challenges facing ENVY, Entergy, and the State of Vermont. Our detailed report follows the Executive Summary.

Executive Summary

Many events have unfolded at Vermont Yankee since the previous Fairewinds report was provided to the JFC/JFO. This summation report is a compilation of the six most significant issues that Fairewinds Associates reviewed for the JFC during the 2009 to 2010 legislative year.

On July 19, 2010, the Vermont Yankee (VY) Public Oversight Panel (POP) released its separate report to the Vermont State Legislature. There is little if any overlap between this Fairewinds report and the POP report as the VY POP report covers entirely different issues related to the implementation of the Act 189 CVA.

Fairewinds Associates' report, entitled *Summation for 2009 to 2010 Legislative Year For the Joint Fiscal Committee Reliability Oversight Entergy Nuclear Vermont Yankee (ENVY)* discusses the following issues:

- Following the spring 2010 refueling outage, ENVY discovered yet another tritium leak.
- All currently discovered leaks have now been stopped, but groundwater on site remains contaminated and will be for the foreseeable future.
- Progress on addressing the 81-action-items from the 2009 VY Public Oversight Panel report has been slow and additional action items, delineated by NSA, will be added to

address the special in-depth investigation of repairs to the Advanced Off Gas (AOG) system. This data is current to July 1, 2010, and Fairewinds Associates will issue an update on the current status in early October 2010.

- The tritium leak has increased the cost to decommission VY, and that issue in turn is related to the inadequacy of the Decommissioning Fund.
- New Boiling Water Reactor (BWR) applications for power uprates are being put on hold due to NRC and ACRS concerns regarding Net Positive Suction Head (NPSH). The issue of NPSH is also a significant safety concern regarding the Vermont Yankee uprate, but the NRC granted VY a waiver and allowed it to proceed with its 20% power increase (uprate).
- ENVY's Main Steam Isolation Valves (MSIV) are leaking at five times the rate they did prior to the Uprate.

Each of these issues is thoroughly addressed in the body of this report.

Section 1. Brief Plant Status

According to Entergy, Vermont Yankee (VY) has operated for 531-days without shutting down since it was refueled in the fall of 2008 until its refueling outage April 24, 2010. Following its refueling, the plant experienced a rocky start-up with two inadvertent shut-downs as it attempted to reach full power. The first shutdown was due to electrical problems in its switchyard, while the second shutdown was due to yet another previously undetected leak in the Advanced Off-Gas (AOG) system. After resolving these problems, ENVY has been operating at close to full power for almost two months.

The 531 days of continuous operation does not mean that the reactor has been operating at full power for that entire time period. In its second quarterly report, Fairewinds Associates detailed eight critical reliability issues causing ENVY to reduce the power level at the plant in order to make repairs. Probably the single biggest threat to reliability other than the tritium leak went unreported in the media. Last fall, microbiologically induced corrosion (MIC) in one of the plant's emergency diesel generators caused a leak to this safety component. This leak caused one of the two diesels to be removed from service and the plant entered a "Limiting Condition for Operation" (LCO). Under this NRC restriction, the leak had to be fixed within seven days or the NRC would require an immediate shutdown. The diesel was repaired within seven days and the incident was not reported to the press.

Previously Fairewinds Associates was able to assess and report specific individual operating problems to the JFC, however, during the past six-months, it has become increasingly difficult to ascertain operational issues until well after they have transpired. Entergy has restricted the flow of information to Fairewinds Associates, Inc. Entergy has informed us that any request for even basic technical information must be sent in a written and mailed request – no email. That request is then given a technical review and reviewed by attorneys prior to a response to Fairewinds. As an example, it took approximately two-months to receive information from ENVY requested by both DPS and Fairewinds Associates regarding Main Steam Isolation Valve (MSIV) leakage. The MSIV issue will be discussed more thoroughly in Section 8 of this report.

Section 2. Tritium Leak Status

Fairewinds Associates' first quarterly report identified the existence of buried and underground pipes that had not been admitted to by Entergy, even after Mr. Gundersen submitted a specific request for this information. [See *A Chronicle of Issues Regarding the Inspection of Buried Tanks and Underground Piping at Vermont Yankee* presented by Fairewinds Associates to the House Committee on Natural Resources January 27, 2010 on the JFO website or at www.fairewinds.com/reports]. Fairewinds Associates' second quarterly report detailed the tritium leak from the previously undisclosed buried and underground pipes, including a status update an outline of our testimony to the Senate Natural Resources Committee, and a map from the Department of Health Vermont Yankee Tritium update website showing the plume of tritiated water extending into the Connecticut River.

The press has called the leak at ENVY a '*tritium leak*', but that is a misnomer as it is neither a single leak nor does it contain only tritium.

2.1. In fact five separate problems led to the leak of tritiated water from the plant (tritium leak).

2.1.1. Two redundant steam traps failed – this is a device used to separate steam and moisture when both items are flowing through pipes.

2.1.2. Two redundant pipes failed – each steam trap had its own pipes and once the steam traps failed, this allowed pipes to corrode faster.

2.1.3. One clogged drain – no one knows how long the drain was clogged, perhaps for a decade or more; the sump pump was not working because no radioactive effluent was flowing into it due to the clogged drain.

Once these five individual components failed, water filled a vault that held the underground pipes. Leakage of radioactive water from this vault occurred at three different crack locations, not just in one location. Moreover, The evidence suggests that this leak existed for at least two years. In his letter to the State Legislature, Dr. David Ahlfeld¹ said that in order for the groundwater to be as saturated by tritium as it was, it is most likely that the underground pipes

¹ Dr. Ahlfeld is a full professor at the University of Massachusetts in the Department of Civil and Environmental Engineering and has more than 20-years of experience in analyzing environmental engineering issues.

were leaking at least two years. Dr. Ahlfeld's letter to the Legislature and his biographical sketch are Attachment 1. There is additional evidence, including sinkholes that began appearing as early as 2008 above this leak location.

2.2. **Current leak status** – While the leak that began receiving public scrutiny in January 2010 has been referred to as leak of tritiated water, the leak also contained other radioactive isotopes of concern to the State and the environment surrounding Vermont Yankee. In Fairewinds Associates' second quarterly report we attached two separate letters regarding the possibility of the tritiated water containing other radioactive isotopes of significant concern to public health and safety. Unbeknownst to each other, both Mr. Gundersen and Dr. Marvin Resnikoff wrote separate letters and contacted State Agencies to specify that analysis of the tritium leaks was ignoring critical monitoring for the radioactive isotope Strontium (Sr-90).² Radioactive isotopes are measured by a term called half-life, as described below:

2.2.1. Strontium (Sr-90) has half-life of 29-years, meaning that it will be present *in the environment for 290-years*. It is *water soluble*, so that it will move across the site similar to the tritium plume, but it moves more slowly, similarly to the manner in which a pebble moves slowly in a brook. Strontium 90 *is called a bone seeker* because it is *absorbed into bones like calcium*, placing growing children and women at risk. Strontium 90 *causes leukemia* and other cancers. Accurately testing for Strontium 90 is a very difficult process; one mistake in the testing process will show a reading of no Sr-90.

2.2.2. Cesium 137 has a half-life of 30-years, so it will remain *in the environment for at least 300-years*. It is a *muscle seeker* and in large accident doses it causes the medical disease syndrome known as *Chernobyl heart*.

2.2.3. Cobalt 60 has a 5-year half-life, so it will remain in the environment for 50-years. It emits a high-energy gamma ray that causes cancer and is not water soluble, so it would be expected to be close to the actual leak.

² See *Fairewinds Associates, Inc 2nd Quarterly Report to JFC* attachments to review the letter from Dr. Marvin Resnikoff, a Vermont resident, to Department of Health dated February 10, 2010 and the email from Arnie Gundersen to Department of Public Service dated February 12, 2010.

2.2.4. Fairewinds Associates remains concerned that Cesium 137 and Strontium 90 are moving with the tritiated water, only more slowly, which will be discussed in Section 4 on Decommissioning.

2.2.5. While digging between the AOG (Advanced Off-Gas) building and the turbine building in their attempt to uncover the leak, Entergy found soil contaminated w/ cesium, tritium, manganese, cobalt, and zinc.

2.2.6. The additional overall cost to the clean up leakage of radioactive isotopes is a major concern. Entergy has stopped digging in order not to undermine buildings during the soil excavation process. At this point in time, Entergy will leave the contaminated soil until the decommissioning clean up. To date, 250 cu ft have been removed. ENVY has taken additional soil samples that still show the presence of both cesium and strontium. The impact of radioactive isotopic soil contamination upon ENVY's ultimate decommissioning process and costs is further discussed in Section 4 – Decommissioning Costs and Greenfield, specifically Section 4.4.

Reports by Entergy indicate that while the leak has been repaired, the plume is not contained. While Fairewinds Associates believes that that this leak has been uncovered, contained, and a partial clean up has been completed there still are other major concerns regarding the movement of other radioactive isotopes across the site toward the Connecticut River. Given the age of the plant, condition of the pipes, and the inaccuracies and inconsistencies of Entergy's Buried Pipe and Tank Inspection Program (BPTIP), Fairewinds Associates believes that it is impossible to guarantee that there will not be additional leaks of radioactivity. With a more robust BPTIP and the newly added additional Nuclear Regulatory Commission (NRC) oversight and review, if there are any new leaks we hope they will be uncovered and stopped in a more timely manner.

2.3. NRC Regulatory Information Conference March 11, 2010, Washington, DC

As a result of the tritium leak at Vermont Yankee and at dozens of other nuclear reactors around the country, the Nuclear Regulatory Commission has formed a task force to evaluate methods of preventing leaks and monitoring leaks. At the NRC Regulatory Information Conference in March, Mr. Gundersen was invited to speak at the breakout session on buried and underground pipes regarding issues that should be reviewed by NRC during its regulatory deliberations.

- 2.3.1. The first topic Mr. Gundersen addressed is the need for a common industry-wide definition of buried and underground pipes. *The NRC has agreed that it makes no distinction between the buried and underground pipes.* While there is no distinction between the terminology buried and underground, there are significant differences in how a buried pipe corrodes compared to one that is underground in a vault and is not in direct contact with dirt. The buried pipes in direct contact with dirt usually corrode from the outside inward. However, the pipes that disintegrated at Vermont Yankee were not in contact with dirt because they were inside a concrete vault. The pipes in the vault corroded from the inside out and not from the outside inward so there are two different failure mechanisms. Prior to the problems at Vermont Yankee, the NRC had only been concerned about pipes that corrode from the outside. Mr. Gundersen told the NRC that it should also be concerned about pipes that are not in contact with dirt and fail as a result of internal corrosion.
- 2.3.2. Mr. Gundersen also informed the NRC of the necessity of many more monitoring wells. In Massachusetts a gas station is required to have at least four monitoring wells, yet nuclear plants are only required to have three due to the industry-wide *voluntary initiative*. Mr. Gundersen stated that there is a definite need for more than only three monitoring wells, which Yankee and most of the other nuclear power plants voluntarily install. He also suggested that the nuclear industry initiative on buried and underground pipes is too weak. Experience at Vermont Yankee indicates that three monitoring wells that it had a prior to extensive leak of tritiated water were simply inadequate. Had there been several more monitoring wells, it is most likely that the leak would have been detected as much as six-months earlier.
- 2.3.3. Additionally, Mr. Gundersen discussed the fact that monitoring well samples must be taken more frequently, and that should be a NRC requirement. The current industry initiative allows for samples to be taken every three months (once per quarter). Mr. Gundersen stated that the sample frequency is woefully inadequate and at a minimum should be at least a monthly. Mr. Gundersen also noted that once the sample is drawn from the well, it is important that the sample be analyzed quickly. At Vermont Yankee, a key sample taken from a monitoring well in November 2009 was not analyzed until early January 2010. The net effect of three-

month sample frequencies and a two to three-month delays in analyzing the samples is that a leak may go undetected for six-months after reaching a monitoring well. Such time lags are totally unacceptable for Vermont Yankee and for the nuclear industry as a whole.

2.3.4. Mr. Gundersen also informed the Nuclear Regulatory Commission that monitoring for leaks is not the solution to the problem. Monitoring for leaks frequently allows the leak to contaminate groundwater for months if not years. The industry initiative needs to focus on the fact that pipes should not be allowed to leak in the first place and that adequate monitoring very near to the pipe should be provided to a sure that any leakage will be detected promptly. It is likely that the Vermont Yankee leak existed for at least two years prior to its detection in the monitoring well.

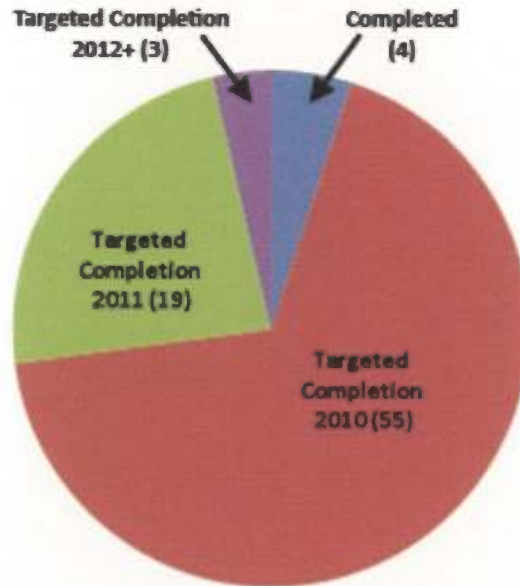
2.3.5. The NRC also held a national teleconference on this issue on April 20, 2010. Mr. Gundersen also spoke at this time and is quoted in the New York Times, a copy of which is Attachment 2.

Section 3. Slow Progress Toward Developing Action Plans

The Joint Fiscal Committee may remember that the 81-action-item list is the result of a combination of the recommendations made by the Oversight Panel and those detailed in the narrative report by Nuclear Safety Associates (NSA). The original 81-action items no longer represent the entire work effort that will be required of Entergy, as NSA has also identified additional corrective action items in their AOG report and the final report of the Public Oversight Panel due to be completed by late July may also highlight additional items.

Of the 81-corrective actions that were created to implement the recommendations of the NSA report in December of 2008, only four items were satisfactorily resolved in 2009. It is possible that another 55-items may be certified as completed by DPS in 2010 and 19 additional items may be approved by DPS in 2011. The remaining 3-items from the 81-item list are the most expensive and long-lead items and will not have been resolved until after 2012, including major repair to the condenser which has been moved further back on ENVY's calendar from 2014 to 2016.

Targeted Action Completion (81 Items)



Graph³

Note: It is important to note three issues regarding the above graph:

- *First*, the graph does not include any new actions that may be required at the site of the tritium leak from the AOG (Advanced Off Gas) system.
- *Second*, the graph includes *targeted* completion dates as suggested by NSA and the DPS. At this time, ENVY may not meet these dates.
- *Third*, the meeting scheduled to address ENVY's progress on meeting these goals was originally scheduled to be held in June 2010, but was delayed until the end of July 2010, so this new information will be reviewed in Fairewinds Associates' October 2010 report. Entergy anticipated addressing some of these 55-action items during the April 2010 refueling outage.

The approval process created by the DPS and NSA uses the term *satisfactory completion*, but this term does not mean that the task is indeed complete, but rather that the approach to solve a long-term action is satisfactory and is underway. For example, rewriting of operating procedures will not be completed for several years, but according to the DPS plan, the corrective action may

³ Vermont State Department Of Public Service Vermont Yankee Reliability Assessment Corrective Actions Monitoring Plan 03/31/10

be eliminated in 2010 if progress toward rewriting the procedures is satisfactory. Such an approach is also true for many of the additional 55-items anticipated to be underway by the end of 2010. Therefore, if progress toward completion is being made then DPS allows those items to be marked as corrected even if the item is not entirely complete.

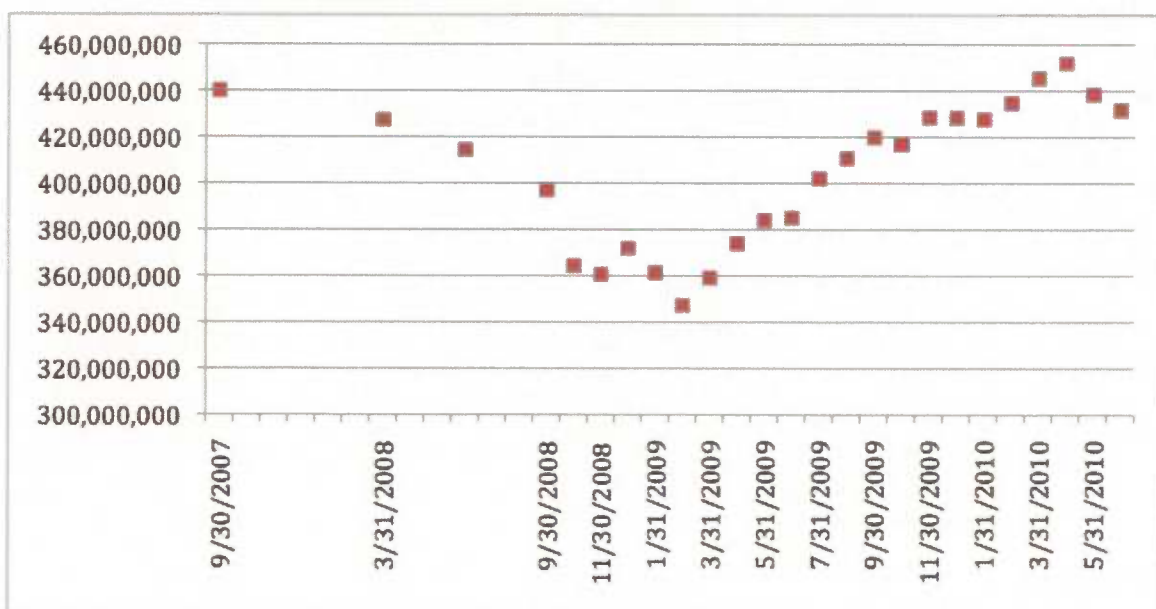
Accordingly, the DPS plans to develop a Memorandum of Understanding (MOU) with continuing milestones to which ENVY must commit prior to the granting of a Certificate for Public Good (CPG) if 20-year relicensure is approved by the legislature. If, however, a CPG is granted, failure to meet a milestone will not result in revocation of the CPG, but rather a remedial request by the DPS to the Public Service Board (PSB).

Section 4. Decommissioning Issues: Costs and Greenfield

4.1. Decommissioning Fund Status with Graph

The value of the Decommissioning Fund hit a high of \$440 million in September 2007, which was prior to the stock market crash and recession. As of June 31, 2010, 34-months later, the fund is still below its September 2007 high. The graph below is a graphical presentation of the fund values as provided by DPS.


Decommissioning Fund Value from 9/30/2007 to 6/31/2010



4.2. **Fairewinds review of TLG Engineering Services Decommissioning Analysis**

Fairewinds Associates' review of TLG Service's decommissioning cost analysis found the data and assumptions to be inaccurate. At the request of the House Natural Resources Committee, Fairewinds looked at the TLG Services decommissioning cost analysis in light of the release of tritiated water and other radioactive isotopes to the site. Our power point presentation regarding the inconsistencies in the TLG decommissioning analysis is entitled *A Comparison of TLG Services Projected Decommissioning Costs for Vermont Yankee April 2, 2010 Testimony*. The complete report is available on the JFO website: <http://www.leg.state.vt.us/JFO/Vermont%20Yankee.htm>.

4.2.1. The chart below, entitled Summary of VY Decommissioning Projections from all four studies was extracted from our House Natural Resources testimony.⁴



Summary of VY Decommissioning Projections from all four studies

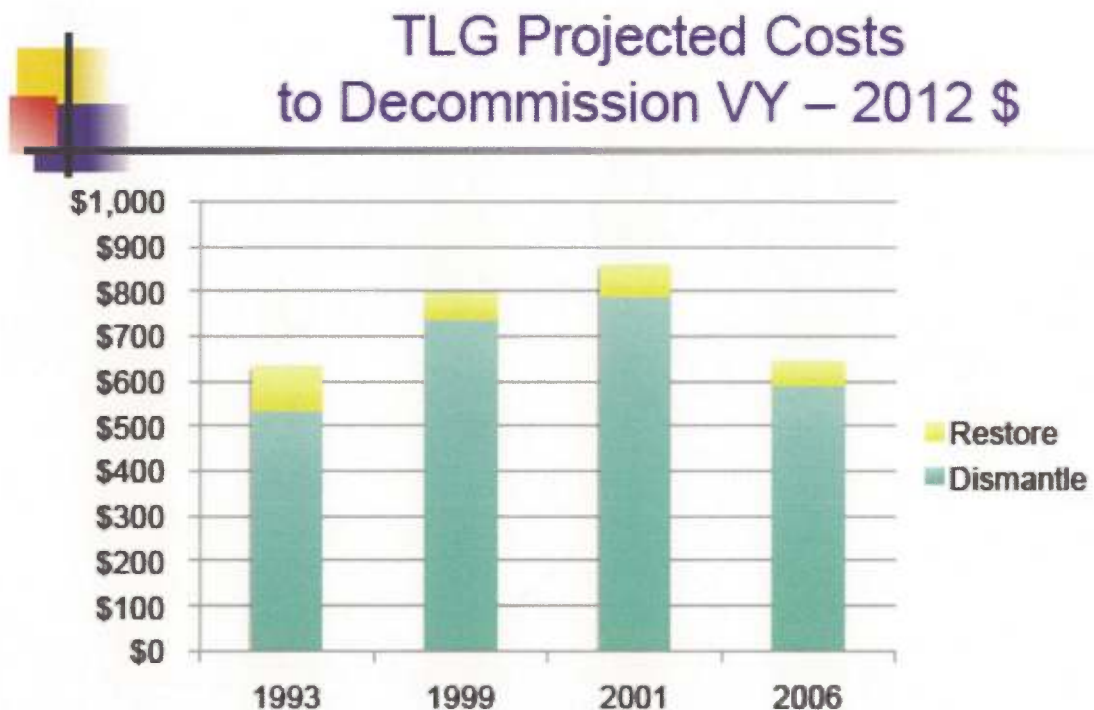
Study Year	Dismantle \$ (,000)	Restore \$ (,000)	Total \$ (,000)	2012 \$ Dismantle (,000)	2012 \$ Restore (,000)	2012 \$ Total (,000)
1993	254,475	44,258	298,733	536,140	93,245	629,385
1999	480,806	37,500	518,306	740,179	57,730	797,909
2001	514,041	43,722	557,763	791,343	67,308	858,651
2006	468,844	40,053	508,897	593,237	50,679	643,916

Note - Costs escalated at 4% per year

4.2.2. When TLG Services first analyzed VY's decommissioning plan, TLG was an independent firm. Now TLG is a wholly owned subsidiary of Entergy. Fairewinds Associates remains concerned that the 2006 analysis, which is the latest one given to us to review by the DPS estimates the costs at \$200 million less than the 2001 analysis. *The Vermont State Legislature might ask DPS to retain a truly independent organization to provide an accurate analysis and recommendation, so

⁴ *A Comparison of TLG Services Projected Decommissioning Costs for Vermont Yankee April 2, 2010 Testimony*, page 7

that the State of Vermont might accurately assess its possible liability.



4.2.3. The graph above entitled TLG Projected Costs to Decommission VY – 2012 \$ is from page 8 of the Fairewinds Associates' testimony.⁵

4.2.3.1. Based upon the 2001 TLG report, the Vermont Yankee Decommissioning Fund contains only one-half the amount of money needed to decommission and dismantle Vermont Yankee. However, for some unknown reason the TLG 2006 estimate is 200 million dollars lower than the firm's 2001 report for decommissioning VY.

4.3. July 2, 2010 Testimony by the Department of Public Service to the Public Service Board appears to be incorrect

It is of significant concern that in our review, we found that the testimony presented by the DPS State Nuclear Engineer Uldis Vanags to the Public Service Board (PSB) on July 2, 2010 is not substantiated by the facts presented on the Department of Health (DOH) website. Specifically,

⁵ *A Comparison of TLG Services Projected Decommissioning Costs for Vermont Yankee April 2, 2010 Testimony*, page 8.

in Fairewinds Associates review of the DPS testimony⁶, see Attachment 3, the DPS statement cannot be supported by the data reviewed. DPS said,

"Radiation measurements of the two locations that were remediated showed that the contamination decreased as expected with depth of the soil."

Based upon data at two locations on only one date, DPS opines that the cost of decommissioning Vermont Yankee's will not increase as a result of the recent leaks of cesium, strontium, and cobalt from the AOG system.

Moreover, according to the DOH data reviewed, the concentration of Cesium 137 increases in some site soil samples when the measurements are taken further away from the leak. For example, if one looks at the data for Cesium in the DOH table from the March 17, 2010 soil samples⁷, the data sometimes shows the concentration level of Cesium declines as the samples are further from the contamination. However, in direct contrast to the DPS testimony, *the contamination* in other locations *actually increases* the further away the samples are from the leak. Note that sample sites 6 and 8 of the attached table have higher levels of Cesium further away from the contamination and the Strontium 90 does not diminish at sample site 7.

Furthermore, the DPS conclusion that a decrease was "expected" is not consistent with other decommissioning projects and was certainly *NOT expected* by Fairewinds. The statement is not substantiated by the data from sites 6, 7, and 8, and would lead one to the erroneous conclusion that there will be no increase in decommissioning costs. For example, in a Strontium 90 leak at Entergy's Indian Point Units 2 and 3 in Buchanan, NY near White Plains, Strontium 90 continues to move through the soil in direct contradiction to the DPS testimony to the PSB.

It is important to remember that this leak occurred during a period of at least several years thus enabling both the Cesium and Strontium to gradually move further away from the leak. If the Cesium is not trapped locally, as that data from sites 6 and 8 suggests is not occurring, then there will be a definite increase in decommissioning costs. Since the leak went on for at least two years, there may be a significant amount of cesium migrating across the site that has yet to be uncovered.

⁶ Page 6, lines 4 and 5

⁷ http://healthvermont.gov/enviro/rad/yankee/documents/VY_Data_soil_samples_march2010.pdf

In testimony to the Public Service Board in June 2009, DPS testified that it expected Vermont Yankee's decommissioning costs to be similar to those of Maine Yankee because Vermont Yankee had no underground pipes. This DPS statement is incorrect again, and not just about the underground pipes. Maine Yankee is a Pressurized Water Reactor (PWR), and according to the NRC a PWR is 40% *less expensive* to decommission than a Boiling Water Reactor (BWR) like Vermont Yankee. A BWR like ENVY is much more contaminated than a PWR because the entire turbine hall, and in fact most of the plant is radioactive. Using Maine as an example with or without the tritium leak is not technically justifiable because decommissioning a BWR nuclear plant like Vermont Yankee will cost at least 40% more than a comparable PWR, according to NRC documentation. Thus Vermont Yankee's decommissioning costs will be 40% higher than Maine Yankee's costs and might also be considerably higher due to the on-site leak of radioactivity. Furthermore, it cost *an additional* \$481 million to decommission Connecticut Yankee in Haddam, CT due to an undetected leak of tritium, strontium 90 and other radioactive isotopes.

Key Recommendation:

In order to avoid the movement of cesium and strontium in the groundwater where it would progress to the Connecticut River and move through the site water table, it is important for ENVY to continue to extract groundwater from the soil. Keeping regular groundwater separated from the contaminated soil is the only method of preventing the cesium and strontium from moving further away from the leak, spreading out, and increasing the cost to decommission VY. Fairewinds Associates believes that the legislature should recommend that DPS insist on groundwater extraction until the plant is fully decommissioned or statutorily assure compliance with groundwater extraction until the plant is fully decommissioned.

4.4. Possible impact on decommissioning in Enexus aftermath

The last Fairewinds Associates report to the JFC discussed the potential problems associated with the Enexus spinoff from Entergy. Since our report was written, both Vermont and New York have rejected the Enexus spinoff.

While this is positive news, Entergy has suggested that it has a legal approach to create a junk-bond holding company without seeking approval of either Vermont or New York. Specifically, Entergy CEO J. Wayne Leonard has suggested that Entergy might keep its corporate name on the six old nuclear assets it had planned to spin off as Enexus while at the same time creating a new

and different corporation that would contain all of Entergy's assets and its newer nuclear plants. Without the corporate name being changed, Vermont and New York State might be unable to intervene. Basically Entergy would strip the assets out of Vermont Yankee and other older nuclear reactors as they planned to do with the Enexus spinoff, but without State involvement.

To our knowledge Entergy has not yet begun the legal process of moving its assets to a new corporation. Our concern should this corporate change occur is that there would not be enough money to ever fully decommission Vermont Yankee unless the State of Vermont paid for the clean-up.

Section 5. MLB Report statements made by Department of Health

Fairewinds Associates began making inquiries to the DPS about the existence of underground pipe carrying radioactivity at the Vermont Yankee site in July 2009, while reviewing documents for its JFC contract. In October, Fairewinds Associates presented a written report and testified to the JFC concerning ENVY's misstatements regarding underground pipes carrying radioactivity. Fairewinds' October 2009 presentation at the JFC meeting was the first public forum where the issue of underground pipes was brought to the attention of the legislature. While Fairewinds was informing the legislature, it appears that both the Department of Health (DOH) and the Department of Public Services (DPS) were actively communicating with Entergy in an attempt to discredit the efforts of Fairewinds Associates.

Mr. Gundersen provided the DPS and Entergy with courtesy copies of the October Fairewinds JFC report. According to the Morgan, Lewis, & Bockius⁸ (MLB) report, ENVY's Dave McElwee almost immediately contacted the DOH employee Dr. William Irwin with ENVY's concern regarding the Fairewinds report. Again, according to the MLB report, DOH replied in an email October 21, 2010 and said,

"The comments of Mr. Gundersen are hyperbole and, in my opinion, bordering on irresponsibility."

The comments to which DOH refers are those from the Fairewinds report by which Fairewinds Associates notified the JFC that the Public Oversight Panel and not been made aware of any underground pipes containing radioactivity including the plant's storm sewers that DOH already knew to be contaminated.

⁸ Report of Investigation Entergy Nuclear Vermont Yankee, February 22, 2010 by the law firm Morgan, Lewis, & Bockius, which was retained by Entergy to do an internal investigation.

Somehow, the DOH email calling Fairewinds report "hyperbole" and "irresponsible" was marked "For Internal Use Only" and then sent to Vermont Yankee. The email was found by MLB in ENVY's possession and used by MLB to show that even the State of Vermont thought the Fairewinds report was incorrect. Obviously, Fairewinds never received the DOH email. Fairewinds was made aware of the DOH email in Fairewinds' reading of the MLB report.

Fairewinds is dismayed that its attempts to notify the JFC of the existence of underground pipes at Vermont Yankee was belittled by regulators employed by the State of Vermont and shared with Entergy, the very firm the DOH purports to be regulating. This chain of events gives the appearance that the Department of Health and perhaps the Department of Public Service were more willing to belittle the accurate analysis of Fairewinds Associates, Inc rather than investigate the existence of underground pipes at the Vermont Yankee site. *Such inappropriate communication between the agency charged with regulating radiation releases and the industry it purports to be regulating brings into question the credibility of the whole nuclear regulatory process in the State of Vermont and in Fairewinds Associates' opinion may in fact create significant liability regarding attempted enforcement action of ENVY by the State of Vermont.*

Section 6. NPSH (Net Positive Suction Head)

Net Positive Suction Head (NPSH) is a complicated technical concept regarding the ability of the emergency core cooling pumps to pump water needed to cool the reactor in the event of a nuclear accident. When Vermont Yankee applied for its license to uprate the plant in 2003, the changes made to the plant to facilitate the 20% power increase caused the pumps that cool the nuclear reactor after an accident to no longer perform their safety function in the manner originally designed. While the NRC reviewed this issue, it initially allowed the plants to receive a waiver (the NRC calls it giving a credit, in a sense it is similar to the zoning board granting a variance). Currently the NRC has put the uprate of any additional nuclear plants on hold until the NRC Advisory Committee on Reactor Safeguards (ACRS) has completed a technical review due to ACRS technical concerns.

While it is a complicated concept, NPSH allows the cooling water needed in the event of an accident to it to be pushed toward the cooling pumps. Prior to uprate, VY relied upon gravity in the event of an accident, now however, if there is an accident, there must be adequate containment pressure by which to push the cooling water toward the cooling pumps, as gravity is

no longer strong enough. In actuality, the NRC has two regulations forbidding credit (or a waiver) for NPSH. Yet Vermont Yankee was granted its uprated power license in direct opposition to the regulations in spite of the fact that the Vermont DPS, the Union of Concerned Scientists and Mr. Gundersen, in his role as an expert witness, all wrote to the NRC Advisory Committee on Reactor Safeguards (ACRS) expressing significant concern about the NRC allowing Vermont Yankee to take this NPSH credit (waiver).

During the past several months, three additional BWR's owned by TVA have applied for similar uprate related NPSH credit (waiver) from the NRC. Now, five years after Vermont Yankee was granted its 20% power increase, the NRC ACRS is expressing such significant concern about NPSH that it has put these new license uprate approvals on hold due to NPSH, thus denying uprate licenses to any more reactor operators that claim they need the NPSH credit (waiver). Since Vermont Yankee and several other reactors received their NPSH credit (waiver) prior to the Advisory Committee on Reactor Safeguards expressing its concerns, the NRC has determined that it will continue to allow VY to operate at its 20% uprate (power increase) above the plant's original design capacity until the ACRS has made a firm determination.

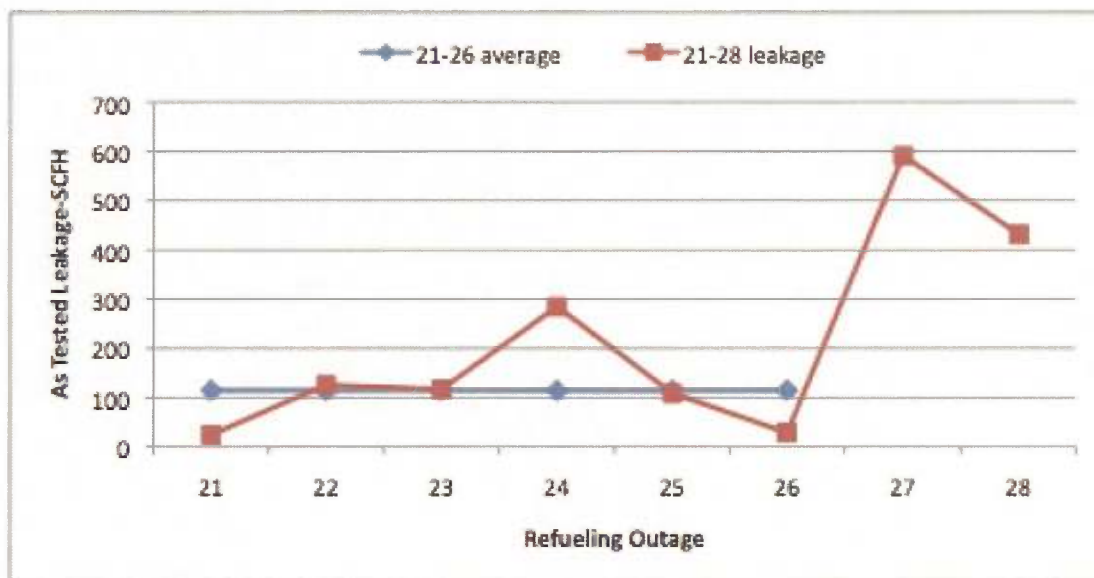
Section 7. MSIV (Main Steam Isolation Valve) Leakage

Main Steam Isolation Valves (MSIV's) are a safety related component used to stop radioactive steam from leaving the containment in the case of an accident. MSIV testing must take place at every outage. While these Main Steam Isolation Valves are safety related, the *mandatory tests* to make sure they are working properly are a reliability issue, because the testing procedures may increase the length of an outage thereby keeping VY offline for a longer time period. Therefore, the MSIV leakage rate and overview fell under the review of the VY Public Oversight Panel. In late 2008, the Panel identified a disturbing trend that indicated that MSIV leakage had increased dramatically following ENVY's 20% power uprate. This concern was addressed in the March 2009 POP report.

As a follow-up to the VY POP report, during the fall of 2009, ENVY provided MSIV analysis to the DPS, NSA and Fairewinds Associates. The data provided by ENVY indicated that an increase in leakage from the MSIV's would be minimized during the April 2010 outage because ENVY planned to change the way in which the procedure was performed and the manner in which the valves were closed. A Corrective Action Report (CR) was established, as this was one of the 81-items requiring repair and/or upgrade in order to assure reliability if VY were to be

operated for another 20-years. The Corrective Action Report suggested that this problem might be solved in 2010, so the resolution of MSIV leakage was postponed until the 2010 refueling outage. Now that the most recent Refueling Outage (RFO) has been completed, there is one more data point to add to the graph that Mr. Gundersen developed in December 2008 that formed the basis for the Vermont Yankee Public Oversight Panel (VY POP) concern in 2009. Unfortunately, the disturbing trend in MSIV leakage is continuing rather than stabilizing.

The Graph below displays the total MSIV leakage (for all 8-valves) measured at Vermont Yankee during the past 8-outages, which comprised a time period of 12-years. Refueling Outage 27 and 28 were at uprate conditions for the full 18-month cycle. Refueling Outage 21-26 had an average leak rate of 115 Standard Cubic Feet per Hour (SCFH). The RFO cycle 27 & 28 average leak rate was 510 SCFH.



The evidence reviewed shows that in the future these MSIV leakage-testing problems may impact the reliability of Vermont Yankee as predicted by the Public Oversight Panel in its 2009 report.

Section 8. The Timeline of Events

The Timeline of Events requested by the JFC had been planned to be a regular feature of Fairewinds Associates' reports for monitoring technical issues and power reductions that may impact the operational reliability of Entergy Nuclear Vermont Yankee. However, because Entergy is currently restricting access to some of this technical information, Fairewinds is unable

to provide this ongoing feature.

Section 9. Background

The Vermont Yankee Nuclear Plant, which began operation in 1972, is licensed to run for 40-years until 2012. ENVY has requested a 20-year license extension for its Vermont Yankee Nuclear Plant past its 2012 projected shutdown date. In Vermont such an extension requires a Certificate of Public Good (CPG) and review by the State Legislature. In 2008, the Vermont Legislature enacted the Act 189 Comprehensive Vertical Audit and Reliability Assessment in an effort to give Legislators a more accurate assessment of ENVY's ability to operate its nuclear plant reliably for an additional 20-years. In February 2009 following more than four years of research, review, and receiving testimony in the committees they chair, Senator Ann Cummings, Chair of the Senate Finance Committee, and Senator Virginia Lyons, Chair of the Senate Natural Resources Committee, called for a vote on whether or not to authorize the Public Service Board to complete its review of ENVY's relicensure for 20-more years of operation. The Senate voted against relicensure by a vote of 26 to 4.

In July 2008, following statutory authorization by Act 189, President Pro-Tem of the Vermont State Senate appointed Arnie Gundersen and the Speaker of the House appointed former Nuclear Regulatory Commissioner Peter Bradford to the Vermont Yankee Public Oversight Panel to fulfill a public oversight role regarding the reliability assessment of the Entergy Nuclear Vermont Yankee Power Plant. The Vermont Yankee Public Oversight Panel issued its report to the Vermont State Legislature in March 2009 after which it was disbanded. Following the discovery of a significant tritium leak in allegedly non-existent buried pipes, the Legislature called both the Vermont Yankee Public Oversight Panel (VY POP) and NSA, the Department of Public Service contractor, back into service to review data regarding the apparent source of the leak, the advanced off-gas (AOG) system. NSA released its report April 30, 2010. The VY POP released its report July 19, 2010. The Legislature hoped the VY POP would have completed its assessment and report in March in order for the Legislature to review the report and receive testimony during the Spring 2010 session. However, ENVY was unable to definitively uncover the source of the leak until late March, which delayed both the NSA assessment and the Public Oversight Panel's review and report.



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February 22, 2010

Senator Peter Shumlin, President Pro Tempore of the Senate
Senator John Campbell, Senate Majority Leader
Vermont Senate
Montpelier, Vermont

Dear Senators Shumlin and Campbell:

I am writing in regards to the recent findings of tritium contamination of groundwater at the Vermont Yankee Power Plant (VY). I offer some observations that I believe are important for your deliberations on the continued operation of this Plant. These observations draw upon my 20+ years career in analysis of groundwater contamination that has included the study or review of hundreds of groundwater contamination sites around the world.

The Vermont Department of Health (VTDOH) has done an excellent job of responding to the reported tritium release. I have reviewed the data that has been posted on the VTDOH web site along with the 1991 Battelle site characterization report that I obtained independently.

The emerging data-set on the distribution of tritium suggests that a major contamination event has occurred at VY. When analyzing such an event a number of questions present themselves.

First, what is the source of the observed groundwater contamination? VTDOH reports rapid progress on identifying a likely source in the vicinity of well GZ-10. This apparent source location is several hundred feet from the contaminated wells nearest the Connecticut River (e.g. well GZ-14).

Second, how long has the source been releasing contamination? One feature common to nearly all groundwater contamination sites is the slow travel time of contaminants. Given the apparent geologic conditions beneath the VY site, as detailed in the Battelle site characterization report, it is highly likely that contaminants would require many months to travel the several hundred feet from the source to the current observed location. That

is, the data reported to-date suggests that this is not a short term release, but rather a leak that has gone undetected for perhaps a year or more.

Third, how much groundwater has been contaminated by this event? The spatial distribution of contamination at this site suggests that a plume of tritium contaminated water is present. Using data collected to date and a conservative estimate of plume extent suggests that at least several hundred thousand gallons of groundwater are contaminated with tritium.

The emerging data-set at VY indicates that a long-term, major leak of tritium contaminated water has been discovered at the site. The existence of such a substantial leak raises serious questions about the viability of the infrastructure at this aging plant.

I hope these observations are useful to you in your deliberations on the future of VY. I expect to monitor the ongoing data collection and would be pleased to discuss my thoughts with you regarding the extensive contamination at Vermont Yankee.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Rife". The signature is fluid and cursive, with a long horizontal stroke at the end.

Cc: Senator Ann Cummings, Chair of Senate Comm. on Finance
Senator Virginia Lyons, Chair of Senate Comm. on Natural Resources
Senator Diane Snelling, Clerk, Joint Fiscal Committee
Representative Shap Smith, Speaker of the House
Representative Floyd Nease, House Majority Leader
Representative Tony Klein, Chair of House Comm. on Natural Resources and Energy
Representative Michael Obuchowski, Chair Joint Fiscal Committee
Stephen Klein, Chief Fiscal Officer, Legislative Joint Fiscal Office

Biographical Sketch

David P. Ahlfeld

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Education

Humboldt State Univ., Arcata, California	B.S. in Environmental Resources Engr,	1983
Princeton University,	M.A. in Civil Engineering,	1985
Princeton University	Ph.D. in Civil Engr. and Oper. Research,	1987

Academic Appointments

Professor, Department of Civil and Environmental Engineering, University of Massachusetts, September 2004 to present.

Associate Professor, Department of Civil and Environmental Engineering, University of Massachusetts, January 1998 to September 2004.

Associate Professor, Department of Civil and Environmental Engineering, University of Connecticut, September 1994 to January 1998.

Assistant Professor, Department of Civil Engineering, University of Connecticut, January 1988 to August 1994.

Lecturer, Department of Civil Engineering and Operations Research, Princeton University, Spring semester 1987 and Spring semester 1988

Selected Publications

D.P. Ahlfeld and Y. Hoque, "Impact of Simulation Model Solver Performance on Groundwater Management Problems", *Ground Water*, Vol 46, no. 5 September-October 2008, pgs 716-726.

D.P. Ahlfeld and G. Baro-Montes, "Solving Unconfined Groundwater Flow Management Problems with Successive Linear Programming", *Journal of Water Resources Planning and Management*, Vol. 134, No. 5, September 1, 2008, pgs 404-412.

Ahlfeld, D.A., Barlow, P.M., and Mulligan, A.E., 2005, GWM-A ground-water management process for the U.S. Geological Survey modular ground-water model (MODFLOW-2000): U.S. Geological Survey Open-File Report 2005-1072, 124 p (refereed).

D.P. Ahlfeld, "Nonlinear Response of Streamflow to Groundwater Pumping For A Hydrologic Streamflow Model", *Advances in Water Resources*, January 2004, Vol 27, pgs 349-360.

Barlow, P.M., D.P. Ahlfeld, and D.C. Dickerman, "Conjunctive-Management Models for Sustained Yield of Stream-Aquifer Systems", *Journal of Water Resources Planning and Management*, January-February 2003, Vol. 129, No. 1, pgs 35-48.

A.E. Mulligan and D.P. Ahlfeld, "Advective Control of Contaminant Plumes: Model Development and Comparison to Hydraulic Control", *Water Resources Research*, Vol. 35, No. 8, August 1999, pgs 2285-2295.

Ahlfeld, D. P., and A. E. Mulligan, 2000, "Optimal Management of Flow in Groundwater Systems", Academic Press, San Diego, CA.

The New York Times

Green

A Blog About Energy and the Environment

APRIL 20, 2010, 6:16 PM

Has Trust Leaked Away With the Tritium?

By MATTHEW L. WALD

12:11 p.m. | Updated Fixed broken link to Beyond Nuclear report.

AP/Glenn Russell, Burlington Free Press Workers drilled a well from which water contaminated with tritium would be pumped and stored at the Vermont Yankee nuclear plant last month. Leaks from a pipe there caused an uproar.

A panel of experts convened on Tuesday by the Nuclear Regulatory Commission to discuss how the agency should approach tritium leaks at reactors suggested that the biggest risk that nuclear operators faced was the erosion of public trust.

“Tritium is one of the most benign of radioactive materials that I’ve worked with in my career, and I’ve worked with many of them,” said Dr. John E. Till, a veteran radiation expert who has led studies at several nuclear weapons sites to determine doses. “I’m surprised to be here based on what we know about the science of this material.”

“But on the other hand, the perception of tritium as a potential risk in the environment to the public is huge; it is absolutely huge,” he said. He called it the industry’s biggest problem since the Three Mile Island accident in 1979.

An industry representative on the panel, Alex Marion, a vice president of the Nuclear Energy Institute, said, “We’re facing a policy issue, and that issue is maintaining public trust and confidence.”

The recent discovery of leaks in an underground pipe that allowed radioactive tritium to flow into the groundwater at a nuclear reactor in Vermont has caused an uproar and drawn national attention to the tritium issue.

Tritium is a radioactive form of hydrogen that occurs naturally yet is also created in reactors. It is almost always incorporated into a water molecule like an ordinary hydrogen atom and is therefore impossible to filter out, and readily absorbed by the body. But it is also quickly excreted from the body, as ordinary water is, which limits the dose.

In fact, doses ingested appear so far to have been extremely small, even though nearly all reactors have reported leaks. The reason is that very little tritium has reached drinking water.

This is small consolation to critics, who point out that the industry has a history of unintended and sometimes unmonitored releases.

James P. Riccio, a nuclear expert at Greenpeace, says that while nuclear plants have permits that allow them to emit material into surface water and the air, they do not have permits that let them release material to groundwater, which is where the tritium is going.

Public officials also voiced criticism. William Buscher, manager of the hydrology and compliance unit in Illinois's state Environmental Protection Agency, said that part of the problem was with the Nuclear Regulatory Commission's approach, which he said was to wait for leaks and then fix them rather than trying to prevent them, and to leave contaminated soil in place until a reactor was ready to be torn down at the end of its life.

A nuclear plant's neighbors "have a right to put in a well and have it not affected by someone else's dirty nest," he said. Two twin-unit power stations in Illinois have had tritium problems.

"It is my opinion that the regulatory culture of the N.R.C. needs to be reexamined and remolded," he said.

A member of the audience, Paul Gunter, the nuclear expert at a group called Beyond Nuclear, criticized the regulatory commission for having allowed the industry to design and carry out an inspection campaign to look for leaks. "The agency has basically turned over the oversight to the industry," he said. (The group recently produced a report on leaks.)

Joining the meeting by telephone, Arnie Gunderson, a nuclear engineer who is a member of nuclear safety panel established by the state of Vermont to evaluate Vermont Yankee, offered guidelines for a tritium strategy. "The first prong is to keep the horse in the barn, and the second prong is that if the horse gets out, to find it quickly."

Accomplishing either is unlikely, he said, if the pipes in question are underground and hard to inspect, as is the case at Vermont Yankee.

But he added, "It's not about dose, it's not about public health, it's about regaining public trust."



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July 2, 2010

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

Re: Docket 7600 – DPS prefiled testimony

Dear Mrs. Hudson:

Please find enclosed for filing an original and six copies of the prefiled testimony and exhibits of Department witness Uldis Vanags.

Thank you for your assistance in making this filing.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Sarah Hofmann".

Sarah Hofmann, Director for Public Advocacy
Jeannie Elias, Special Counsel

cc: Attached Service List



PSB Docket No. 7600 - SERVICE LIST

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STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7600

Investigation into (1) whether Entergy Nuclear Vermont Yankee, LLC, and Entergy Nuclear Operations, Inc., (collectively, "Entergy VY"), should be required to cease operations at the Vermont Yankee Nuclear Power Station, or take other ameliorative actions, pending completion of repairs to stop releases of radionuclides, radioactive materials, and, potentially, other non-radioactive materials into the environment; (2) whether good cause exists to modify or revoke the 30 V.S.A. § 231 Certificate of Public Good issued to Entergy VY; and (3) whether any penalties should be imposed on for any identified violations of Vermont statutes or Board orders related to the releases

DIRECT TESTIMONY
OF
ULDIS VANAGS
ON BEHALF OF
VERMONT DEPARTMENT OF PUBLIC SERVICE

July 2, 2010

Summary: The purpose of my testimony is to respond to the issues presented in the Board's Order of 3/18/10.

Prefiled Testimony
of
Uldis Vanags

1 Q. Please state your name and occupation.

2 A. My name is Uldis Vanags, and I am the Vermont State Nuclear Engineer
3 with the Department of Public Service ("The Department" or "DPS"). My
4 responsibilities include oversight of the activities of the Entergy Nuclear Vermont
5 Yankee nuclear power station in particular, and the nuclear power industry in
6 general. In addition, I serve as one of two Vermont representatives to the Texas
7 Low-Level Radioactive Waste Disposal Compact Commission.

8

9

10 Q. Please summarize your educational background and experience.

11 A. I have a B.A. in Physics from the University of Maine at Orono, and an
12 M.S. in Health Physics from the University of Lowell, Massachusetts. Prior to
13 coming to the Department, I served as the State of Maine Nuclear Safety Advisor
14 for 11 years, as Energy Policy Analyst with the Maine State Planning Office for
15 three years, and as Radiological Engineer at the decommissioning of the Maine
16 Yankee nuclear power station for three and a half years. I have been with the
17 Department since August 2007. My resume is attached as Exhibit DPS-UV-1.

18

19 Q. What is the purpose of your testimony?

20 A. In my testimony I provide the Department's response to the three specific
21 issues outlined in the Board's Order of March 3, 2010, which defined the scope of
22 this docket. Although the focus of this phase of the docket is on the first issue as
23 per the Board's Order of 3/18/10, I have included information on the second and
24 third issues as well.

25

1 Q. Please state the first of those three issues and the Department's response.

2
3 The Board asked:

4
5 Should Energy VY be required to cease operations at Vermont Yankee or take
6 other ameliorative actions, pending completion of repairs to stop unpermitted
7 releases of radionuclides, radioactive materials, and, other non-radioactive
8 materials into the environment?
9

10 A. The Department's response is that Entergy VY should not be required to cease
11 operation of the Vermont Yankee nuclear station for the following reasons:

12 Since the leak of tritium to the environment was discovered at the station
13 on January 15, 2010, Vermont Yankee assembled an effective team to locate and
14 stop the source of the leak to the environment. I have closely monitored the
15 team's progress and persistence to methodically locate the source of the leak
16 which they successfully identified and stopped on February 15, 2010. The leak
17 ceased when the drain in the AOG (Advanced Off Gas System) pipe tunnel was
18 cleared which then allowed the normal process to resume whereby contaminated
19 water flows to the AOG drain pit where it is contained and directed to the Rad
20 Waste System.

21 Prior to the identification of the tritium source my recommendation was
22 that the station continue to operate while searching for the leak as long as it did
23 not affect the nuclear safety of the station or public health. There was no evidence
24 that this leak was affecting systems, structures or components that could impact
25 the safe operation of the station. The station was operating normally and without
26 issue at maximum thermal power. In addition, the U.S. Nuclear Regulatory
27 Commission (NRC) did not order the station shutdown. NRC has full authority
28 to do so if nuclear safety of the station was impacted. I witnessed Vermont
29 Yankee following all its procedures to assure there was a thorough engineering
30 review prior to the drilling of sample wells and any excavation work. It was my
31 assessment that the effort to locate the source of the leak would be aided and
32 accelerated by performing the search while the plant was in operation and systems
33 were pressurized.

1 Also, it was my assessment that continued operation of the station while
2 searching for the source of the leak would not impact public health as
3 demonstrated by the radiation dose analysis performed by Areva for Vermont
4 Yankee and entered as Exhibit EN-JH-6. This dose calculation was performed to
5 the maximum exposed individual that in this case would be a child who consumed
6 food products and water from the Connecticut River and products irrigated with
7 water from the River. The dose is estimated to be 0.000319 mrem in one year.
8 The average person in the United States receives an average total dose of about
9 310 mrem in one year from natural sources of background radiation as reported
10 by the National Council on Radiation Protection and Measurements, Report 160.
11 This assessment is supported by NRC's review of ENVY's revised dose
12 assessment of May 9, 2010 where they state in the Vermont Yankee Nuclear
13 Station – Ground Water Monitoring Assessment Inspection Report
14 05000271/2010006 "The resultant dose calculation to a child was 0.00026 mrem
15 in one year. In addition to the above stated exposure pathways, if there was also a
16 drinking water pathway from the Connecticut River down stream from the
17 Vernon Dam, the child dose would be 0.00035 mrem in one year."

18 As to ameliorative actions that would apply to preventing future leaks,
19 Entergy VY should follow through on the Buried Pipe and Tank Inspection
20 Program (BPTIP) and the Ground Water Protection Initiative. I have attached the
21 Supplemental Report to the Comprehensive Reliability Assessment as Exhibit
22 DPS-UV-2. This document was prepared for Docket 7440, but it provides
23 background on the AOG (Advanced Off Gas System) leak investigation as well as
24 an assessment of the BPTIP. The recommendations of the SR CRA should be
25 followed through on by EntergyVY.

26
27

1 Q. What was the second issue outlined by the Board and your response?

2
3 Whether good cause exists to modify or revoke the
4 Certificate of Public Good ("CPG") that the Board
5 issued to Entergy pursuant to 30 V.S.A. § 231 on June
6 13, 2002, in Docket No. 6545 as a result of those
7 releases?
8

9 A. The Department's response is that while it does not believe that cause
10 exists to revoke the CPG issued to Entergy, the Board should impose a condition
11 upon that incorporates the timely completion of the "*Groundwater Protection*
12 *Initiative*"¹ as a condition of either the CPG or as a result of this docket for the
13 following reasons:

14 The Board's issuance of the CPG to Entergy was granted in part, on the
15 basis of a finding that the nuclear station, if operated reliably, would result in an
16 economic benefit to ratepayers. Throughout the tritium investigation undertaken
17 by Entergy VY the nuclear station operated at 100% power except for two power
18 reductions to make equipment repairs and required rod pattern adjustments. The
19 unit capability factor for Vermont Yankee during January through May 2010 was
20 97.75%, 98.68%, 99.01, 94.25, and 78.22, respectively. There was a short power
21 reduction in mid-January due to insulator damage in the switch yard and a
22 recirculation pump oil level alarm, both not related to the tritium leak event. A
23 decrease in the capability factor in May was due to power down for the scheduled
24 refueling outage. The tritium investigation did not impact the electrical power
25 production of Vermont Yankee.

26 However, if the voluntary GPI had been completed on schedule this
27 program would very likely have identified the tritium leak sooner. While three

¹ The Groundwater Protection Initiative(GPI) was developed and finalized by the Nuclear Energy Institute in August 2007 (NEI 07-07 (Final). The purpose of this initiative was to address the inadvertent release of radioactive plant-related materials to the subsurface soils and groundwater which had occurred at multiple nuclear stations throughout the Nation. The GPI identifies those actions necessary for implementation of a timely and effective ground water protection program. This is a voluntary program that all nuclear power owners have agreed to implement. The Nuclear Regulatory Commission is monitoring the progress of the implementation of this program.

1 ground water wells were installed in the fourth quarter of 2007 by the river bank,
2 the GPI was to be fully implemented by August 2008 which would have resulted
3 in the development of a site specific hydro-geological model and installation of
4 additional monitoring wells. This was not done as identified in Entergy VY's
5 Root Cause Evaluation Report dated 6/16/10 and submitted to the Board by
6 Entergy VY's counsel with a cover letter dated 6/22/10. It is estimated that the
7 tritium leak may have progressed for 2 years prior to it reaching one of the
8 sampling wells at the river bank. Had Entergy VY implemented the GPI on
9 schedule it is highly likely that the leak would have been identified in its early
10 stages.

11 While Entergy VY has recently communicated its intention to complete
12 the voluntary GPI quickly, making it a mandatory condition would ensure that it
13 does so and would also give the Board authority to monitor progress with
14 compliance.

15 It is also relevant for the Board to determine whether the contamination
16 related to the tritium leak at the Vermont Yankee site is likely to have an impact
17 on the decommissioning cost for the plant, and whether a condition should flow
18 from that information. Entergy VY provided its assessment of the impact to the
19 cost of decommissioning from the AOG System leakage event to the Windham
20 Regional Commission in Docket 7600, June 15, 2010, A.WRC:EN.1-11. Here
21 Entergy VY stated that it was not possible for them to determine at this time if
22 there would be any additional expenses borne by the VY Station's
23 decommissioning trust funds. The Department agrees that at this time Entergy VY
24 does not have all the analysis completed to determine if there will be any residual
25 contamination from this event that may require remediation and costs from the
26 decommissioning fund. However, considering the known contamination to date,
27 it is unlikely that there will be any significant remediation requiring additional
28 costs to decommission fund from either soil or groundwater contamination.

29 The AOG System event resulted in contamination of soils in the
30 immediate vicinity of the leak source. The soil contamination from the leak

1 resulted in the removal of about 240 cubic feet of contaminated soil. The cost of
2 this removal was from operational funds. No decommissioning funds to date are
3 being used for this AOG contamination event.

4 Radioactivity measurements of the two locations that were remediated
5 showed that the contamination decreased as expected with depth of the soil.
6 Entergy VY has explained to the Department that the concentrations of nuclides
7 remaining in the soils are at activity concentrations that can remain and still meet
8 decommissioning radiation dose regulations for unrestricted use of the property.
9 However, I would expect this area where the leak occurred and the pipe tunnel
10 concrete structure (250 feet long and about 15 feet deep) which is contaminated
11 will all be removed in entirety during decommissioning. In addition, I am aware,
12 from the experience of mitigating radioactive soils at the Maine Yankee
13 decommissioning project, that it is also true that contaminated soils can be
14 effectively removed in bulk at costs that do not impact the cost of the
15 decommissioning project. Thus, it is highly unlikely that any remaining soil
16 contamination from this AOG System leak will have any significant impact on the
17 decommissioning funds.

18 The AOG System leak has contaminated ground water on a portion of the
19 site of the Vermont Yankee station. Entergy VY has taken measures to mitigate
20 the ground water contamination by pumping out contaminated water from one
21 extraction well. The company's plan is to pump out approximately 300,000
22 gallons of the tritium contaminated water which will ultimately be used as
23 makeup water for the nuclear station over several years. The nuclear station
24 requires makeup water as it operates and the purified water in the systems and
25 spent fuel pool are already tritiated so utilizing the extracted water is an efficient
26 means to disposition it. Since the AOG System leak was located and stopped,
27 overall concentration of tritium in most test wells is decreasing. In general, wells
28 close to the source of the leak and the extraction well are decreasing in tritium
29 concentration. The most outer wells, especially toward the river bank have
30 experienced increases in concentration due to the plume moving toward these

1 wells. However, the concentrations are expected to begin declining once reaching
2 a maximum concentration. At present, Entergy VY has GZA GeoEnvironmental,
3 Inc. developing a computer model of the ground water flow at the VY site. This
4 model will enable GZA to reasonably predict the tritium concentration decline
5 overtime and will provide information to the Department if the ground water
6 tritium concentrations will present any restrictions to the land use when Vermont
7 Yankee is eventually decommissioned.

8 The bottom line is that it is unnecessary for the Board to add a condition to
9 the CPG regarding decommissioning costs. First and foremost, the Docket 6545
10 Order makes clear that the decommissioning risk is squarely on Entergy VY's
11 shoulders whatever the cost may be so such a condition would be redundant.
12 Second, although the Department does not believe that decommissioning costs
13 will be significantly increased because of the leaks, this issue is better reviewed in
14 the context of Docket 7440.

15
16 Q. What was the third issue outlined by the Board and your response?

17
18 Whether any penalties should be imposed on
19 Entergy VY for any identified violations of Board
20 orders related to those releases, or any statutory
21 violations that are within the Board's jurisdiction
22 for imposing sanctions?
23

24 A. The Department at this time is unaware of any violations of Board orders
25 or CPG conditions related to the releases. Accordingly, the Department does not
26 believe that penalties can be imposed under the criteria of Title 30 of the Vermont
27 Statutes Annotated. However, the Department defers to and supports any
28 recommendations on this question made by the Vermont Agency of Natural
29 Resources for matters related to conditions or criteria related to environmental
30 issues.

31
32 Q. Does this conclude your testimony?

33 A. Yes.

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Agency of Transportation

September 1, 2010

Senator Richard Mazza, Chair
Joint Transportation Oversight Committee
State House
Montpelier, VT 05633-5201

Re: Report of actions under the authority

f Act No. 123 of 2010

Dear Senator Mazza:

The following reporting requirements
which states:

Act No. 123 of 2010

*Sec. 12. AMERICAN RECOVERY AND REINVESTMENT
MAINTENANCE OF EFFORT*

TRANSPORTATION

(a) The general assembly finds that the federal money available for transportation. It is the intent of this section to ensure that the state's share of federal money available for transportation is maintained in accordance with the maintenance of effort requirements in section 1201 of the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5, which requires the state to certify and maintain planned levels of expenditure of state funds for the types of projects funded by ARRA during the period February 17, 2009 through September 30, 2010. Failure to maintain the certified level of effort will prohibit the state from receiving additional federal funds through the August 2011 redistribution of federal aid highway and safety programs.

(b) Notwithstanding 32 V.S.A. § 706 and the limits on program, project, or activity spending authority in the fiscal year 2010 and 2011 transportation programs, the secretary, with the approval of the secretary of administration and subject to the provisions of subsection (c) of this section, may transfer transportation fund or federal fund appropriations, other than appropriations for the town highway state aid, structures, and class 2 roadway programs, to redirect funding to activities eligible for inclusion in, and for the specific purpose of complying with, the maintenance of effort requirements of section 1201 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. Any appropriations so transferred shall be expended on projects or activities within the fiscal year 2010 or 2011 transportation programs.

(c) If a contemplated transfer of an appropriation would, by itself, have the effect of significantly delaying the planned work schedule of a project which formed the basis of the project's funding in the fiscal year of the contemplated transfer, the secretary shall submit the proposed transfer for approval by the house and senate committees on transportation when the general assembly is in session, and when the general assembly is not in session, by the joint transportation oversight committee. In all other cases, the secretary may execute the transfer, giving prompt notice thereof to the joint fiscal office and to the house and senate committees on transportation when the general assembly is in session, and when the general assembly is not in session, to the joint transportation oversight committee.

(d) This section shall expire on September 30, 2010.

The following transfer of appropriations occurred:

1. In fiscal year 2010, \$2,625,000 of transportation fund appropriation was transferred from Maintenance (8100002000) to Program Development (8100001100).
2. In fiscal year 2011, \$2,414,500 of transportation fund appropriation was transferred from Maintenance (8100002000) to Program Development (8100001100).

The following reporting requirement is established in Sec. 16 of Act No. 123 of 2010 which states:

Sec. 16. AUTHORITY TO REDUCE FISCAL YEAR 2010 APPROPRIATIONS AND TRANSFER TRANSPORTATION FUNDS TO THE TIB FUND TO PAY FISCAL YEAR 2011 BOND OBLIGATIONS

(a) Notwithstanding 32 V.S.A. § 706 and the limits on program, project, or activity spending authority in the fiscal year 2010 transportation program, the secretary of transportation, with the approval of the secretary of administration and subject to the provisions of subsection (b) of this section, may reduce fiscal year 2010 transportation fund appropriations, other than appropriations for the town highway state aid, structures, and class 2 roadway programs, or TIB fund appropriations, and transfer in fiscal year 2010 the amount of the reductions from the transportation fund to the TIB fund for the specific purpose of providing the funds the treasurer deems likely to be needed to satisfy any debt service reserve requirement of transportation infrastructure bonds authorized by this act, to pay the issuance costs of such bonds, or to pay the principal and interest due on such bonds in fiscal year 2011.

(b) The secretary's authority under subsection (a) of this section to reduce appropriations is limited to appropriations, the reduction of which, by itself, will not have the effect of significantly delaying the planned fiscal year 2010 work schedule of a project which formed the basis of the project's funding in fiscal year 2010.

(c) When any appropriation is reduced pursuant to this section, the secretary shall report the reduction to the joint fiscal office and to the house and senate committees on transportation when the general assembly is in session, and when the general assembly is not in session, to the joint transportation oversight committee.

The following fiscal year 2010 appropriation reductions and transfer from the transportation fund to the TIB fund occurred:

Dept ID	Appropriation	FY2010 Year End Transportation Fund Appropriation Balance	Act 123 Sec 16 Appropriation Reduction
8100000100	FINANCE & ADMINISTRATION	124,378.18	124,378.18
8100000800	TRANSPORTATION BOARD	1,520.10	1,520.10
8100001700	INTERSTATE REST AREAS	174,160.61	174,160.61
8100002100	DEPT. OF MOTOR VEHICLES	1,811,119.72	680,000.00
8100002200	POLICY AND PLANNING	319,751.70	319,751.70
8100005700	PUBLIC TRANSIT	665,753.01	206,028.00
		Total Transfer to TIB Fund	1,505,838.59

Sincerely,



David C. Dill
Secretary of Transportation

cc: Legislative Distribution
Members of the Joint Transportation Oversight Committee

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Program	Project Name And Number	Project Total	Projected FY2011 Costs	FY2011 Budget	FY2011 Over/(Under)	Non-FY2011 Budget
INTERSTATE BRIDGES	BETHEL-WILLIAMSTOWN IR 089-1(12)	\$2,120,702	\$0	\$720,000	(\$720,000)	\$2,120,702
INTERSTATE BRIDGES	BRATTLEBORO IM 091-1(50)	\$16,692,479	\$6,925,500	\$2,526,500	\$4,399,000	\$9,766,979
INTERSTATE BRIDGES	GUILFORD IM 091-1(33)	\$9,167,194	\$2,348,711	\$1,680,771	\$667,940	\$6,818,483
INTERSTATE BRIDGES	HARTFORD-SHARON IM MEMB(15)	\$4,119,306	\$2,494,600	\$2,000,000	\$494,600	\$1,624,706
INTERSTATE BRIDGES	LITTLETON-WATERFORD IM 093-1()	\$3,000,000	\$20,000	\$500,000	(\$480,000)	\$2,980,000
INTERSTATE BRIDGES	PUTNEY IM 091-1(31)	\$4,066,399	\$3,795,049	\$3,365,049	\$430,000	\$271,350
INTERSTATE BRIDGES	PUTNEY IM 091-1(60)	\$3,933,302	\$1,008,000	\$300,000	\$708,000	\$2,925,302
INTERSTATE BRIDGES	RICHMOND IM BPNT(3)	\$1,616,379	\$1,616,379	\$2,010,664	(\$394,285)	\$0
INTERSTATE BRIDGES	RICHMOND IM BPNT(6)	\$1,740,295	\$1,460,565	\$1,205,565	\$255,000	\$279,730
INTERSTATE BRIDGES	RICHMOND-WILLISTON IM CULV(16)	\$564,919	\$464,000	\$1,200,000	(\$736,000)	\$100,919
INTERSTATE BRIDGES	SHARON IM CULV(18)	\$1,625,674	\$559,000	\$1,390,000	(\$831,000)	\$1,066,674
INTERSTATE BRIDGES	ST. ALBANS-HIGHGATE IM BPNT(4)	\$4,462,058	\$2,956,358	\$3,588,358	(\$632,000)	\$1,505,700
INTERSTATE BRIDGES	ST. JOHNSBURY-LYNDON IM MEMB(18)	\$4,392,857	\$4,392,857	\$2,690,000	\$1,702,857	\$0
INTERSTATE BRIDGES	WEATHERSFIELD-THETFORD IM CULV(17)	\$2,672,850	\$612,000	\$1,612,500	(\$1,000,500)	\$2,060,850
INTERSTATE BRIDGES	WINDSOR IM091-1(64)	\$150,000	\$150,000	\$0	\$150,000	\$0
INTERSTATE BRIDGES	WINDSOR-HARTLAND IM MEMB(14)	\$2,263,961	\$2,238,460	\$1,100,000	\$1,138,460	\$25,501
INTERSTATE BRIDGES TOTAL					\$5,152,072	
PAVING	ADDISON-NEW HAVEN STP 9632(1)	\$5,920,000	\$725,000	\$50,000	\$675,000	\$5,195,000
PAVING	ALBURGH ARPV(2)	\$470,000	\$468,012	\$200,000	\$268,012	\$1,988
PAVING	ARLINGTON STP 2334(1)	\$2,250,215	\$725,000	\$80,000	\$645,000	\$1,525,215
PAVING	ARLINGTON-DORSET STP 2625(1)	\$3,791,114	\$1,130,000	\$50,000	\$1,080,000	\$2,661,114
PAVING	BARRE TOWN-ORANGE STP SURF(15)	\$1,532,388	\$1,416,555	\$795,000	\$621,555	\$115,833
PAVING	BARTON ARPV(3)	\$655,000	\$652,507	\$300,000	\$352,507	\$2,493
PAVING	BENNINGTON STP 2622(1)	\$476,965	\$425,000	\$791,000	(\$366,000)	\$51,965
PAVING	BENNINGTON STP 2626(1)	\$1,196,272	\$1,130,000	\$1,243,000	(\$113,000)	\$66,272
PAVING	BERLIN ARPV(4)	\$415,000	\$414,184	\$215,000	\$199,184	\$816
PAVING	BRATTLEBORO STP 2623(1)	\$3,549,554	\$3,435,323	\$2,790,109	\$645,214	\$114,231
PAVING	BRATTLEBORO-PUTNEY STP 2310(1)	\$4,957,439	\$4,777,439	\$3,744,000	\$1,033,439	\$180,000
PAVING	BRIGHTON-WARREN GORE STP 2724(1)	\$6,291,743	\$1,200,000	\$1,700,000	(\$500,000)	\$5,091,743
PAVING	BURLINGTON STP 2721(1)	\$2,434,582	\$250,000	\$75,000	\$175,000	\$2,184,582
PAVING	CHELSEA-VERSHIRE STP 2331(1)	\$6,392,798	\$3,149,915	\$5,829,290	(\$2,679,375)	\$3,242,883
PAVING	DERBY IM 091-3(46)	\$8,236,233	\$5,140,980	\$7,229,500	(\$2,088,520)	\$3,095,253
PAVING	DERBY STP 2703(1)	\$1,511,622	\$1,416,622	\$936,000	\$480,622	\$95,000
PAVING	FAIRFAX-ST. ALBANS TOWN STP 2217(1)S	\$3,324,380	\$500,000	\$1,000,000	(\$500,000)	\$2,824,380
PAVING	GROTON-RYEGATE STP SURF(16)	\$448,551	\$409,166	\$180,000	\$229,166	\$39,385
PAVING	GUILDHALL-MAIDSTONE STP 2706(1)	\$4,871,718	\$4,815,553	\$2,800,000	\$2,015,553	\$56,165
PAVING	GUILFORD-BRATTLEBORO STP 2707(1)	\$3,331,498	\$262,658	\$533,000	(\$270,342)	\$3,068,840

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Program	Project Name And Number	Project Total	Projected FY2011 Costs	FY2011 Budget	FY2011 Over/(Under)	Non-FY2011 Budget
PAVING	HARDWICK ARPV(5)	\$510,000	\$509,781	\$260,000	\$249,781	\$219
PAVING	HARTFORD-SHARON IM 089-1(57)	\$5,581,753	\$1,070,753	\$500,250	\$570,503	\$4,511,000
PAVING	HARTLAND-NORWICH IM 091-1(59)	\$7,091,283	\$950,000	\$25,000	\$925,000	\$6,141,283
PAVING	IRASBURG-DERBY IM 091-3(47)	\$5,853,371	\$748,354	\$63,000	\$685,354	\$5,105,017
PAVING	LINCOLN ARPV(6)	\$345,000	\$344,545	\$175,000	\$169,545	\$455
PAVING	MILTON ARPV(7)	\$425,000	\$318,858	\$200,000	\$118,858	\$106,142
PAVING	MONTPELIER NH 2901(1)	\$885,000	\$210,000	\$0	\$210,000	\$675,000
PAVING	MONTPELIER STP 2905(1)	\$2,380,000	\$355,000	\$0	\$355,000	\$2,025,000
PAVING	NEWBURY IM 091-2(77)	\$5,861,092	\$5,801,091	\$3,640,000	\$2,161,091	\$60,000
PAVING	NEWFANE-TOWNSHEND STP 2401(1)	\$4,438,051	\$3,638,939	\$5,247,000	(\$1,608,061)	\$799,112
PAVING	NEWPORT CITY ARPV(8)	\$415,000	\$414,000	\$215,000	\$199,000	\$1,000
PAVING	NEWPORT-COVENTRY-NEWPORT STP 2802(1)	\$4,500,000	\$400,000	\$110,000	\$290,000	\$4,100,000
PAVING	RIPTON-HANCOCK STP 2803(1)	\$4,263,272	\$3,887,339	\$4,743,000	(\$855,661)	\$375,933
PAVING	RUTLAND CITY NH 2716(1)	\$2,775,000	\$25,000	\$279,000	(\$254,000)	\$2,750,000
PAVING	RUTLAND CITY STP 2728(1)	\$1,875,000	\$25,000	\$233,500	(\$208,500)	\$1,850,000
PAVING	RYEGATE-NEWBURY STP SURF(17)	\$1,490,143	\$1,470,143	\$1,240,000	\$230,143	\$20,000
PAVING	SHELDON-ENOSBURG STP 2714(1)	\$2,648,939	\$1,467,936	\$1,101,300	\$366,636	\$1,181,003
PAVING	STRAFFORD ARPV(9)	\$845,000	\$843,979	\$400,000	\$443,979	\$1,021
PAVING	THETFORD-FAIRLEE STP 2710(1)	\$3,442,500	\$467,500	\$50,000	\$417,500	\$2,975,000
PAVING	TOPSHAM ARPV(10)	\$760,000	\$759,165	\$360,000	\$399,165	\$835
PAVING	TROY-NEWPORT STP 2613(1)	\$4,277,712	\$2,631,757	\$4,330,000	(\$1,698,243)	\$1,645,955
PAVING	WARREN GORE-NORTON STP 2725(1)	\$5,938,372	\$1,000,000	\$3,900,000	(\$2,900,000)	\$4,938,372
PAVING	WARREN-WAITSFIELD STP 2506(1)	\$6,850,000	\$700,000	\$453,000	\$247,000	\$6,150,000
PAVING	WATERBURY STP 2201(1)	\$1,422,672	\$251,000	\$33,750	\$217,250	\$1,171,672
PAVING	WEST RUTLAND ARPV(1)	\$800,000	\$535,000	\$400,000	\$135,000	\$265,000
PAVING	WESTFORD-FAIRFAX STP 2804(1)	\$2,860,731	\$2,752,731	\$3,200,000	(\$447,269)	\$108,000
PAVING	WESTMINSTER-SPRINGFIELD IM 091-1(62)	\$6,390,363	\$6,000,000	\$500,000	\$5,500,000	\$390,363
PAVING	WORCESTER-ELMORE STP 2209(1)S	\$5,624,975	\$4,690,297	\$6,000,000	(\$1,309,703)	\$934,678
PAVING TOTAL					\$6,512,383	
ROADWAY PROJECTS	BARRE CITY FEGC F 026-1(34)	\$15,766,326	\$2,190,000	\$2,000,000	\$190,000	\$13,576,326
ROADWAY PROJECTS	BARRE CITY FEGC F 026-1(34)C/1	\$1,381,533	\$1,320,000	\$1,000,000	\$320,000	\$61,533
ROADWAY PROJECTS	BRANDON NH 019-3(495)	\$13,687,496	\$6,005,000	\$8,000,000	(\$1,995,000)	\$7,682,496
ROADWAY PROJECTS	BRISTOL STP 021-1(27)	\$244,000	\$26,600	\$166,000	(\$139,400)	\$217,400
ROADWAY PROJECTS	BURLINGTON STP 5000(17)	\$3,718,750	\$2,500,000	\$1,154,154	\$1,345,846	\$1,218,750
ROADWAY PROJECTS	BURLINGTON STP 5000()	\$974,000	\$102,000	\$0	\$102,000	\$872,000
ROADWAY PROJECTS	CHESTER NH 025-1(41)	\$765,316	\$500,000	\$0	\$500,000	\$265,316
ROADWAY PROJECTS	COLCHESTER TCSP TCSE(7)	\$3,241,600	\$60,000	\$1,396,000	(\$1,336,000)	\$3,181,600

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Program	Project Name And Number	Project Total	Projected FY2011 Costs	FY2011 Budget	FY2011 Over/(Under)	Non-FY2011 Budget
ROADWAY PROJECTS	CONNECTICUT RIVER VALLEY SB VT04(002)	\$642,958	\$106,000	\$0	\$106,000	\$536,958
ROADWAY PROJECTS	DANVILLE FECC 028-3(32)	\$11,325,398	\$2,050,000	\$3,500,000	(\$1,450,000)	\$9,275,398
ROADWAY PROJECTS	ESSEX JCT. STP 5300(12)	\$1,850,000	\$1,800,000	\$0	\$1,800,000	\$50,000
ROADWAY PROJECTS	ESSEX JCT. STP 5300(11)	\$500,000	\$249,615	\$89,615	\$160,000	\$250,385
ROADWAY PROJECTS	ESSEX-WILLISTON NH 033-1(24)	\$8,000,000	\$200,000	\$0	\$200,000	\$7,800,000
ROADWAY PROJECTS	ESSEX-WILLISTON NH 033-1(25)	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
ROADWAY PROJECTS	HARTFORD (WHITE RIVER JCT.) STP HTFD(1)	\$2,810,000	\$117,651	\$542,651	(\$425,000)	\$2,692,349
ROADWAY PROJECTS	JERICO STP 030-1(19)	\$796,875	\$306,370	\$476,875	(\$170,505)	\$490,505
ROADWAY PROJECTS	LYNDON-DERBY IM IR 091-3(6)	\$2,708,259	\$300,000	\$5,000	\$295,000	\$2,408,259
ROADWAY PROJECTS	MORRISTOWN STP F 029-1(2)	\$29,770,921	\$2,750,000	\$1,950,000	\$800,000	\$27,020,921
ROADWAY PROJECTS	RUTLAND CITY STP 019-3(57)	\$3,476,000	\$140,000	\$263,245	(\$123,245)	\$3,336,000
ROADWAY PROJECTS	SOUTH BURLINGTON STP 5200(17)	\$17,550,000	\$645,000	\$3,253,359	(\$2,608,359)	\$16,905,000
ROADWAY PROJECTS	ST. ALBANS-SWANTON IM 089-3(62)	\$6,753,638	\$4,253,638	\$4,550,000	(\$296,362)	\$2,500,000
ROADWAY PROJECTS	VERGENNES SB VT08(001)	\$470,375	\$228,000	\$127,375	\$100,625	\$242,375
ROADWAY PROJECTS TOTAL					(\$1,624,400)	
STATE HIGHWAY BRIDGES	BERKSHIRE BHF 0283(9)S	\$2,169,019	\$1,282,060	\$1,450,000	(\$167,940)	\$886,959
STATE HIGHWAY BRIDGES	BRISTOL STP F 021-1(15)	\$9,810,000	\$210,000	\$102,000	\$108,000	\$9,600,000
STATE HIGHWAY BRIDGES	CAMBRIDGE BRF 027-1(4)	\$7,544,045	\$175,400	\$2,547,700	(\$2,372,300)	\$7,368,645
STATE HIGHWAY BRIDGES	CHESTER BHF ST 0134(31)	\$625,000	\$431,000	\$550,000	(\$119,000)	\$194,000
STATE HIGHWAY BRIDGES	CORNWALL BRS 0172(6)	\$6,688,672	\$2,400,000	\$3,800,000	(\$1,400,000)	\$4,288,672
STATE HIGHWAY BRIDGES	EAST MONTPELIER BRF 028-3(36)	\$3,353,676	\$499,766	\$0	\$499,766	\$2,853,910
STATE HIGHWAY BRIDGES	EAST MONTPELIER STP 037-2(9)	\$1,477,791	\$1,045,791	\$1,411,062	(\$365,271)	\$432,000
STATE HIGHWAY BRIDGES	FAIRFAX BHF 023-1(5)	\$877,080	\$325,000	\$100,000	\$225,000	\$552,080
STATE HIGHWAY BRIDGES	HIGHGATE BHF 0285(15)	\$1,798,000	\$220,000	\$0	\$220,000	\$1,578,000
STATE HIGHWAY BRIDGES	MORETOWN-MIDDLESEX BRS 0284(14)	\$4,314,526	\$800,000	\$1,585,000	(\$785,000)	\$3,514,526
STATE HIGHWAY BRIDGES	NEWBURY BHF ST 0113(64)	\$830,000	\$101,000	\$750,000	(\$649,000)	\$729,000
STATE HIGHWAY BRIDGES	RICHMOND STP RS 0284(11)	\$16,300,000	\$5,210,000	\$7,000,000	(\$1,790,000)	\$11,090,000
STATE HIGHWAY BRIDGES	RYEGATE STP CULV(10)	\$827,000	\$827,000	\$11,000	\$816,000	\$0
STATE HIGHWAY BRIDGES	STRATTON STP CULV(12)	\$195,372	\$126,000	\$350,000	(\$224,000)	\$69,372
STATE HIGHWAY BRIDGES	WINHALL STP CULV(22)	\$397,696	\$286,746	\$34,050	\$252,696	\$110,950
STATE HIGHWAY BRIDGES TOTAL					(\$5,751,049)	
TOWN HIGHWAY BRIDGES	BENSON ARTB(2)	\$391,229	\$391,229	\$220,000	\$171,229	\$0
TOWN HIGHWAY BRIDGES	BRATTLEBORO BRF 2000(21)S	\$1,543,927	\$446,677	\$282,000	\$164,677	\$1,097,250
TOWN HIGHWAY BRIDGES	BRATTLEBORO-HINSDALE,NH BRF 2000(19)SC	\$16,500,000	\$157,000	\$475,000	(\$318,000)	\$16,343,000
TOWN HIGHWAY BRIDGES	CHITTENDEN STP 1443(45)	\$574,370	\$305,000	\$100,000	\$205,000	\$269,370
TOWN HIGHWAY BRIDGES	CHITTENDEN STP 1443(46)	\$510,666	\$395,000	\$112,000	\$283,000	\$115,666

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Joint Transportation Oversight Committee
Thursday, September 02, 2010**

Program	Project Name And Number	Project Total	Projected FY2011 Costs	FY2011 Budget	FY2011 Over/(Under)	Non-FY2011 Budget
TOWN HIGHWAY BRIDGES	CLARENDON BHO 1443(39)	\$534,271	\$75,000	\$264,300	(\$189,300)	\$459,271
TOWN HIGHWAY BRIDGES	DUMMERSTON BHO 1442(28)	\$2,538,699	\$656,166	\$360,000	\$296,166	\$1,882,533
TOWN HIGHWAY BRIDGES	JAMAICA BRO 1442(27)	\$1,068,081	\$420,229	\$709,725	(\$289,496)	\$647,852
TOWN HIGHWAY BRIDGES	JOHNSON BHO 1448(29)	\$2,984,261	\$437,603	\$0	\$437,603	\$2,546,658
TOWN HIGHWAY BRIDGES	MONTPELIER BHF 6400(31)	\$1,746,921	\$1,699,185	\$699,185	\$1,000,000	\$47,736
TOWN HIGHWAY BRIDGES	NEWFANE BHF 0106(4)S	\$1,532,485	\$525,101	\$262,571	\$262,530	\$1,007,384
TOWN HIGHWAY BRIDGES	NEWFANE BRF 0106(3)S	\$2,315,000	\$119,000	\$451,354	(\$332,354)	\$2,196,000
TOWN HIGHWAY BRIDGES	READSBORO BRO 1441(25)	\$1,624,597	\$1,100,000	\$1,492,000	(\$392,000)	\$524,597
TOWN HIGHWAY BRIDGES	RIPTON FH 010-1(2)	\$1,535,570	\$1,061,000	\$746,611	\$314,389	\$474,570
TOWN HIGHWAY BRIDGES	ROCKINGHAM BHO 1442(34)	\$2,080,240	\$2,080,240	\$100,000	\$1,980,240	\$0
TOWN HIGHWAY BRIDGES	SPRINGFIELD BRO 1442(26)	\$2,255,000	\$79,890	\$267,715	(\$187,825)	\$2,175,110
TOWN HIGHWAY BRIDGES	STOWE BHO 1446(30)	\$752,650	\$442,000	\$650,000	(\$208,000)	\$310,650
TOWN HIGHWAY BRIDGES	TUNBRIDGE BRO 1444(39)	\$835,433	\$224,437	\$41,385	\$183,052	\$610,996
TOWN HIGHWAY BRIDGES TOTAL					\$3,380,911	
TOTAL					\$7,669,917	

Key to Project Status Reports Columns:

ProjectTotal = Current project total cost estimate.

Projected FY2011 Costs = Revised estimated costs for current fiscal year.

FY2011 Budget = Amount included in current fiscal year budget as passed.

FY2011 Over(Under) = Estimated amount over or (under) budget in current fiscal year (column D - column E)

Non-FY2011 Budget = Estimated costs budgeted in earlier or subsequent fiscal years (mulit year projects) (column C - column D)

Notes:

These reports are generated using the following criteria, and thus do not include all projects - only those that meet the reporting threshold.

Criteria: Front of book projects > \$500,000 budget with expected deviation from budget of + or - 20%;

and projects with no budget funds but are expected to expend > \$100,000.

All amounts are total funds, state plus federal in most cases.

Deviations typically result from project slippage or acceleration - which results in costs shifting to the following or preceding fiscal years.

Vermont Agency of Transportation
Contract Bid Awards as Compared to FY2011 Budget Project Estimates
Joint Transportation Oversight Committee
September 2, 2010

PROGRAM	PROJECT NAME & NUMBER	DESCRIPTION	AWARD	AMOUNT BID	CONTINGENCY, ROW, PE ETC.	TOTAL ESTIMATE REVISED FOR BID RESULTS (E + F)	TOTAL ESTIMATE AS IN FY2011 BUDGET	AMOUNT ABOVE (BELOW) ESTIMATE	% ABOVE (BELOW) ESTIMATE
ROADWAY	BARRE CITY F 026-1(34)C/1	TRAFFIC SIGNALIZATION PROJECT AT 5 INTERSECTIONS IN BARRE CITY	6/18/2010	\$1,223,544	\$157,989	\$1,381,533	\$1,900,000	(\$518,467)	-27.3%
PAVING	BARRE TOWN-ORANGE STP SURF(15) & GROTON-RYEGATE STP SURF(16)	SURFACE PREPARATION OVERLAYING WITH THIN PAVEMENT US 302	2/25/2010	\$1,779,040	\$201,899	\$1,980,939	\$2,452,254	(\$471,315)	-19.2%
SPECIAL	BENNINGTON AC NH 091-1(54)	GRADING, DRAINAGE, SUBBASE, PAVEMENT AND REHAB 3 BRIDGES ON VT 279	5/25/2010	\$17,868,465	\$3,573,693	\$21,442,158	\$21,442,158	\$0	0.0%
PAVING	BENNINGTON STP 2626(1) & BENNINGTON STP 2622(1)	COLD PLANING, RESURFACING, GUARDRAIL, NEW PAVEMENT MARKINGS, SIGNS ON VT 67A AND VT 67.	6/22/2010	\$1,374,623	\$301,615	\$1,676,238	\$2,479,674	(\$803,436)	-32.4%
BRIDGE	BERKSHIRE BHF 0283(9)S	RECONSTRUCT APPROACHES, REPLACE DECK & SIDEWALK ON BR #30 ON VT 118	2/10/2010	\$1,670,034	\$498,985	\$2,169,019	\$2,543,981	(\$374,962)	-14.7%
BRIDGE	BRAINTREE BRO 1444(36)	REPLACE BRIDGE 12 ON TH 23	3/16/2010	\$327,097	\$118,465	\$445,562	\$559,418	(\$113,856)	-20.4%
PAVING	BRATTLEBORO STP 2623(1) & BRATTLEBORO STP 2000(24)	COLD PLANING, RESURFACING, GUARDRAIL, NEW PAVEMENT MARKINGS, SIGNS	6/21/2010	\$4,664,783	\$1,114,446	\$5,779,228	\$5,825,109	(\$45,881)	-0.8%
PAVING	BRATTLEBORO-PUTNEY AC STP 2310(1)	COLD PLANING, RESURFACING, SIGNS, GUARDRAIL ON US 5 & PUTNEY ST. HWY.	5/5/2010	\$4,229,911	\$727,528	\$4,957,439	\$5,552,314	(\$594,875)	-10.7%
BRIDGE	BRIDGEWATER BRS 0149(4)	REHABILITATE BRIDGE 14 ON VT 100A	5/7/2010	\$2,403,586	\$512,096	\$2,915,682	\$3,750,811	(\$835,129)	-22.3%
PAVING	BURLINGTON STP 2722(1)	COLD PLANING, RESURFACING, NEW PAVEMENT MARKINGS, TRUNCATED DOMES	8/10/2010	\$1,793,776	\$320,511	\$2,114,287	\$2,262,663	(\$148,376)	-6.6%
ROADWAY	CHESTER NH 025-1(41)	SCALING, ROCK DOWELING, TRIM BLASTING, ROCK DRAINS,	1/25/2010	\$587,231	\$178,085	\$765,316		\$765,316	#DIV/0!
BRIDGE	CORNWALL BRS 0172(6)	REPLACE BRIDGE #9 ON VT 125	5/17/2010	\$3,154,258	\$3,534,415	\$6,688,673	\$8,502,230	(\$1,813,558)	-21.3%
PAVING	DERBY AC IM 091-3(46)	COLD PLANING, RESURFACING, GUARDRAIL, PAVEMENT MARKINGS ON I-91	4/22/2010	\$7,177,551	\$1,058,682	\$8,236,233	\$7,660,000	\$576,233	7.5%
TRAFFIC	EAST MONTPELIER STPG 028-3(35)S	US ROUTE 2 AND VT ROUTE 14 INTERSECTION RECONSTRUCTION	6/14/2010	\$1,578,987	\$1,978,292	\$3,557,279	\$4,131,501	(\$574,222)	-13.9%
PAVING	GUILDHALL-MAIDSTONE STP 2706(1)	RESURFACING OF VT 102 NEW PAVEMENT MARKINGS, GUARDRAIL, SIGNS	2/17/2010	\$4,271,680	\$600,038	\$4,871,718	\$3,855,909	\$1,015,809	26.3%
BRIDGE	JAMAICA BRO 1442(27)	REPLACEMENT OF THRU TRUSS BRIDGE ON TH 43	1/7/2010	\$767,074	\$296,007	\$1,063,081	\$1,461,998	(\$398,917)	-27.3%
BRIDGE	LYNDON-DEBRY IM CULV(19)	PREVENTATIVE MAINTENANCE TO EXISTING CULVERTS ON I-91	2/4/2010	\$610,318	\$171,448	\$781,766	\$1,175,000	(\$393,234)	-33.5%
PAVING	NEWFANE-TOWNSHEND STP 2401(1)	COLD PLANING, RESURFACING, NEW PAVEMENT MARKINGS, SIGNS ON VT 30	4/13/2010	\$3,857,943	\$580,109	\$4,438,051	\$5,905,000	(\$1,466,949)	-24.8%
PAVING	NEWPORT CITY STP 2719(1) & DERBY STP 2703(1)	COLD PLANING AND RESURFACING ON US 5 AND ALT. US 5	5/4/2010	\$2,085,996	\$475,779	\$2,561,775	\$2,748,849	(\$187,074)	-6.8%
RAILROAD	PROCTOR-MIDDLEBURY STP WCRS(7)	THE REPLACEMENT OF JOINTED RAIL WITH CONTINUOUSLY WELDED RAIL	6/30/2010	\$3,015,507	\$612,496	\$3,628,003	\$4,062,500	(\$434,497)	-10.7%
BRIDGE	PUTNEY IM 091-1(31)	REHABILITATION OF BRIDGE 19A ON US 5	1/6/2010	\$3,099,828	\$966,571	\$4,066,399	\$5,367,102	(\$1,300,703)	-24.2%
BRIDGE	READSBORO BRO 1441(25)	REPLACEMENT OF BR 31 WITH A NEW STRUCTURE ON TH 3	3/9/2010	\$1,089,177	\$535,420	\$1,624,597	\$2,013,780	(\$389,183)	-19.3%
BRIDGE	RICHMOND IM BPNT(3)	CLEANING AND REPAINTING BRIDGES ON I-89	6/11/2010	\$849,698	\$241,155	\$1,090,853	\$2,615,000	(\$1,524,147)	-58.3%
BRIDGE	RICHMOND-WILLISTON IM CULV(16)	I89 CULVERT REHABILITATION TO EXISTING CULVERTS	5/25/2010	\$426,999	\$137,920	\$564,919	\$2,470,000	(\$1,905,081)	-77.1%
PAVING	RIPTON-HANCOCK STP 2803(1) & MIDDLEBURY STP 2627(1)	RECLAIMING AND OVERLAYING, GUARDRAIL, SIGNS ON VT 125	3/5/2010	\$5,332,549	\$813,671	\$6,146,220	\$7,368,513	(\$1,222,293)	-16.6%
ROADWAY	ROCKINGHAM IM 091-1(67)	ROCK SCALING, ROCK DOWELING, TRIM BLASTING, SHOT CRETING ON I-91	8/9/2010	\$891,433	\$494,336	\$1,385,769	\$800,000	\$585,769	73.2%
PAVING	RYEGATE-NEWBURY STP SURF(17)	SURFACE PRESERVATION W/ TWO ALTERNATES ON US 302	6/22/2010	\$1,336,494	\$153,649	\$1,490,143	\$1,585,000	(\$74,857)	-4.8%
PAVING	SHEFFIELD-BARTON IM SURF(18)	COLD PLANING, 1 COURSE BIT. PAVEMENT OR HOT-IN-PLACE RECYCLING ON I-91	6/8/2010	\$1,072,235	\$154,447	\$1,226,682	\$1,195,000	\$31,682	2.7%
BRIDGE	STOCKBRIDGE BRF 022-1(20)	REPLACE BRIDGE 9, RELOCATION OF STONY BROOK ROAD ON VT 107	7/6/2010	\$3,054,072		\$3,054,072	\$4,875,139	(\$1,821,067)	-37.4%
BRIDGE	STOWE BHO 1446(30)	REPLACE BRIDGE 3 SUPERSTRUCTURE ON TH 1	4/15/2010	\$482,167	\$270,482	\$752,649	\$1,223,360	(\$470,711)	-38.5%
BRIDGE	STRATTON STP CULV(12)	LINING THE EXISTING CULVERT AND REPLACING THE EXISTING INLET HEADWALL	8/18/2010	\$110,651	\$84,721	\$195,372	\$395,000	(\$199,628)	-50.5%
BRIDGE	WARDSBORO BHF 014(5)	CONSTRUCTION OF NEW SUPERSTRUCTURE	2/9/2010	\$448,748	\$242,710	\$691,457	\$815,046	(\$123,589)	-15.2%
LTP	WATERBURY CMG PARK(11)S(READ)	RECONSTRUCT EXISTING PARK-AND-RIDE LOT	1/26/2010	\$294,851	\$528,249	\$823,100	\$1,080,000	(\$256,900)	-23.8%
TRAFFIC	WATERBURY-WINDOOSKI IMG SIGN(18)	REMOVE AND INSTALL SIGNS AND POSTS ALONG I-89	2/1/2010	\$1,996,000	\$569,370	\$2,565,370	\$3,000,100	(\$434,730)	-14.5%
PAVING	WESTFORD-FAIRFAX AC STP 2804(1)	RECLAIMED STABILIZED BASE, COLD PLANING, SUBBASE MATERIAL ON VT 128	4/30/2010	\$2,423,656	\$437,075	\$2,860,731	\$3,825,000	(\$964,269)	-25.2%
PAVING	WESTMINSTER-SPRINGFIELD AC IM 091-1(62)	COLD PLANING, RESURFACING OF THE NB LANE & NB RAMP ON I-91	6/29/2010	\$5,532,860	\$857,504	\$6,390,363	\$7,837,500	(\$1,447,137)	-18.5%
PAVING	WHITING-MIDDLEBURY STP 2629(1) AND CORNWALL-MIDDLEBURY	RECLAIMING, RESURFACING, PAVEMENT MARKINGS, GUARDRAIL, DRAINAGE	8/13/2010	\$3,711,008	\$680,271	\$4,391,279	\$5,552,500	(\$1,161,221)	-20.9%
ROADWAY	WINDOOSKI NH 089-3(65)	WIDENING, CURB, SIDEWALK, MARKINGS, SIGNALS, SIGNAGE ON VT 15 & I-89 RAMP	6/2/2010	\$1,283,428	\$629,286	\$1,912,714	\$2,740,204	(\$827,490)	-30.2%
PAVING	WORCESTER-ELMORE AC STP 2209(1)S	COLD PLANING, RECLAIMING, RESURFACING, PAVEMENT MARKINGS ON VT 12	4/30/2010	\$4,888,898	\$736,077	\$5,624,975	\$7,035,563	(\$1,410,588)	-20.0%
								(\$21,733,534)	
Notes (by column heading):									
E. Amount Bid: Actual low bid									
F. Contingencies, ROW, PE, Etc.: Other costs associated with the project									
G. Total Estimate (Revised for bid results): Total of Amount Bid plus Contingencies, ROW, PE, Etc. (column E + column F)									
H. Total Estimate as in FY2011 Budget: Estimated total project costs as it appears in the FY2011 Transportation Program									
I. Amount Above (Below) Estimate: Difference of Total Estimate Revised for Bid Results minus Project Estimate FY2011 Budget (column G - column H)									
J. % Difference Above (Below) Estimate: Amount Above (Below) Estimate as percentage of Total Estimate in FY2011 Budget (column I + column H)									