



**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL COMMITTEE

AGENDA

Monday, November 15, 2010

Room: 10, State House

- 9:30 a.m. Call Meeting to Order and Approve Minutes of September 10, 2010 meeting
- 9:35 a.m. 1. Fiscal Officer's Report - Stephen Klein, Chief Fiscal Officer *[enclosures]*
- 9:45 a.m. 2. Fiscal Updates
- a. Grants: Nathan Lavery
    - I. Grant #2464 - Prisoner Reentry Initiative. Request from the Dept. of Corrections to accept a \$365,000 grant. *[enclosures]* **[Approved]**
    - II. Grant #2468 - Health Insurance Exchange Development, Request from the Agency of Admin. to accept a \$1 million grant. - Betsy Forrest, Health Care Reform Affordability Project Director, Department of Health Access *[enclosures]* **[Approved]**
    - III. Grant #2469 - Superior Court Planning Project, Request from Judiciary Branch to accept a \$50,000 grant. *[enclosures]* **[Approved]**
    - IV. Grant #2470 - Donation from the Estate of Alice Hadley: 51 acres in Rockingham - Sher Yacona, <sup>Fin.</sup> ~~Bus.~~ Mngr., Dept. of Fish & Wildlife *[handouts]*
  - b. Summary update on Blue Ribbon Tax Commission - Michael Costa, Staff Director *[handout]*
  - c. FY 2011 Budget Adjustment Update
    - I. Medicaid/Global Commitment Waiver - Stephanie Barrett
    - II. Education Fund - Mark Perrault
    - III. General Fund - James Reardon, Commissioner, Department of Finance & Management *[handout]*
    - IV. Challenges for Change - Commissioner Reardon *[handout]*
- 10:00 a.m.
- 10:30 a.m.
- 10:50 a.m. Break
- 11:00 a.m. 3. Administration
- a. Transition Update - Senator Susan Bartlett, Transition Team
  - b. FY2012 Budget Issues - Commissioner Reardon
  - c. LIHEAP Update - Steve Dale, Commissioner, and Richard Moffi, Fuel Assistance Program Chief, Department for Children & Families *[handout]*
  - d. Update on Preferred Provider Network Implementation Plan *[Act 156 § E.313(b) of 2010]* Barbara Cimaglio, Deputy Commissioner, Department of Health *[handouts]*

*[OVER]*

11:50 a.m.            4.        Health Care Commission – Dr. Hsiao update  
                                 Senator Jane Kitchel and Representative Mark Larson

12:30 p.m.        Adjourn

Other Reports/Information:

- I.        FY 2011 Base Reductions Report - FY 2011 Labor Contract and Retirement Savings.  
          *[Sec. B.1101(a) of Act 156 of 2010] [Administration [enclosure]*
- II.       Tobacco Prevention, Cessation and Control Program Annual Budget Recommendations  
          *[18 V.S.A. § 9505 (9)] [enclosure]*
- III.      Quarterly Report of costs and expenditures for proceedings of the Federal Energy Regulatory  
          Commission. *[30 V.S.A. § 20 (b)(9)] [Public Service Board and Department] [enclosure]*
- IV.      Quarterly Report on excess receipts *[32 V.S.A. § 511] [enclosure] [Agency of Administration]*
- V.       Agency of Administration Quarterly Report on allotment of appropriations in preceding  
          quarter. *[32 V.S.A. § 705 (c)] [none – Administration handout]*
- VI.      Quarterly Report to the Chair of JFC on status of training programs and expenditures. *[32*  
          *V.S.A. § 8557 (b)] [VT Fire Service Training Council] [emailed]*
- VII.     Quarterly Progress Report on securing participation in joint purchasing agreements for  
          pharmacy best practices and cost control program. *[33 V.S.A. § 1998 (c) (6)] [AHS and*  
          *DVHA] [Handout]*
- VIII.    Quarterly Report on the progress for completion of the state hospital facility and development  
          of residential recovery program. *[Sec. 31 (f)(1); (3) of Act 43 of 2009] [Department of Mental Health]*  
          *[emailed 11/16/2010]*
- IX.      Report on allocation of funds contained in annual pay acts. *[3 V.S.A. § 2281 (4)] [enclosure]*
- X.       Small Grants Quarterly Report *[32 V.S.A. § 5(a)(3)] [Joint Fiscal Office] [handout]*
- XI.      Report on Special Funds Created in FY2010; Special Fund Balances at End of FY2010.  
          *[32 V.S.A. § 588(6)] [Administration] [enclosure]*
- XII.     Review of Global Commitment Appropriation Transfers Report. *[Act 67, Sec. 86(a) of 2010]*  
          *[enclosure]*
- XIII.    Vermont Information Consortium Quarterly Report *[enclosure] [Request from Committee]*
- XIV.    Start-up Business Competition Committee Update *[Request from Committee] [handout]*

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REP. MARK LARSON  
SEN. RICHARD SEARS, JR.  
SEN. PETER SHUMLIN

**STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL COMMITTEE**

November 15, 2010

Minutes

Members present: Representatives Obuchowski, Branagan, Heath, Larson, and Senators Bartlett 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 9:42 a.m., and Senator Snelling made a motion to approve the September 10, 2010 minutes with a technical correction vetted by email with Representative Heath. The Committee approved the minutes.

**1. Fiscal Office's Updates/Issues - Fiscal Officer Report**

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office (JFO), referred to a written report sent to the Committee, and presented an opportunity for the members to raise questions or concerns, but none were noted. He further added that actuarial funded ratios for retirement increased from last year for the teachers' retirement system to 66.5% and state employee retirement system to 81.2%. He attributed the market decline as a major factor for the funded ratios remaining below those of recent years. The teachers' retirement system funding level is exacerbated by the funding for the retirement system being immediately reduced by using the contribution to meet the state's liability to pay for health care costs for retirees. This potentially could be an issue for the coming session.

Mr. Klein handed out a PowerPoint outline planned for new member orientation on Friday that reviewed the state's fiscal situation. He mentioned that the office planned to launch its new website sometime in early December and that JFO was encouraging members and others to give feedback on the site at [www.leg.state.vt.us/jfo/new](http://www.leg.state.vt.us/jfo/new). Also, issue briefs on health care, education, transportation, ENVY, the capital bill, and tax policy/revenue were available on the current JFO website and included in the members' package.

**2.a.I Fiscal Updates – Grants - #2464 - Prisoner Reentry Initiative**

Nathan Lavery, Fiscal Analyst, Joint Fiscal Office, explained that there were some concerns about a request by the Department of Corrections to accept a \$365,000 grant that the Corrections Oversight Committee investigated.

Representative Heath, a member from the Corrections Oversight Committee, explained that the committee lacked a quorum at its last meeting, but nonetheless, the members present recommended approval of the grant. The committee heard that protocols for reentry of domestic

violence offenders were well under way and that reentry of these types of offenders would not be included in this initiative until those protocols were completed. Expectations were that protocols would be completed by the first of the year. She then moved to approve acceptance of JFO #2464. Representative Branagan confirmed with Representative Heath that Representative Emmons was present for the Corrections Oversight Committee deliberations. The JFC approved the motion.

## **II. Grant #2468 – Health Insurance Exchange Development**

Mr. Lavery explained a request from the Agency of Administration to accept a \$1 million grant and introduced Betsy Forrest, Health Care Reform Affordability Project Director for the Department of Health Access, and Rebecca Heintz, Department of Banking, Insurance, Securities & Health Care Administration.

Ms. Forrest handed out information and highlighted the information. She stated that it was important to move forward with the grant expeditiously in order to gain additional enhanced federal match funds available for planning a health insurance exchange. Senator Bartlett inquired whether there was an additional round of grants to states that achieve substantial progress on these projects, and Ms. Forrest stated there were additional grants available in 2012, 2013, and 2014 for the actual building of the plan. Representative Larson stressed the importance of approving the grant for the purpose not only of planning for the Affordable Care Act but also of working toward achieving the goals of Act 128 of 2010. Representative Larson then moved to approve acceptance of JFO #2468, and the Committee approved the motion.

## **III. Grant #2469 – Superior Court Planning Project**

Mr. Lavery explained a request from the Judiciary Branch to accept a \$50,000 grant for strategic planning relating to a challenge for judicial restructuring savings. Representative Obuchowski pointed out a scheduled training seminar that hinged upon the acceptance of the grant. Representative Heath moved to approve acceptance of JFO #2469, and the Committee approved the motion.

## **IV. Grant #2470 – Donation from the Estate of Alice Hadley**

Mr. Lavery presented an incomplete request (awaiting the document with the Governor's signature) from the Department of Fish & Wildlife to accept a donation of land valued at \$345,000. Mr. Lavery explained that the State of Vermont would be purchasing 51 acres in Rockingham from the Estate of Alice Hadley. JFC approval is necessary because the purchase price of the land is significantly below the appraised value, and this price difference represents a donation subject to JFC approval. Mr. Lavery recommended that the Committee take the opportunity to hear testimony and ask questions but delay action on the grant until JFO had possession of the official paperwork. He handed out two documents and noted that the Town of Rockingham minutes documented its support for the land donation.

Sher Yacono, Financial Manager of the Department of Fish & Wildlife, responding to Representative Obuchowski's inquiry, explained that the intended land would be incorporated into the Missing Link Wildlife Management Area. Representative Obuchowski requested Ms. Yacono research the department's plan for the land and forward it to the Committee. He also asked that the department send a field representative to the land to review its condition, especially areas where demolition occurred. He further requested that an agricultural assessment be performed on the land to address whether a portion of the land could be leased for farmland.



Mr. Lavery confirmed this item would be subject to expedited review once the official documentation arrived at JFO.

**b. Summary Update on the Blue Ribbon Tax Structure Commission**

Michael Costa, Staff Director, Blue Ribbon Tax Structure Commission, handed out an outline of a PowerPoint presentation on "Tax Reform in Vermont: Perception and Reform," and proceeded to explain its contents. In responding to Representative Larson's question about public perceptions of a certain income range paying more in taxes than others, Mr. Costa stated that it was the Commission's observations that there was much misinformation circulating in the private sector. Representative Branagan stated that by reducing the top two tax rates, public perception of taxes would alter. Mr. Costa, in responding to Representative Branagan's comments, stated there was no consistency in tax rates with other states for a direct comparison of cost of living unless Vermont moved to an adjusted gross income tax calculation with caveats.

**c.I. FY2011 Budget Adjustment Update – Medicaid/Global Commitment Waiver**

Stephanie Barrett, Fiscal Analyst for JFO, gave a brief update on the process used in developing the consensus forecast on Medicaid for the January 2011 Emergency Board meeting. Preliminary estimates show an \$80 million gross increase from last year, creating a \$35 to \$40 million increase in state funding in Medicaid in the current FMAP. The Global Commitment Waiver ended October 1, and Vermont has requested a 3.25-year extension from CMS. Negotiations with CMS began last winter for the extension but the mechanics of drawing the funding are still unresolved. Vermont is operating under 30-day extensions until details of the full extension are resolved. The Chair inquired how much of the \$35-million Medicaid shortfall was included in the \$112-million state deficit, and Ms. Barrett responded that \$53 million of baseline growth included in the state deficit was in line with what current figures were showing.

**II. FY2011 Budget Adjustment Update – Education Fund**

Mark Perrault, Fiscal Analyst for JFO, explained that a consensus education fund outlook for FY2012 was under development and that then a tax rate would be announced for the 2011 tax year. Outstanding data include total tax adjustments, but preliminary data suggest a smaller amount than previously estimated. The FY2012 education budget will be complicated by the availability of \$19 million in federal aid, the \$23 million in targeted spending reductions from Challenges for Change legislation, and the restoration of the Education Fund statutory level estimated at \$57 million, which includes covering the gaps from depleted ARRA funds and reduced General Fund transfers in the previous two budget cycles. Representative Heath inquired whether the statutory inflationary growth of the General Fund transfer was included in the total. Mr. Perrault explained that there were a few million dollars that would be added to the \$57 million to include the growth amount. The new tally of approximately \$60 million is a part of the \$112 million state deficit.

In answering an earlier question, Mr. Perrault explained that the \$19 million in federal funds from the Jobs Bill would be disbursed to school districts in proportion to education spending. Challenges-for-Change reports from school districts on whether target savings can be met were due back to the commissioner of education by December 15, 2010. The commissioner of education will then report back to the legislature on those findings.

Mr. Perrault informed the Committee that for the first time since the implementation of Act 60 and Act 68, the grand list has decreased. This change will inevitably affect the tax rate. The commissioner of taxes is required by statute give a recommendation to the Governor by December 1 on the next year's education tax rate, but some savings may not be known, such as Challenges targets.

In responding to Representative Heath's query on the projection of the FY2012 base education rate, Mr. Perrault stated the current year amount is \$8,544 and under current law is proposed to grow to \$8,618 in FY2012.

### **III. General Fund**

James Reardon, Commissioner, Department of Finance & Management, handed out and explained a potential Budget Adjustment Act items list. There are some possible audit costs from ARRA funds, but this is dependent on entire state government audit costs and allocated funds. He explained that the Criminal Justice Training Council (CJTC) was at the verge of solvency, but he recommended that the CJTC be included as a line item for General Funds in the FY2012 budget instead of relying on fluctuating revenue from training funds. It is estimated that there will be a minimal amount of funds needed for the Sarcoidosis Fund and the Emergency Relief Assistance Fund.

Commissioner Reardon explained that he included the Low Income Home Energy Assistance Program (LIHEAP) on the list because of the reduced amount of federal funds from last year and the decreased benefit of the fuel liability to individuals. The Challenges-for-Change savings targets, if there are some not met, will need to be included in the FY2011 BAA.

The Commissioner informed the Committee that the administration's budget development system would need replacement within a year because support for the older system would begin lapsing. The new system would need the ability to communicate with the PeopleSoft VISION accounting system. This will allow for a more efficient way of generating budget reports and communication between the legislature and the administration. Commissioner Reardon suggested that a one-time appropriation from the capital bill would be discussed to cover the estimated \$1 million cost of the new system.

The Commissioner suggested that the surplus of \$250,000 from the rest areas-budget be used as one-time money to Federal Surplus Property to begin to reduce the deficit of the estimated \$1 million. This could also serve as a placeholder for policy discussions on how to address this deficit.

### **IV. Challenges for Change**

Commissioner Reardon handed out information on the current Challenges-for-Change savings estimates. Unallocated bridge funds still remain in the Charter-Unit challenges. He moved through a spreadsheet explaining the areas of Challenges savings and allocations.

Representative Heath inquired about the waiting list that has developed from a shortage of funds from attempts at meeting the Challenges in developmental services (DS). Commissioner Reardon stated the shortfall occurred when DS of the Department of Aging and Independent Living (DAIL) used \$400,000 from FY2011 funds to close out FY2010 causing a FY2011 budget gap. The

other area of shortfall occurred when the Challenges initiative to save \$850,000 in reduced paperwork was not met, and instead utilization of \$800,000 of Equity Fund resources was used in FY2011 to meet the goal. Representative Heath expressed concern for the negative outcomes of the waiting list and strongly suggested that the Commissioner investigate further. Commissioner Reardon assured the Committee that discussions were ensuing. Representative Heath further requested that either Commissioner Reardon or the DAIL keep the Committee informed as communications progress.

Representative Larson suggested that Challenges for Change move forward with an expected savings of \$32 million. Representative Branagan asked for an update on the corrections Challenges. Commissioner Reardon stated that some of the infrastructure was still being implemented, such as transitional housing, and that caseload numbers have not declined as anticipated. This has slowed the realization of targeted savings.

The Committee adjourned briefly and then reconvened. The Chair called up the next agenda item.

### **3. Administration**

#### **a. Transition Team Update**

Senator Bartlett, a member of Governor-elect Shumlin's transition team, informed the Committee that the transition of the two administrations was proceeding well and that the current administration's staff has been very accommodating. The two areas in which this have been helpful has been in preparing for the FY2011 Budget Adjustment Act and in building the FY2012 budget. She stated she was very optimistic for long-term budgeting savings because it appeared that many agencies and departments had embraced the concepts behind Challenges for Change.

Senator Bartlett explained that the transition team was taking the issues of DAIL's budget problems and the DS waiting list seriously and that it has begun discussions on how to address them. She also explained that it was important to replace the current antiquated state budget system because it was not able to communicate with the more recent bill-paying system "VISION."

#### **b. FY2012 Budget Issues**

Commissioner Reardon updated the Committee that FY2012 budget discussions with agency and department heads were ongoing but still in their early stages. He stated that he would update the Committee when more information was known. The consensus budget gap analysis between the Département of Finance and the Joint Fiscal Office appears to be in line with estimates, but there are possibly some areas that could aggravate the deficit projections.

#### **c. Low Income Home Energy Assistance Program Update**

Steve Dale, Commissioner, and Richard Moffi, Fuel Assistance Program Chief, Department for Children and Families (DCF), handed out information on LIHEAP benefits for the FFY2011 heating season. Commissioner Dale explained that 4,000 more households have been approved for benefits this year over last year due to legislative eligibility changes in Act 1 of SS2009. Mr. Moffi added that the modernization of DCFs systems has allowed for a more efficient and smoother transfer of payments to fuel dealers. In addition, benefits are available to households within a week to 10 days upon approval of eligibility.

Commissioner Dale explained that the federal LIHEAP funds are down 41% from last year. A resolution with \$3.3 billion to states (\$15 million to Vermont) was before Congress for debate but it was unclear if and when that legislation would pass. Mr. Moffi added that Vermont had a \$2.5-million set-aside for crisis fuel, which should fill benefit gaps until the end of January of 2011.

Commissioner Dale explained the benefit expansion added in Act 1 of SS2009 calculates an average \$265 benefit amount for the new group eligible for LIHEAP in FY2010. Representative Heath inquired whether other organizations assisting with heating costs for low-income Vermonters were aware of and/or have increased fundraising as a result of the anticipated reduced federal funds. Mr. Moffi stated that Central Vermont Office of Economic Opportunity had stepped up its efforts to cover some of the gap, but whether community-based organizations were aware of the reduced funding was not known. In answering Senator Snelling's question of whether recipients were informed of types of assistance, Mr. Moffi explained that DCF referred people eligible for fuel assistance to other programs, such as 3SquaresVT.

Representative Larson inquired of the Chair as to whether the Committee should send a follow-up letter to the Vermont Congressional Delegation on the state's need for additional LIHEAP funds. The Chair agreed that a letter would be drafted by the Joint Fiscal Office and sent to the delegation.

**d. Update on Preferred Provider Network Implementation Plan**

Barbara Cimaglio, Deputy Commissioner, Department of Health distributed to committee members an update on the implementation of Act 156, Sec. E313(b) of 2010 and summarized it. Senator Snelling referred to the graph and questioned the length of the waiting period upon referral. Ms. Cimaglio stated it should not take more than 24 hours. Representative Larson asked whether resources could be adjusted according to where they were needed. Ms. Cimaglio explained that the issue was how many and where counselors were to provide services and that was the area the department was focusing on if realignment was needed.

**4. Health Care Commission – Dr. Hsiao Update**

Representative Larson, Acting Co-Chair of the Health Care Commission, highlighted a joint issue brief from the Joint Fiscal Office and the Executive Branch staff that included a comprehensive list of issues relating to Vermont's health care system. He then explained that Dr. Hsiao's work is ongoing and that it is anticipated that Dr. Hsiao will produce three health plan proposals in 2011. Representative Larson informed the Committee that due to a delay in transferring data, a 15-day statutory review period for BISHCA to review the data in the report, and an additional grant applied for to develop a Macro Economic Impact Study, the report may be delayed.

Representative Obuchowski inquired if the Commission or the legislature found an alternative plan that required additional research, would additional funds be needed for Dr. Hsiao. Representative Larson answered that if it was a small change to a current proposal then no, but if it were a substantial change with additional research then yes.

The Committee previously had scheduled the commissioner of Education to give an update on school savings: supervisory union targets and federal grants and technical assistance for school districts; but due to a conflict, the Committee instead scheduled a conference call. Department of Education participants included: Armando Vilaseca, Commissioner, William Talbott, Deputy

Commissioner, and Vaughn Altemus, Consultant, Department of Education. Others participating in the call were representatives of the Superintendents, the Principals and the School Board Association.

The Commissioner informed the Committee that Mr. Altemus had been moved from another position within the department to consultant for the schools who were in need of assistance to navigate Challenges savings targets. Mr. Altemus was paid through the allowable 2% administrative fee portion of the \$19 million federal grant. The Commissioner and Mr. Talbott explained how the distribution of the federal grant was calculated by state funding formula.

The Committee adjourned at 12:30 p.m.

Respectively Submitted,

A handwritten signature in black ink, appearing to read "Theresa Utton-Jerman". The signature is fluid and cursive, with the first name "Theresa" and last name "Utton-Jerman" clearly distinguishable.

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: November 8, 2010

Subject: November 2010 – Fiscal Officers' Report

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

1. **FY 2011 Revenues:** Revenues are tracking up in the general fund and otherwise fairly close to targets through the first four months of the fiscal year.
  - a. General Fund – Through October, General Fund revenues are about \$13.8 million ahead of target. This is due largely to strength in corporate tax revenues which are up \$9.6 million year-to-date and some one-time bank receipts. Other revenue sources are showing consistency with targets.
  - b. The Transportation Fund is \$0.4 million off target which is negligible. Strength in DMV fees offsets slight downs in gas and purchase and use receipts.
  - c. The Education Fund is down \$0.2 million which is again essentially on target. Strength in sales tax revenues offsets weaker lottery and purchase and use receipts.

Based on the first four months, we are seeing relative stability versus forecasts which is a good sign for our January revision.

2. **FY 2012 Budget:** The administration has given agencies budget targets of 6% less in expenditures than the FY 2011 challenge-adjusted amounts. It is heavily involved in the budget building process.
3. **FY 2012 Deficit Projection update:** The Joint Fiscal Office and the Administration will be reviewing the \$112 million deficit estimate in the coming weeks as a number of elements have changed:
  - a. State employee retirement costs are slightly less than anticipated
  - b. Revenues have been strong
  - c. Medicaid costs are a little higher than anticipated due to caseload growth
  - d. FMAP – The federal match rate has become slightly less advantageous for Vermont due, in part, to our low unemployment rate
  - e. Some of the challenges may fall short of the financial expectations

Overall, however, the changes still leave the deficit in the \$112 to \$120 million range.

#### 4. **Health Care Developments:**

- a. Nolan Langweil of the Joint Fiscal Office is working with other legislative and administration staff to develop a list of health care issues which the legislature may need to address in the upcoming session. A copy of this document is attached to this report. Among the direct budget issues are the following :
  - i. The Global Commitment waiver has yet to be finalized with the federal government (Centers for Medicare and Medicaid Services) and there appear to be some issues that are holding it up. We are hopeful this will be resolved in a positive way.
  - ii. We have a reduced federal Medicaid match rate which will result in added costs in the next fiscal years.
  - iii. Due to a number of data issues, the Act 128 health care design study is likely to be released in draft form in mid-January with a final report still close to February 1<sup>st</sup>. The details of this release and the process of seeking public input are still being worked out.
  - iv. Mark Larson has replaced Steve Maier as co-chair of the Health Care Reform Commission.

#### 5. **Education Issues**

- a. **Federal Education Funds:**
  - i. We will need to take an action in the legislative session on the use of the federal education funds. 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. Per federal law, the education aid is going out to districts in proportion to their school spending. In practice, the legislature could determine the ultimate disposition of the funds by withholding education payments as the governor has suggested. But the legislature cannot change the distribution of the federal aid dollars directly. While the governor applied for these funds, the legislature will determine their ultimate disposition.
  - ii. Schools districts are developing their FY2012 budgets now. It would be very useful to have a consistent message as to how these funds are to be used.
  - iii. The aid does not match the spending reduction targets. The legislature could change the targets to match the aid, but that could undermine any notion that the challenges are legitimate and not just a mandated reduction in across-the-board spending.
- b. **Education Fund Stabilization Reserve Review:** Preliminary education fund balance sheets are being developed in preparation for the administration's December 1 tax rate estimate.

6. **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. 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.
7. **Joint Fiscal Office Updates:**
  - a. **Kavet contract:** The Kavet contract is in place for four years with annual performance reviews.
  - b. **Richard Reed's retirement:** Richard Reed, who designed and built our budget system over the past five years, retired at the end of October. The budget system work has been taken on by Jeremy Fonte of our staff, and Theresa Utton-Jerman is providing more coverage of the work Jeremy had been doing. After discussions with the chair, compensation adjustments will be made to reflect these changes. Richard Reed may do some limited short-term consulting work this year, but we expect net savings in the current year and a \$40,000 + savings to the budget as we enter FY 2012 by not filling the position and utilizing existing staff. This will assist us in reducing our FY 2012 funding need.
  - c. **Joint Fiscal Office 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 in December but if you want a preview, it can be viewed at <http://www.leg.state.vt.us/jfo/new/>.





**STATE OF VERMONT**  
 LEGISLATIVE JOINT FISCAL OFFICE  
 LEGISLATIVE COUNCIL  
 COMMISSION ON HEALTH CARE REFORM  
 DEPARTMENT OF VERMONT HEALTH ACCESS  
 DEPARTMENT OF BANKING, INSURANCE, SECURITIES & HEALTH CARE ADMINISTRATION

**The 2011 Legislative Session:  
 Implementation of the federal Affordable Care Act (ACA) and  
 Vermont's Health Care Reform Initiatives**  
 November 8, 2010

*The purpose of this issue brief is to highlight many of the health care and human services related issues with which the legislature and the executive branch may be confronted during the upcoming legislative session. We recognize that both the House Health Care and Senate Health & Welfare committees will have new chairs, as well as many new committee members, and that the legislative priorities and agendas have not yet been set. In addition, the new Governor will be recruiting a new leadership team. But in the midst of these transitions, it is important to note that the executive and legislative branches have historically shared the goals of increasing access, containing costs, and increasing quality. Over the past several years, legislative and administration staff have worked in a collaborative, non-partisan manner on a variety of health and health care reform related issues, including interpreting state and federal laws, communicating jointly regarding federal issues, developing consensus budget and enrollment projections, and estimating the impacts of proposed state and federal reforms.*

Health care spending is projected to increase by \$1 billion during the three-year period from 2009 to 2012.<sup>1</sup> While Vermont has a long history of health care reform efforts, since 2004 there has been a renewed push for major reforms. Catamount Health, the Blueprint for Health, the acceleration of health information technology (HIT) implementation, and operation of a health information exchange (HIE) are just some of the programs, initiatives, and policies Vermont has enacted toward meeting the goals of increasing access, containing costs, and increasing quality. The many health care reforms passed in the federal Patient Protection and Affordable Care Act ( "Affordable Care Act" or "ACA")<sup>2</sup> also created new responsibilities, issues, and opportunities for the state.

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<sup>1</sup> According to the BISHCA Vermont Health Care Expenditure Analysis, total resident health care spending was projected to be \$4.9 billion in 2009 and \$5.9 billion in 2012. There is a two year lag on the data, so the report only has actual expenditures through 2008.

<sup>2</sup> The Patient Protection and Affordable Care Act was signed by President Obama on March 23, 2010. Many have begun to abbreviate the name to the Affordable Care Act or ACA. It was accompanied by a companion act called The Health Care Reconciliation Act of 2010, which was signed on March 30, 2010.

While this list is not exhaustive, it is meant to highlight both the breadth and complexity of the issues that may be before the committees of jurisdiction, the legislature as whole, and the new administration. These issues include the following:

- Establishment of health insurance exchanges
- ACA-required insurance market reforms
- ACA Medicaid expansion impacts on Vermont
- Maintenance of eligibility/effort provisions
- Act 128 of 2010 health care system design options
- Act 128 of 2010 health care workforce study follow-up
- Specific Medicaid issues
- Projected Medicaid program deficits
- Catamount sustainability concerns
- Payment reform initiatives
- Blueprint for Health expansion
- Short-term health care cost controls
- Health information technology issues
- Autism spectrum disorder mandate and impact study
- Pharmacy issues
- Long-term care issues and initiatives
- DCF modernization status update
- Prevention and wellness efforts

### **The Affordable Care Act of 2010 (aka “Federal Health Care Reform” or “ACA”)**

Health insurance exchanges – The Affordable Care Act (ACA) directs states to establish and begin operation of a health benefit exchange no later than January 1, 2014. The exchange will be a central point of access for individuals and small businesses (with 50 to 100 employees<sup>3</sup>) to acquire health care coverage. While 2014 seems far away, the federal government is emphasizing the importance of acting promptly in order to have an exchange in place by the end of 2013; if the state does not design and implement an exchange by the deadline, the U.S. Department of Health and Human Services (HHS) will design and implement one for residents of the state. The Vermont Agency of Human Services (AHS), in collaboration with the Vermont Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA), has already received a \$1 million grant from the federal government to start the planning process, but will have to meet several benchmarks to show that progress is being made in order to receive future federal dollars toward implementing the exchange. One of those benchmarks is the passage of legislation this session concerning exchange planning and implementation. The next round of federal grant opportunities will be in May 2011, which means that this and other benchmarks would have to be met before May if the state wanted to maximize the federal grant funds available. If the legislature chooses to design a state exchange, there are many important planning decisions to be made, including whether a state agency will operate the exchange or whether the state would create a private non-profit entity to operate the exchange. The state may also decide to be part of a regional multi-state exchange. However, under current federal law, if the state chooses to do none of these things, the federal government will operate the exchange in Vermont. Other governance issues which may arise include benefit plan choices and transparency, consumer outreach and education, a single application for coverage, and access to federal subsidies and tax credits. How the exchange is

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<sup>3</sup> States have the option to define a “small business” as no more than 100 employees or no more than 50 employees until 2016. Vermont health insurance law currently defines a small employer as one who employs between one and 50 employees. One of the decisions for the state is whether to increase our definition to 100 employees before 2016.

ultimately designed will be at the core of determining the future costs and financing of the system. It should also be acknowledged that there is the potential for overlap between decisions to be made regarding the planning of an exchange and the Act 128 study design options (addressed below) about which the legislature and administration may want to be aware .

- Insurance market reforms – The ACA also instituted many insurance market reforms that involve compliance and regulatory issues. Examples include whether the state should combine the individual and small group markets (approximately 125,000 beneficiaries); what to do with the so-called “Safety Net” population; and the future role of the association market, which currently includes approximately 80,000 Vermonters. The one-year, \$1 million exchange planning grant received by AHS/BISHCA includes funds for a contract with a consulting organization(s) to help advise on and model these issues. The consultants’ work will play an integral role in helping Vermont to meet the benchmarks mentioned above.
- Medicaid expansion – The ACA also expanded Medicaid. While these expansions will not take effect until 2014, any decisions concerning Medicaid, whether budgetary or policy-related, will require a thorough understanding and consideration of what is coming down the pipeline in 2014. While Vermont already covers most of the new federal expansion populations, the ACA also instituted an insurance mandate that requires all individuals to have “minimum essential coverage.” This will likely result in additional growth of the state’s Medicaid rolls, as approximately half of Vermont’s uninsured residents are eligible for existing Medicaid programs but are not enrolled (often referred to as the “woodwork effect”). However, the income eligible criteria will also change and it is still unclear what will be the overall impacts of the ACA on Vermont’s Medicaid program. The Legislative Joint Fiscal Office (JFO) and the Department of Vermont Health Access (DVHA) are working collaboratively to estimate the impact of the ACA’s Medicaid changes on Vermont.
- Medicaid Maintenance of Eligibility/Effort (MOE) – Both the federal American Recovery and Reinvestment Act of 2009 and the ACA have MOE provisions that prohibit the states from instituting Medicaid eligibility and enrollment policies that are more restrictive than those in effect prior to enactment of each act until 2014. This includes bans on tightening financial eligibility and increasing premiums. However, the state can receive some exemptions from MOE if it certifies that it is experiencing or projecting a budget deficit in the following state fiscal year (SFY). States can make this certification as early as December 1, 2010. A budget gap of \$112 million is currently projected for SFY 2012, of which the Medicaid deficit is projected to be between \$30 to \$40 million, and current trend estimates indicate additional funds may be needed to cover increases to caseload and utilization.

#### **Act 128 of 2010**

- Health Care Design Options – Act 128 directs for the hiring of a consultant to design three health system options: a single payer system, a public option, and a third design to be determined by the consultant. Act 128 requires the consultant to consider methods of maximizing federal funds, including funds available for the health insurance exchange. The Commission hired a team lead by Dr. William Hsiao, a professor of economics at the Harvard School of Public Health. The act directs the consultant to release a draft report in January for

public comment, followed by the submission of a final report to the legislature in February. We anticipate a high level of interest in the final report from legislators, the administration, and the public.

- Provider Payment Reform – Reform of the current fee-for-service system used to pay health care providers is an integral part of the broader health care reform discussion. Act 128 created a Director of Payment Reform within DVHA who will design payment reform pilot projects and present these ideas to the House Committee on Health Care and Senate Committee on Health and Welfare by February 1, 2011. One such pilot project must be operational by January 1, 2012, with at least two more underway by July 1, 2012. The committees likely will wish to understand the driving principles behind the concepts of payment reform and how the director's recommendations interface with the health system design options proposed by Dr. Hsiao and his team.
- Blueprint for Health expansion – Act 128 included initiatives to accelerate the expansion of the Blueprint for Health, including a requirement that DVHA expand the Blueprint to at least two primary care practices in each hospital service area by July 2011 and to all primary care practices who wish to participate by October 1, 2013. This expansion is strongly dependent upon Vermont receiving a much-anticipated Centers for Medicare & Medicaid Services (CMS) demonstration grant to support Medicare participation in the Blueprint and funding for community health teams.
- Health Care Workforce – Access to care requires that Vermont have an adequate and well-trained workforce including not only physicians, but a variety of other health care professionals. The ACA has a number of workforce initiatives that will impact Vermont and Act 128 created a Vermont Primary Care Workforce Development Committee, whose interim study is due by November 15, 2010.

#### **Medicaid and Long Term Care Issues**

- Global Commitment Waiver Renewal – The Global Commitment to Health, the state's Section 1115 Medicaid waiver, is up for renewal with CMS within HHS. Lawyers for the federal government raised some last minute concerns, and at the time of the writing of this brief, Vermont is currently being renewed on a month-to-month basis as the details are being worked out. Depending upon the outcome of the finalized renewal language, potential legislative action may be required to be in compliance with federal requirements. At the very least, the waiver renewal is an issue about which the legislature will need to be aware as any changes could have potential fiscal implications.
- Medicaid Minutiae – In addition to a projected \$30 to \$40 million Medicaid deficit, there are many technical aspects that need to be addressed concerning Medicaid and Catamount Health policies, such as unresolved Catamount eligibility issues, indexing of Catamount premiums, retroactive eligibility in VHAP, and children's palliative care. It is also highly likely that the Governor's recommended Medicaid budget proposal will contain many complex initiatives and members of the committees of jurisdiction likely will wish to have a thorough understanding of Medicaid financing and policy.

- **Catamount Sustainability** – The long-term sustainability of the Catamount Fund has been a concern since the fund’s creation<sup>4</sup>. As of September 2010, approximately 12,500 people were enrolled in the Catamount Health plans offered by Blue Cross Blue Shield of Vermont (BCBSVT) and MVP Health Care (MVP), of whom more than 10,000 receive premium assistance from the state, paid from the Catamount Fund.<sup>5</sup> Expenditures are exceeding revenues and, as a result, in addition to making minor changes to the benefits under Catamount Health (by increasing deductibles and co-pays), the legislature also appropriated \$7 million in general fund dollars to cover Catamount expenses for SFY 2011. The Catamount Fund shortfall for SFY 2012 is likely to be even larger, and the legislature will once again be faced with tackling this issue, whether by appropriating additional general fund dollars, reducing benefits, or other measures. Another related issue is the number of Catamount plan options going forward. Recent approval of new premium rates for the two participating carriers set MVP’s monthly premium \$113 higher than BCBSVT’s, a differential that would be paid by the beneficiary (if receiving premium assistance) in addition to their subsidized premium. This will likely result in many members disenrolling from the MVP Catamount offering. In addition, CMS is requiring states to provide transitions plans for all populations above 138% of the federal poverty level by 2012. This will require legislators to consider the future of Catamount, including whether and/or how to include Catamount in the insurance exchange.
- **Long Term Care** – In the House, long-term care is generally addressed by the Committee on Human Services; in the Senate, it is the purview of the Committee on Health & Welfare, which has jurisdiction over the areas of both health and human services. There are many long-term care-related initiatives, grants, and projects underway as part of state and federal health care reform efforts about which legislators likely will wish to be informed, such as an initiative Vermont is pursuing to serve as the Medicare plan for individuals eligible for both Medicare and Medicaid (dual-eligibles).

#### **Other System-wide Health Reforms & Issues**

- **Health Information technology** – Health information technology (HIT) is a major component of health care reform. Recent federal legislation has provided significantly enhanced funding opportunities for both electronic medical records (EMRs) and for secure health information exchange (HIE). These opportunities will enable Vermont to leverage the Vermont HIT Fund, currently estimated at \$9 million, since many of the federal programs require state matching funds for which the HIT fund can be used. It is important for the legislature to keep abreast of the evolving and expanding scope of the state’s HIT plan. The rapid spread of HIT, the exchange of information with mental health providers, and the exchange of information across state lines create a new set of privacy and security issues which may also need to be addressed by the legislature. While Vermont is recognized as a leader for our progress toward implementing a statewide HIT/HIE, the state still has more work to do in this area.

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<sup>4</sup> When the Catamount Fund was created, it was anticipated that sustainability could be problem as early as 2010.

<sup>5</sup> As of September 2010, another 729 people were enrolled in Employer Sponsored Insurance Assistance (ESIA). These beneficiaries also receive premium assistance paid from the Catamount Fund.

- Autism Spectrum Disorder – Act 127 of 2010 mandated coverage for the diagnosis and treatment of autism spectrum disorders (ASD) for children between the ages of 18 months and 6 years old (or entering the first grade, whichever is earlier). This mandate takes effect July 1, 2011. The act requires AHS, the Agency of Administration, and the Department of Education to examine the feasibility and impact of expanding coverage to all children under age 18, as well as to assess the availability of providers who treat children with ASD, and to report to the committees of jurisdiction by January 15, 2011. The agencies and the department must also estimate the amount of savings and avoided costs to be realized by the state as a result of the coverage mandate and include this in their SFY 2012 budget proposal and report on it to the committees of jurisdiction by February 15, 2011. If the savings and avoided costs report or the committees' own findings indicate that there will not be sufficient funds to offset the state's share of the expenditures, the act expresses the legislature's intent to consider whether or not to allow the coverage mandate to be implemented.
  
- Pharmaceutical Pricing Changes in Medicaid – CMS is working with states to modify the pharmaceutical pricing methodology from a formula based on Average Wholesale Price (AWP) for pharmaceuticals paid by Medicaid. This change was instituted because a federal court decision determined that companies had fraudulently set the AWP. Once CMS has determined appropriate methods available for use by the state, members may wish to understand the fiscal implications of the pricing changes and their impacts on consumers, pharmacists, and others.
  
- Pharmaceutical Rebates – The ACA modified the amount the federal government receives in rebates from pharmaceutical manufacturers for certain pharmaceuticals purchased by Medicaid, which in turn affects the amount of the rebates the state receives. This change will result in approximately \$4.2 million (general fund) in lost rebates for SFY 2012. Last year's state budget directed DVHA to aggressively pursue the state's supplemental rebates to offset this loss. The legislature and administration may wish to explore the inherent tension between the state's generic preference laws and the aggressive pursuit of supplemental rebates on brand name drugs. It is also possible that additional offsets to the lost rebates could be found through increased aggressiveness in purchasing generics.
  
- Short-term Health Care Cost Control – The legislature has established short-term targets that support the Commissioner of BISHCA placing limits on the increase in net patient revenues for hospitals for state fiscal years 2011 and 2012. Fiscal pressures on state, local, and employer budgets have created a need to explore short-term approaches to controlling health care costs while longer term reforms are being designed and implemented.
  
- DCF Modernization – The Department for Children and Families (DCF), which does eligibility and enrollment for the state health care programs, has been implementing a new, "modernized" eligibility system. This system includes on-line applications and a telephone call center. Recently, DCF has not been able to meet its statutory deadlines for application processing. While the agency is working on faster processing times, members may want more information about the delays and their impact on enrollment in the state's health care programs.



- The Vermont State Hospital – While the Department of Mental Health is involved in ongoing discussions about how to replace the functions of the Vermont State Hospital, no plans have been finalized. Currently, very little of the funding for VSH is matched with federal funds. In the 2010 capital bill, the legislature set aside \$10 million in state funds that were freed up as a result of the enhanced FMAP extension in the ARRA. The VSH replacement options will likely consider leveraging federal matching funds.
- Prevention – Legislators may want to be kept informed about ongoing prevention programs as well as recent federal grant funding opportunities included in the ACA.
- AHS IT System Replacement – The Agency of Human Services health care eligibility system and the DVHA Medicaid Management Information System (MMIS) – the claims processing system – are old, and as a result it is difficult for AHS and DVHA to make changes their systems or produce data reports. AHS/DVHA have issued requests for proposals (RFPs) to replace these systems, which are planned to be operational by January 2013. Once these new systems become operational, they are anticipated to be able to provide timely data to the legislature and the administration to assist in making informed policy decisions.

*For more information contact:*

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Vermont

Legislative Joint Fiscal Office

## Vermont Fiscal Update

*November 19, 2010*  
*New Member Orientation*  
*Legislative Joint Fiscal Office*

One Baldwin Street • Montpelier, Vermont 05633-5301 • 802-828-2295  
<http://www.leg.state.vt.us/jfo/>



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Legislative Joint Fiscal Office

## Order of Presentation

- Federal context
- Other States
- General Fund Deficit Overview
- Other Key State Funds
  - Transportation (TF)
  - Medicaid/Global Commitment
  - Other Pressures

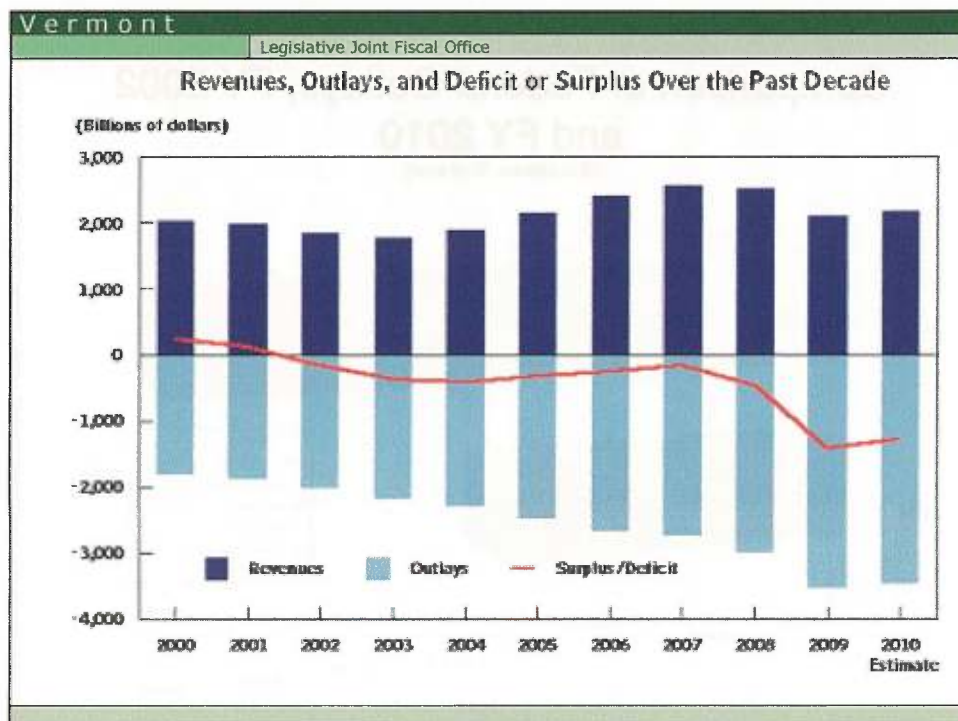
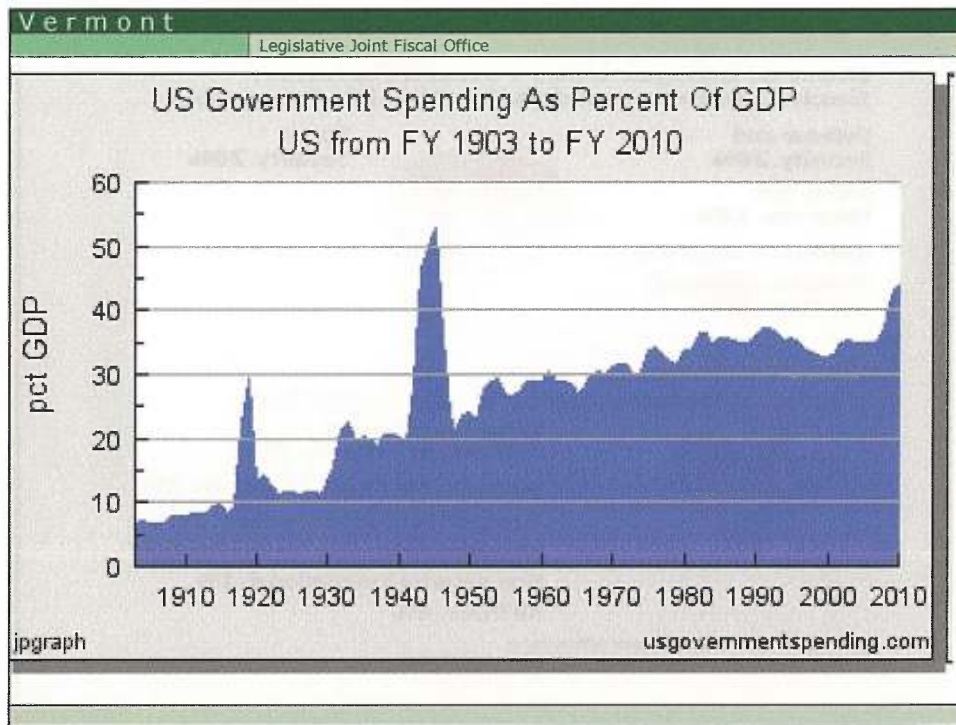


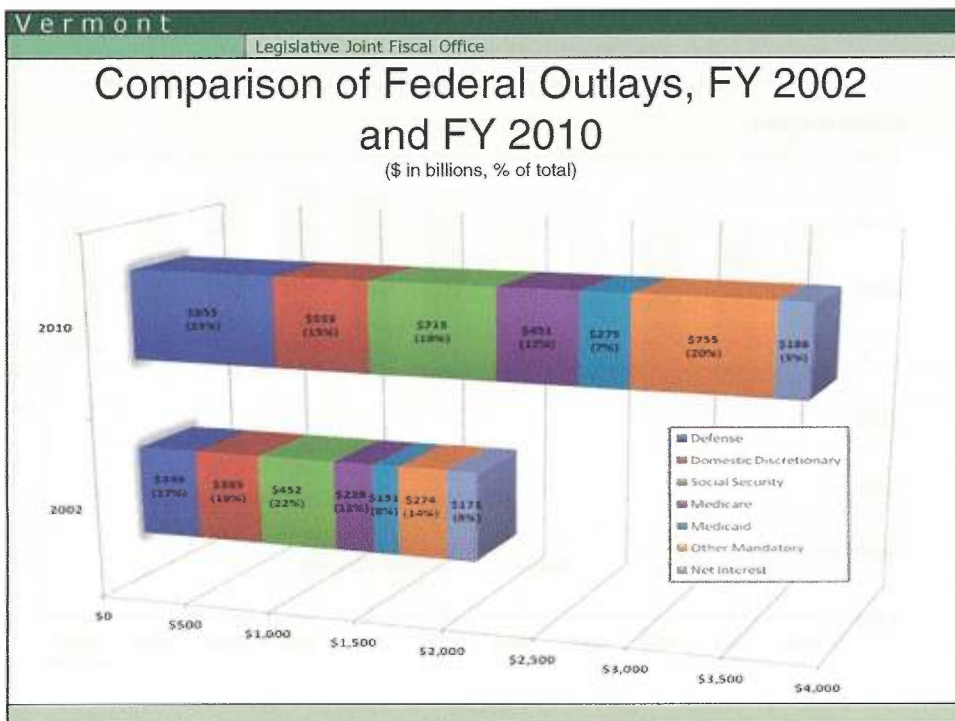
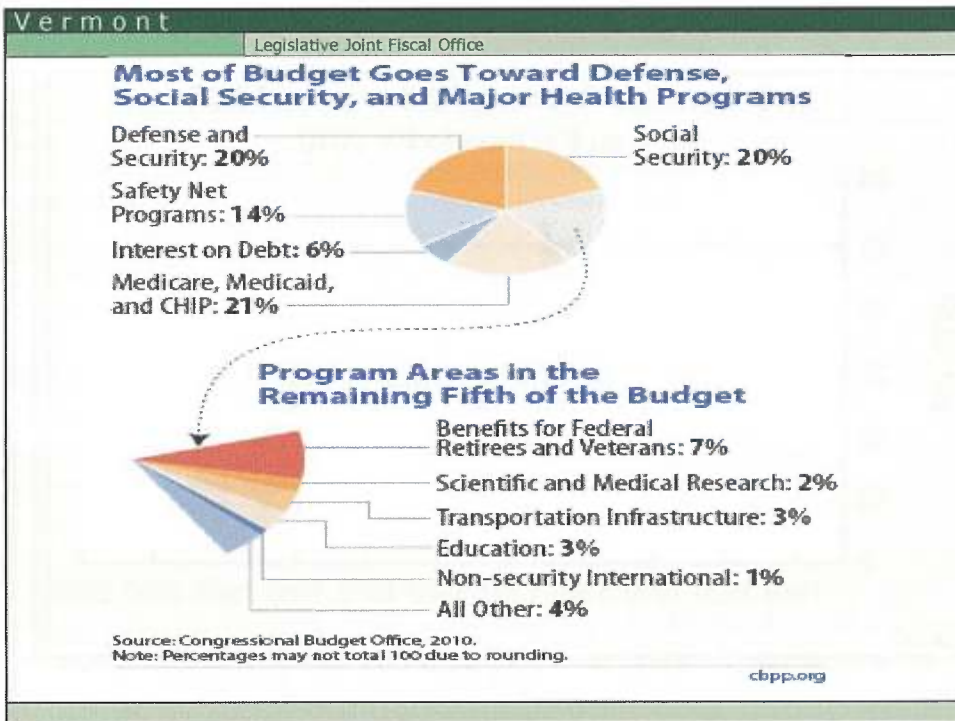
## The Federal Budget

- No Extensive Relief Expected
  - Federal changes in health care and other areas may result in new costs
    - Federal Medicaid Assistance Percentage (FMAP) change costs \$7million in FY 2012)
    - Drug rebates
  - Federal budget deficit and new Congress major deterrents to federal spending

## CBO Oct. Fed. Deficit Estimates

- CBO estimates that the federal budget deficit was slightly less than \$1.3 trillion in fiscal year 2010 and \$122 billion less than the shortfall recorded in 2009.
- The 2010 deficit was equal to 8.9 percent of gross domestic product (GDP), down from 10.0 percent in 2009.
- The 2010 deficit was the second-highest shortfall—and 2009 the highest—since 1945, relative to the size of the economy.





## State Fiscal Pressures Nationwide

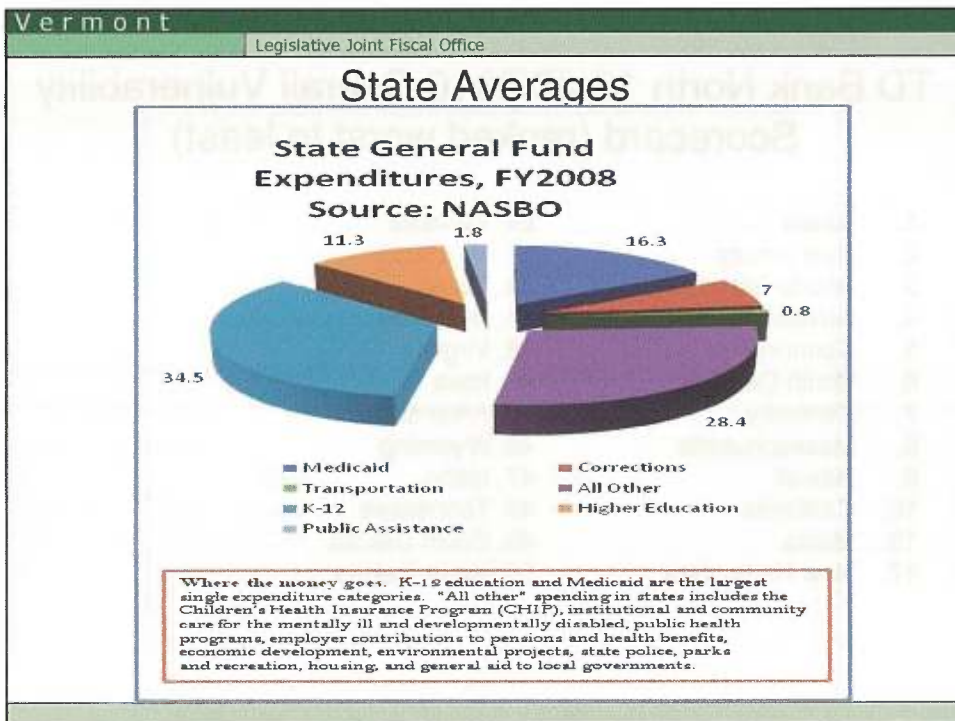
- FY 2011 Year End Balances - Forty five states reporting
  - The estimated FY 2011 combined year-end balance is 4.0 percent. This is a decline from the 5.7 percent balance at the end of FY 2010.
  - Without Alaska and Texas, the aggregate year-end balance falls to 1.1 percent. (The rainy day fund balances in these states are \$13 billion and \$8.2 billion, respectively.)
- FY 2012 Budget gaps: (33 states have forecast gaps, 30 provided estimates).
  - The cumulative tally for FY 2012 gaps is \$72.1 billion.
  - Eighteen states expect to address gaps in excess of 10 percent of their general fund budgets
  - Vermont Gap is projected at 8.6%
- FY 2013 Budget gaps (23 states have forecast gaps, 19 provided estimates).
  - The sum of these FY 2013 gaps is \$64.3 billion.
  - Ten states foresee double-digit gaps.
  - Vermont has gap if FY 2012 is budget is solved with temporary fixes

## TD Bank North 10/27/2010 Overall Vulnerability Scorecard (ranked worst to least)

1. Illinois	24. Vermont
2. New Jersey	29. New York
3. Rhode Island	40. Texas
4. Nevada	41. Delaware
5. Connecticut	42. Virginia
6. South Carolina	43. Iowa
7. Kentucky	45. Arkansas
8. Massachusetts	46. Wyoming
9. Hawaii	47. Idaho
10. California	48. Tennessee
13. Maine	49. South Dakota
17. New Hampshire	50. North Dakota



Vermont		
Legislative Joint Fiscal Office		
FY 2012 Budget Gaps: Center for Budget and Policy Priorities -- 10/7/10		
	FY 2012 proj. shortfall	% Fy 11
1. Illinois	\$17.0 billion	52.3%
2. New Jersey	\$10.5 billion	37.5%
3. Nevada	\$ 1.3 billion	36.7%
4. Mississippi	\$ 1.2 billion	27.6%
5. South Carolina	\$ 1.3 billion	26.1%
6. California	\$21.3 billion	25.7%
7. Minnesota	\$ 3.8 billion	25.0%
8. Texas	\$10.0 billion	22.3%
9. Connecticut	\$ 3.8 billion	21.6%
10. Oregon	\$ 2.5 billion	17.6%
*****		
24. Vermont	\$112 million	10%



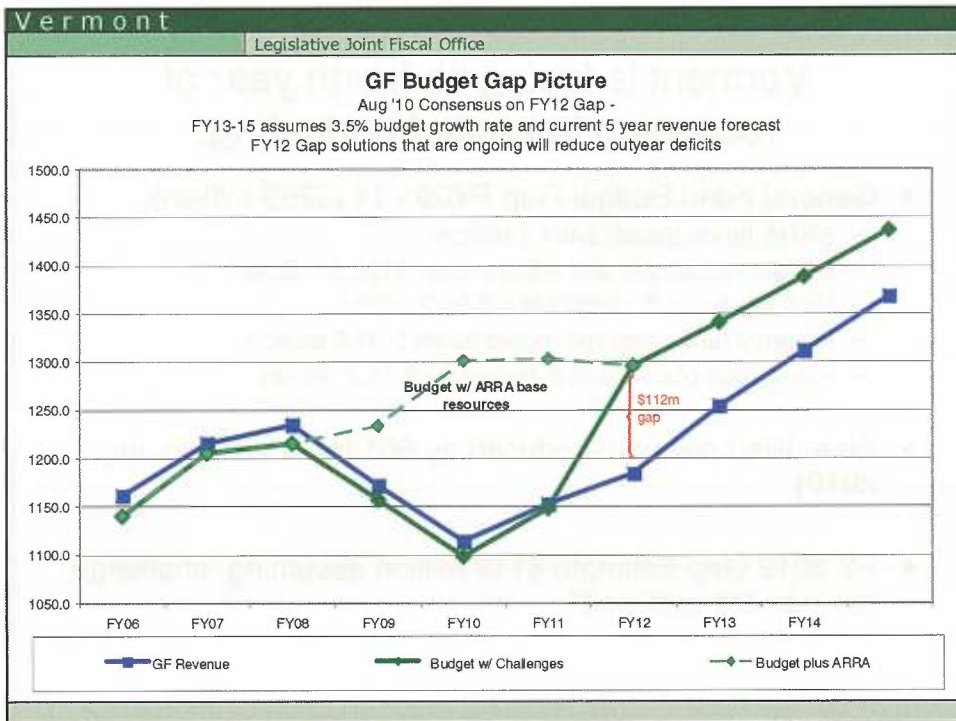
## Vermont is facing its fourth year of recession impacted budgeting:

- General Fund Budget Gap FY09 - 11 (\$753 million):
  - ARRA funds (base) \$401.1 million
  - Budget reductions and adjustments \$190.2 million
  - New Revenue & compliance \$ 30.2 million
  - Reserve funds and redirected funds \$ 61.6 million
  - Rescission plans (cuts & redirects) \$ 71.2 million
- State filled positions reduced by 661 (April 2008 to July 2010)
- FY 2012 Gap Estimate \$112 million assuming “challenge savings are obtained”

## Key Themes – General Fund

- We are emerging from a long rescission but the effects will stay with us
  - FY 2012 GF revenues at \$1174 million are \$26 million below FY 2008 levels
  - Our low point was FY 2010 at \$1038 million. Just above FY 2005 revenues.
  - FY 2012 assumes 7.7% revenue growth from FY 2011
- The General Fund growth of total appropriations including ARRA has been:

– FY 2008 over FY 2007	2.1%	FY 2010 over FY 2009	5.5%
– FY 2009 over FY 2008	1.9%	FY 2011 projected over FY 2010	0.5%
– FY 2012 projected	-4.7%		
- The FY 2012 budget:
  - The FY 2012 budget will rely on \$72 million in “challenge savings” of which \$27-35 million is identified.
  - To keep spending within revenues, the current Administration has asked agencies to submit budgets 6% below challenge adjusted FY 2011 levels.
  - Note: each 1% of spending is about \$12 million dollars



**Vermont** Legislative Joint Fiscal Office

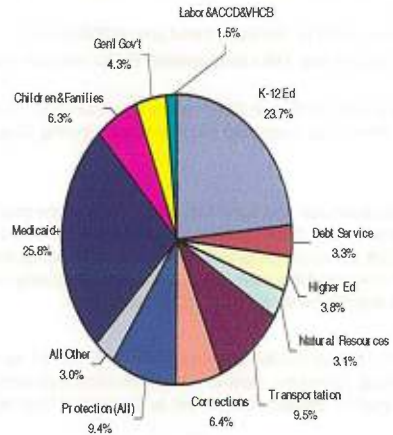
### What are the key state funds

In FY 2010 expenditures

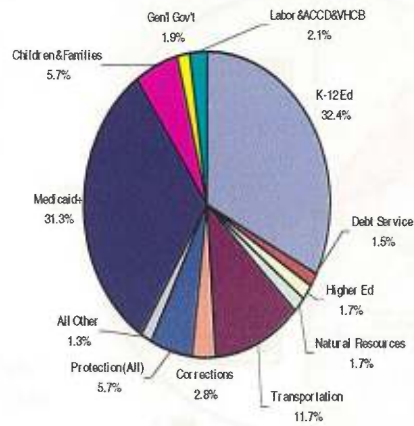
- General Fund & ARRA	\$ 1,262 M
- Transportation Fund	\$ 225 M
<i>(includes Transportation Infrastructure Bond Fund \$18.6 M)</i>	
- Health Care Related	\$ 256 M
- Other Special Funds	\$ 206 M
- Education Fund	\$ 1,314 M

*(EF revenues: \$912M net state property tax, \$235m GF overlap w/ transfer, \$155M other state revenue: Sales, Purchase & Use, Lottery, VT Yankee)*

FY11 Budget As Passed - All State Funds (incl. ARRA \$119m GF-like) = \$2.13 Billion  
Excludes FF Other ARRA and Net Ed Property Tax



FY11 Budget As Passed - All Funds Uses = \$4.77 Billion  
Includes Net Ed Property Tax and All ARRA and FF





## Key Themes – Transportation Fund

**State revenues:** After sharply declining in FY09, state transportation revenue has rebounded due to (1) increases in DMV fees and (2) the creation of the new Transportation Infrastructure Bond (TIB) fuel "assessments". However,

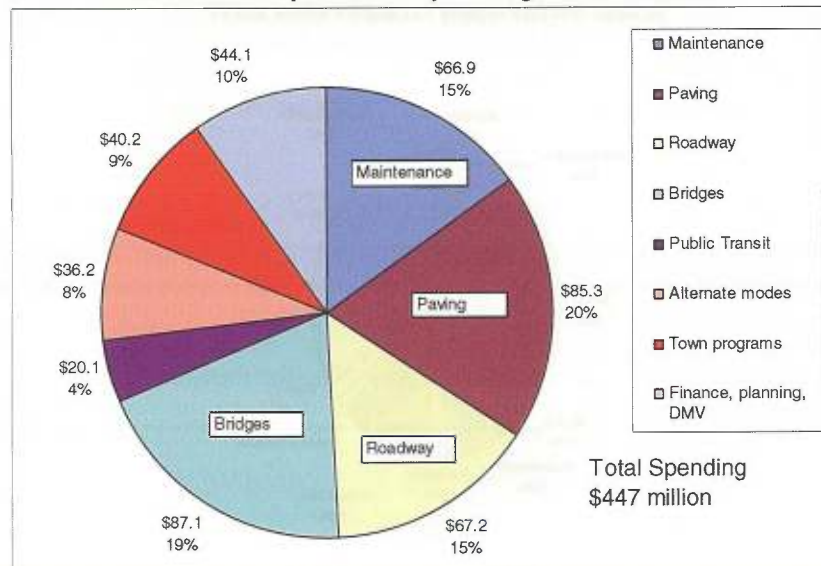
- ▶ Fuel tax revenue is still on a flat to declining trend (since 2003) and
- ▶ Even with DMV fee increases and TIB assessments, FY10 revenue was only 2.3% above FY08 revenue.
- ▶ On the other hand, the 6 year decline in Purchase & Use Tax revenue in which total source revenue fell from \$86 to \$65 million (-24%), has bottomed out and is rebounding (Sep 2010 twelve month total \$70.2 million).

**Federal revenues:** Federal revenues and spending has soared in the past two years (12 month spending increased from \$176 million in Sep 2008 to \$206 million in Sep 2009 to \$276 million in Sep 2010. The increase is due to (1) ARRA stimulus funds and (2) favorable formulas for annual funds (the "Jeffords" legacy). As ARRA winds down and the new multi-year federal highway bill is negotiated in Congress, it is likely that Vermont's total federal funds will level off if not decline.

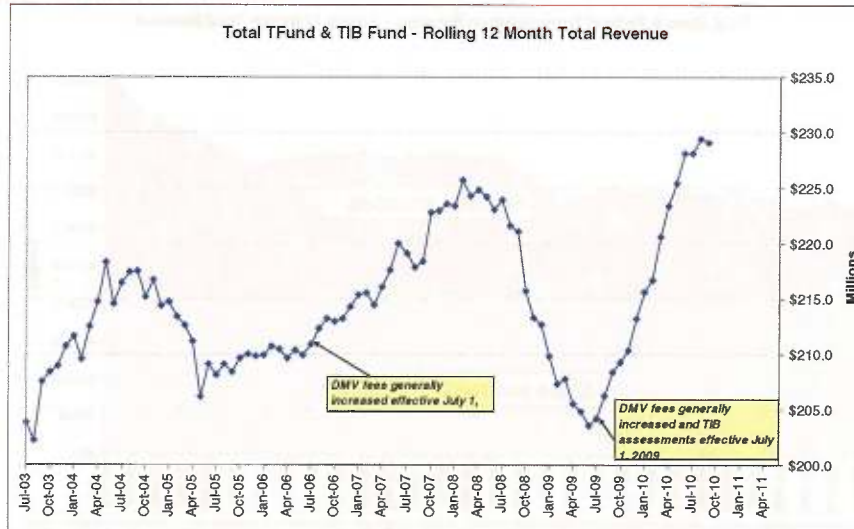
**FY10-FY11 spending:** Total transportation appropriations in FY10-11 were 41% higher than in FY08-09 (\$1.1 billion vs. \$790 million). Given the slow-to-no-growth nature of state revenue sources, how much future spending declines mainly depends on the yet to be passed federal reauthorization bill.

**Overall infrastructure needs still loom large**

## FY10 Transportation Spending – All Sources



After declining sharply through FY09, state transportation revenue has rebounded due to (1) DMV fee increases (2) new TIB fund fuel taxes and (3) a positive trend reversal in P&U tax revenue.

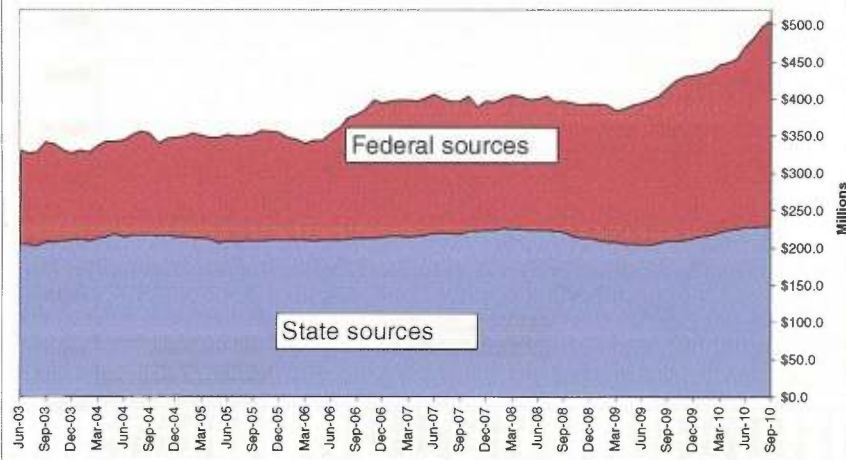


Federal transportation funds have soared due to (1) temporary ARRA funds and (2) favorable formulas in annual funding (the "Jeffords" legacy).



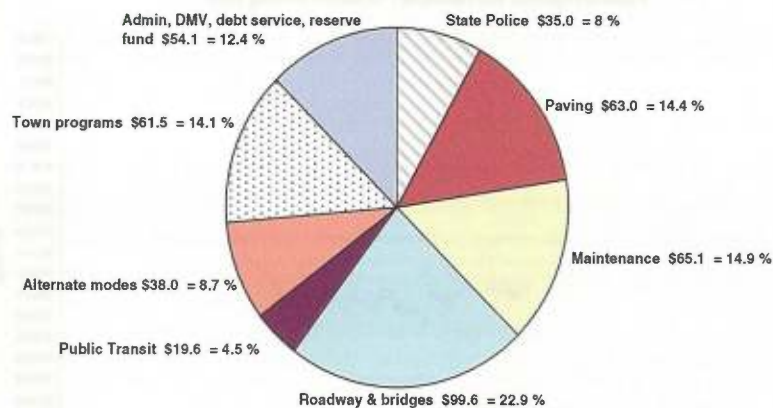
Using a wider scale, the major contribution of federal funds to the recent increase in spending becomes more evident

Total State & Federal Transportation Revenue - Rolling 12 Month Total Revenue



FY 2008 Transportation Fund + Federal Fund Uses

Total \$435.7 million



FY 2008 transportation appropriations as amended. Actual state revenue came in \$3.1 million below final appropriations. AOT balanced the budget by not carrying forward appropriated but unspent funds in the same amount.

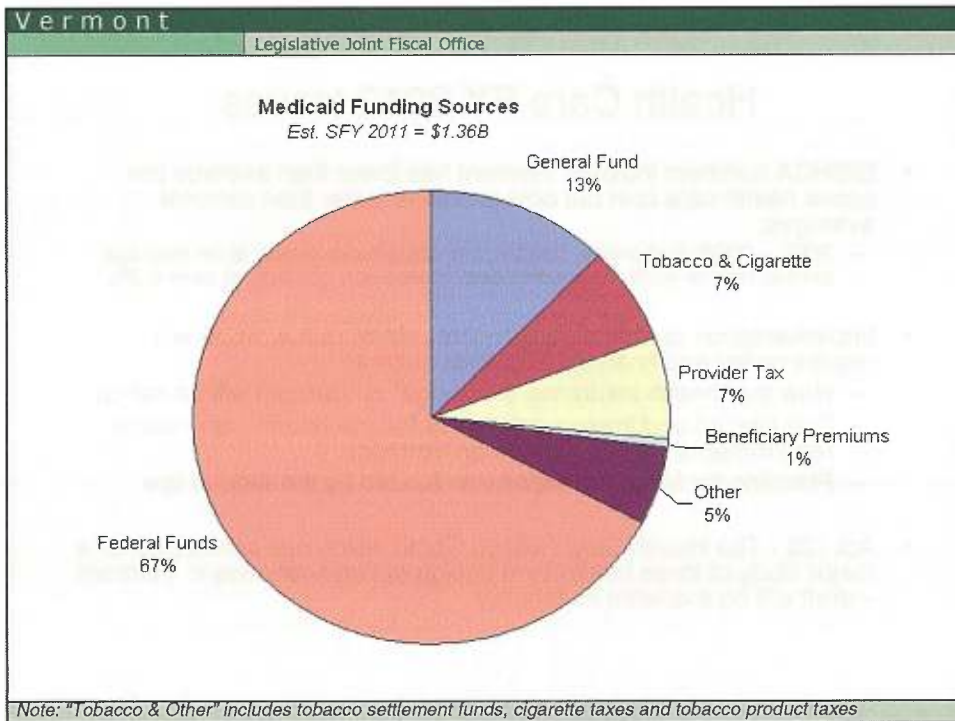
## Health Care FY 2012 Issues

- BISHCA numbers indicate Vermont has lower than average per capita health care cost but cost growth is faster than national averages:
  - 2005 – 2008: Nationally, health care costs have grown at an average annual rate of 5.7%; Vermont costs have been growing at over 8.2%
- Implementation of federal health care reform (a.k.a. ACA) will require policy and financial decisions such as:
  - How the “health insurance exchange” in Vermont will be set up
  - Clarification and implementation of federal health care reform requirements and its impacts on Vermont
  - Planning for Medicaid expansion funded by the federal law
- Act 128 - The Health Care Reform Commission has contracted for a major study of three health care design option scenarios in Vermont
  - draft will be available in January

## Medicaid/Global Commitment

- Medicaid growth was roughly 6.8% last year (07-08) and has continued to grow at 6 + %
  - Revenues that support state programs are the tobacco tax and tobacco settlement funds, the provider tax and State general funds – which are not keeping pace.
- For FY 2012 Overall Medicaid/Catamount Deficit = approx. \$30-40
  - Currently much of Vermont’s health care programs are federally funded through a waiver that allows roughly 60% federal match for services. Due to underlying strength in our economy our match rate will decline to about 58%. Each 1% is +/- \$10 million.
  - For FY 2011, the Catamount Fund has a sustainability issue and required an appropriation \$7M in GF in addition to \$22M fund revenue. FY’12 Catamount Fund estimates will be done by December.





Vermont Legislative Joint Fiscal Office

## Where are we? FY 2012 and Beyond – Other Fiscal Issues

- State Employee and Teacher's retirement obligations
  - Teachers retirement system has an FY 2010 funded ratio of 66.5%
  - State employees retirement has an FY 2010 funded ratio of 81.2%
  - Both ratios are slightly better than FY 2009 ratios (65.4% and 78.9% respectively)
  - Required pension contributions from the State are expected to increase at 4-5% annually
  - In the teacher's retirement system the State's share of retiree health insurance (Approx. \$20 million) is paid out retirement contributions causing additional funding pressure and possible IRS issues.
- GASB 45 (OPEB - Other Post Employment Benefits) To move to an actuarial funding of retiree health care costs:
  - Teachers Retirement would need an additional \$28.2M a year
  - State Employees Retirement would need an additional \$18.1M a year
- Capital Bill Pressures
  - Demands from Education, Higher Education, State Buildings, technology and other areas far exceed the state's bonding capacity which is projected to be \$79.6 million in FY 2012.
  - Schools and Tech Centers \$28 million back log, moratorium in place except for emergencies and consolidation.
  - State Hospital, state lab, annual technology investment needs

# Motions

Monday, November 15, 2010

1. JFO #2464 - Prisoner Reentry Initiative grant. Request from the Department of Corrections to accept a \$365,000 grant.

**MOTION:**

**Move to approve acceptance of JFO #2464.**

2. JFO #2468 – Health Insurance Exchange Development grant. Request from Department of Vermont Health Access to accept a \$1,000,00 grant.

**MOTION:**

**Move to approve acceptance of JFO #2468.**

3. JFO #2469 – Superior Court Planning Project grant. Request from Judiciary to accept a \$50,000 grant.

**MOTION:**

**Move to approve acceptance of JFO #2469.**



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Fiscal Analyst  
Date: October 14, 2010  
Subject: Grant Request

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

**JFO #2464** — \$365,000 grant from the U.S. Department of Justice to the Department of Corrections (DOC). These funds will allow DOC to develop and operate Circles of Support and Accountability (COSAs) for 24 high risk offenders reentering the community during the grant period.  
[JFO received 10/07/10]

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](mailto: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 October 29 we will assume that you agree to consider as final the Governor's acceptance of these requests.

cc: James Reardon, Commissioner  
Andrew Pallito, Commissioner  
James Hester, Director  
Roger Allbee, Secretary

# Vermont Legislative Council

115 State Street • Montpelier, VT 05633-5301 • (802) 828-2231 • Fax: (802) 828-2424

## MEMORANDUM

To: Joint Fiscal Committee

From: Erik FitzPatrick

Date: November 5, 2010

Subject: Second Chance Act grant to Department of Corrections

The agenda for the Joint Fiscal Committee's November 15th meeting includes discussion of a federal Second Chance Act grant recently awarded by the Department of Justice Bureau of Justice Assistance to the Vermont Department of Corrections "to work with municipal community justice centers to develop and operate Circles of Support and Accountability (COSAs) for 24 high risk offenders reentering the community." This item was placed on your agenda due to concern that the program funded by the grant might be prohibited or limited to some degree by 24 V.S.A. § 1967, which prohibits referring to community justice centers cases involving domestic violence, sexual violence, sexual assault, or stalking "except in department of corrections offender reentry programs pursuant to protocols protecting victims." The Joint Fiscal Committee requested the Corrections Oversight Committee to consider the matter at its November 4 meeting and recommend how to proceed.

The five members of the Corrections Oversight Committee present at the November 4 meeting (Senator Sears and Representatives Emmons, Haas, Heath, and Lippert) reviewed the grant proposal, determined that the grant would be administered in compliance with 24 V.S.A. § 1967, and recommended that it be approved and accepted by the Joint Fiscal Committee. Corrections Department Commissioner Andrew Pallito and Derek Miodownik, restorative systems administrator at the department, testified that a working group had been developing the victim protocols required by the statute, and that the group intended to complete a draft by the end of the year. In the meantime, Commissioner Pallito and Mr. Miodownik agreed that 24 V.S.A. § 1967 prohibits using any of the grant money for community justice center referrals involving domestic violence, sexual violence, sexual assault, or stalking except pursuant to victim protection protocols, and that the offenders identified in the statute would not be served by community justice centers until those protocols were in place. Based on this commitment, the Corrections Oversight Committee members present at the meeting concluded that the grant should be approved and accepted by the Joint Fiscal Committee.

Please let me know if you have any questions or comments.





STATE OF VERMONT  
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Fiscal Analyst  
Date: November 4, 2010  
Subject: Grant Request

Enclosed please find one (1) request that the Joint Fiscal Office has received from the administration. This request includes the establishment of one (1) limited service position.

**JFO #2468** — \$1,000,000 grant from the U.S. Department of Health and Human Services to the Department of Vermont Health Access. This grant will be used to help determine if a health insurance exchange should be established in Vermont, and to support the planning activities for the development of an exchange. One (1) limited service position is associated with this request. **Expedited review of this item has been requested. Joint Fiscal Committee members will be contacted by November 12 with a request to waive the statutory review period and accept this item.**  
[JFO received 10/28/10]

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](mailto:nlavery@leg.state.vt.us)) if you have questions or would like an item held for Joint Fiscal Committee review.

cc: James Reardon, Commissioner  
Susan Besio, Commissioner

**WHY VERMONT SHOULD MOVE FORWARD ON EXCHANGE DEVELOPMENT**

- Regardless of how Vermont chooses to design its Exchange, federal law requires us to have one. If we don't build a Vermont Exchange, the federal government will step in and design an Exchange that may not serve Vermont's needs.
- The planning grant and development of an Exchange will benefit Vermont financially:
  - It provides federal Exchange grant money (initial planning grant of \$1 million) to do research that will inform any decision Vermont might make about the future of our health care system.
  - Beginning to build an Exchange now will allow us to use federal dollars to build functionality that will be useful no matter what direction Vermont takes. For example, we have to replace our eligibility IT infrastructure no matter what direction we take; replacing it within the context of building an Exchange will allow us to receive enhanced federal match (in addition to any Exchange grants) funding.
  - Tax credits for people enrolled in health plans will be available only through the Exchange. Vermont and Vermonters will benefit from these federal premium subsidies.
  - We will not be positioned to ask for the next round of grant funds for FFY 12 unless we make significant progress on designing Vermont's Exchange in FFY 11.
- This planning grant allows for work that is complimentary to the Hsiao study – data collection, model building, single eligibility system, etc.
  - There is nothing in the ACA that would prevent Vermont from offering one plan on the Exchange and prohibiting the sale of plans outside the Exchange.
  - The Exchange could be a powerful tool to promote quality and reduce costs.
  - The Exchange will have functionality that we will need regardless. Examples:
    - On-line application for coverage and to choose benefit plan
    - Easy to understand description and comparison of benefit plans/packages
    - Calculation of eligibility for federal subsidies/tax credits
    - Navigator support for consumers
- In fact, Vermont Act 128 specifically contemplates that these two activities are complementary, in that it directs us to pursue these federal opportunities at the same time as the design study (which was also contained in Act 128):

Act 128 of 2010**Sec. 10. IMPLEMENTATION OF CERTAIN FEDERAL HEALTH CARE REFORM PROVISIONS**

(a) From the effective date of this act through July 1, 2011, the commissioner of health shall undertake such planning steps and other actions as are necessary to secure grants and other beneficial opportunities for Vermont provided by the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152.

(b) From the effective date of this act through July 1, 2011, the commissioner of Vermont health access shall undertake such planning steps as are necessary to ensure Vermont's participation in beneficial opportunities created by the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152.

## **Exchange Planning Grant: Project Abstract**

The State of Vermont has a long history of proactively addressing health care delivery and health care system financing. In 1992 the Vermont General Assembly mandated that the individual and small group health insurance markets be community rated and sold on a guaranteed issue basis. Vermont's public programs likewise provide high-quality, affordable health care to a wide range of its citizens. The Dr. Dynasaur program serves children in families with income below 300% FPL, and the Vermont Health Access Plan (VHAP) provides coverage for childless adults up to 150% FPL and adults with children up to 185% FPL.

In 2006 the General Assembly passed comprehensive health care reform legislation that created the Catamount Health program. Catamount Health, a private insurance product offered by two Vermont non-profit insurance carriers, is available to Vermonters who have been uninsured for 12 or more months. For individuals with incomes below 300% FPL, a premium subsidy is available. Implementation of Catamount Health was the culmination of a highly successful partnership among several state agencies (including the Department of Vermont Health Access (DVHA) and the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA)), private insurance carriers, and many community organizations. This strong working partnership still exists today and puts Vermont in an excellent position to create an American Health Benefit Exchange pursuant to the Affordable Care Act of 2010.

This grant application is the result of the collaborative effort of DVHA and BISHCA. Under this grant, Vermont is proposing to accomplish the following tasks:

- Develop a roadmap for planning for the Exchange
- Analyze data from a 2009 Vermont household health insurance survey to gain a better understanding of the uninsured population
- Analyze the current insurance market to determine the quality and type of health insurance coverage, the appropriate regulatory environment for implementing the Exchange, and the potential impacts on the market of various options.
- Conduct focus groups to obtain stakeholder input on the goals for the Exchange
- Assess current programs and integration opportunities in both the public and private sectors
- Analyze the effects of "churning" in current programs and strategies for decreasing the churn rate
- Assess various Exchange organizational models and the policy and fiscal implications of each, as well as resources needed to operate the Exchange
- Model potential funding mechanisms to achieve Exchange sustainability
- Develop proposed legislation for the 2011 and 2012 sessions
- Create an implementation plan for the chosen Exchange design.

The budget for the tasks described above for the first planning year is estimated to be \$1 million. We are confident that Vermont can build on its existing program and market infrastructure to create a successful American Health Benefit Exchange.



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Fiscal Analyst  
Date: November 5, 2010  
Subject: Grant Request

Enclosed please find one (1) request that the Joint Fiscal Office has received from the administration.

**JFO #2469** — \$50,000 grant from the State Justice Institute to the Judiciary. This grant will support the strategic planning process focused on the legislatively-approved judicial restructuring and unification project. **Expedited review of this item has been requested. Joint Fiscal Committee members will be contacted by November 15 with a request to waive the statutory review period and accept this item.**

*[JFO received 11/5/10]*

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](mailto:nlavery@leg.state.vt.us)) if you have questions or would like an item held for Joint Fiscal Committee review.

cc: James Reardon, Commissioner  
Robert Greemore, Court Administrator

**SUPREME COURT OF VERMONT  
OFFICE OF THE COURT ADMINISTRATOR**

**Robert Greemore**  
Court Administrator  
*bob.greemore@state.vt.us*

**Patricia Gabel, Esq., Director**  
Court Improvement & Innovation  
*patricia.gabel@state.vt.us*

**Mailing Address:**  
109 State Street  
Montpelier, VT 05609-0701

**Renny Perry, Director**  
Trial Court Operations  
*renny.perry@state.vt.us*

**Robert Yergeau, Director**  
Research & Information Systems  
*robert.yergeau@state.vt.us*

**Telephone:** (802) 828-3278  
**FAX:** (802) 828-3457  
**TDD:** (802) 828-3234  
**Website:** *www.vermontjudiciary.org*

**Carol Harrison, Director**  
Financial Operations  
*carol.harrison@state.vt.us*

November 5, 2010

Representative Michael Obuchowski  
Chair, Joint Fiscal Committee  
State House  
Montpelier, VT 05602

Dear Representative Obuchowski,

The Judiciary requests an expedited review process of a State Justice Institute grant entitled "Superior Court Planning Project Grant". We make this request because we recognize we cannot make commitments or spend money in anticipation of the grant being approved. It is our understanding the grant has been signed by the Governor and has been sent to Nathan Lavery of your staff.

Under Act 154 regarding restructuring of the Judiciary, the roles of Presiding Judge and Superior Court Clerk have been redefined. The State Justice Institute Grant is designed to assist the new presiding judges and superior court clerks to develop a management team for their respective court units. The grant hires a nationally known expert in local court planning and team building to establish, advise, review, critique and develop implementation strategies for court performance plans and measures in the restructured units.

Because of our need to quickly improve court services and find efficiencies in order to meet our restructuring objectives, we tentatively scheduled and planned the opening training and discussion for November 18<sup>th</sup>. We needed to schedule this date well in advance because of the need to allocate judge time for this purpose. [The courts schedule judges several months in advance.]

I believe this project will create a systematic approach to evaluating the inventory of court cases, placing appropriate emphasis on when cases should

SUPREME COURT OF VERMONT  
OFFICE OF THE COURT ADMINISTRATOR

ROBERT GREEMORE  
Court Administrator  
[bob.greemore@state.vt.us](mailto:bob.greemore@state.vt.us)

**Mailing Address:**  
109 State Street  
Montpelier, VT 05609-0701

**Telephone:** (802) 828-3278  
**FAX:** (802) 828-3457  
**TDD:** (802) 828-3234  
**Website:** [www.vermontjudiciary.org](http://www.vermontjudiciary.org)



2, a, III,

PATRICIA GABEL, ESQ., DIRECTOR  
Court Improvement & Innovation  
[patricia.gabel@state.vt.us](mailto:patricia.gabel@state.vt.us)

RENNY PERRY, DIRECTOR  
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ROBERT YERGEAU, DIRECTOR  
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[robert.yergeau@state.vt.us](mailto:robert.yergeau@state.vt.us)

CAROL HARRISON, DIRECTOR  
Financial Operations  
[carol.harrison@state.vt.us](mailto:carol.harrison@state.vt.us)

November 5, 2010

Representative Michael Obuchowski  
Chair, Joint Fiscal Committee  
State House  
Montpelier, VT 05602

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I believe this project will create a systematic approach to evaluating the inventory of court cases, placing appropriate emphasis on when cases should be heard in what order of priority, among other court management concerns that will be addressed.

We received notification of the award in late September and submitted our AA-1 mid-October. The AA-1 was returned to us by the Administration in late October in order to supplement the information provided before presenting it to the Governor for signature who happened to be out-of-state anyway. We resubmitted the grant, the next day and were

notified the Governor signed the AA-1 on November 3<sup>rd</sup> and that it has been submitted to the Joint Fiscal Committee.

I am concerned that due to the changed timing, the training scheduled for November 18<sup>th</sup> is in jeopardy. The State Justice Institute has been very supportive of our efforts to restructure the Judiciary, which they have termed as innovative and ahead of any other restructuring effort in the country.

The Judiciary requests the grant qualify for an expedited review or, possibly, the grant be placed on the agenda of the next Joint Fiscal Committee meeting for approval that is tentatively scheduled for November 15<sup>th</sup>. I will be available to present the grant and answer any questions.

Thank you,

A handwritten signature in blue ink that reads "Bob Greemore". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bob Greemore  
Court Administrator

JFO 2470

2.2.IV.

STATE OF VERMONT  
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation from the Estate of Alice Hadley

This is a request for approval of a donation of 91% (\$345,000) of the appraised value (\$380,000) of a 51 acre parcel next to the Missing Link Wildlife Management Area in Rockingham, VT. Federal funds are available for the remaining 9% (\$35,000) of this purchase. (\$35,000 is the executor's estimate of the costs of disposition.)

DATE: November 4, 2010

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: \$345,000.00

FEDERAL CATALOG No.: N/A

GRANTOR / DONOR: The Estate of Alice Hadley

AMOUNT / VALUE: \$345,000.00

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT:  
SECRETARY OF ADMINISTRATION  
SENT TO JOINT FISCAL OFFICE:


(INITIAL) 11/10/10  
(INITIAL)                       
DATE:                     

*[Handwritten signature]*



**Department of Fish and Wildlife  
Business Office  
103 South Main Street  
10 South  
Waterbury, VT 05671-0501  
802-241-3704**

**To:** Jason Aronowitz, Budget Analyst  
Finance & Management

**From:** Sherri A. Yacono, Business Manager 

**Date:** October 4, 2010

**Subject:** AA-1: Donation from the Estate of Alice Hadley

---

Please find attached an AA-1 package for the above subject. The estate of Alice Hadley is donating 91% (\$345,000) of the \$380,000 appraised value of a 51 acre parcel adjacent to the Missing Link Wildlife Management Area in Rockingham, Vermont.

The property will be purchased and managed by the Vermont Department of Fish & Wildlife as part of the Missing Link Wildlife Management Area. This acquisition is currently part of the Alice Hadley estate. Total cost for this land acquisition is \$35,000 (9% of the appraised value).

Funding for this acquisition will come from Pittman-Robertson funds provided to the Department from the U.S. Fish and Wildlife Service for the management and development of Wildlife Management Areas. These funds will be matched by the donated value of the property being provided by the landowner/executor who was interested in having the land conserved and added to the existing Department's Missing Link Wildlife Management Area.

Included with this memo is a map of the property.

Department of Fish and Wildlife  
Commissioner's Office  
103 South Main Street  
10 South  
Waterbury, VT 05671-0501  
802-241-3730

TO: James H. Douglas, Governor

THROUGH: Jonathan Wood, Secretary, Agency of Natural Resources *JW*

FROM: Wayne A. Laroche, Commissioner, Department of Fish and Wildlife *WAL*

SUBJECT: Governor's Approval - Vermont Fish and Wildlife Department, Hadley property, Rockingham, VT.

**Recommendation:** Approve the fee acquisition (bargain sale <\$35,000) of a 51 acre +/- parcel that is adjacent to the Missing Link WMA in Rockingham, Vermont and includes 1100' of frontage on the Connecticut River.

**Description of Project**

The Alice Hadley property straddles route 5 in Rockingham, Vermont and is bounded on the north by the Missing Link WMA (62 acres), on the east by the Connecticut River and to the south by the 395 acre Herrick's Cove Conservation/public access area (Trans Canada-see attached map). The parcel would be a valuable addition to the Missing Link WMA for the following reasons:

- This property would effectively double the size of a relatively small but valuable WMA. The fact that the property links the WMA to the already conserved (through a FERC license) Herrick's Cove public access area enhances our efficiency to manage all three parcels both for wildlife and for public access.
- This would provide additional hunter/angler access to public lands that provide excellent opportunities for fishing along the Connecticut River and hunting both upland game and waterfowl.
- The property borders the Connecticut River and has more than 1100 feet of frontage. Views from the bluff over looking the river are lovely and are easily accessible to the public.
- The parcel provides excellent wildlife habitat for deer, turkey, grouse, and songbirds. Broods of turkeys have been seen using the fields and oak stands and green herons have been documented nesting in the riparian area adjacent to the pine plantation. Herrick's Cove is listed as an Important Birding Area (IBA). The Hadley parcel falls into the zone on the IBA maps that designate it as part of the winter bald eagle use area. In addition,

eagles have been attempting to nest in the vicinity and this parcel provides potential nesting habitat.

- Three species of conservation concern (SGCN) were found on the property, including Smith's bulrush (*Schoenoplectus smithii*) which is very rare and ranked S1 by the Nongame and Natural Heritage Program, rough avens (*Geum laciniatum*) which is rare and ranked S2, and roundhead bushclover (*Lespedeza capitata*) which is considered uncommon and ranked S3. In addition, the NNHP data base contain important records of rare, threatened, and endangered animals in the immediate vicinity of this parcel, including the bald eagle as stated above, the puritan tiger beetle (T&E both state and federal), and dwarf wedge mussel (T&E both state and federal).
- The IBA Conservation Plan designates *Erosional River Bluffs* as a conservation target. It is likely that some of the 1100 foot frontage along the river functions as an erosional river bluff. The IBA Conservation Plan (2009) states: "This target (erosional river bluffs) has been included largely because of increasing concern in the Northeast over declining Bank Swallow populations. Causes of this decline are currently unknown, and it is important to have a better understanding of the distribution and abundance of colonies and habitat within the IBA." Conservation of this parcel would contribute to the IBA conservation plan, goals and objectives
- Conservation of the land on both sides of route 5 provide connectivity to and from the Connecticut River and protects a potential movement corridor from one side of route 5 to the other for deer, furbearers and small mammals.
- Because of its location and beauty, the parcel is highly developable. Conservation of this property would protect one of the few remaining large, forested, undeveloped sites along the Connecticut River in southern Vermont and will likely be one of the few, if any, conserved parcels in state ownership along the Connecticut. It would also contribute to the minimization of forest fragmentation within the IBA.

#### Need and Cost

The Fish and Wildlife Department is acquiring this property to increase management efficiency on the existing WMA, to maintain connectivity across route 5, to conserve 1100 feet of highly developable land along the Connecticut River, and to expand the potential for cooperatively managing the Herrick's Cove property with the State parcels. The Hadley parcel was appraised at \$380,000. Because of Alice Hadley's conservation ethic and long-time interest in wildlife, the executor is willing to sell the property to the state at her costs of disposition (< \$35,000.00). Funding for this acquisition will come from federal funds available to the Department.

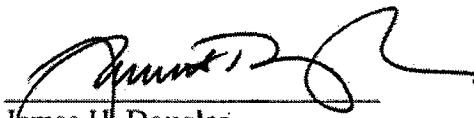
This project was reviewed and approved by the Department of Fish and Wildlife internal review process for acquiring lands, and was also recommended to the ANR Secretary by the Agency's Land Acquisition Review Committee for acquisition. In addition, Department staff met with the town of Rockingham on March 16, 2010. As documented

in the attached minutes (item #2), the select board unanimously supported Fish and Wildlife Department ownership of this property.

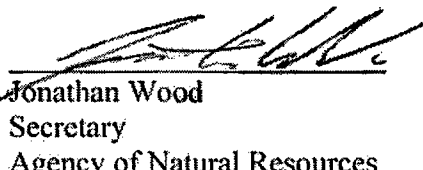
### APPROVAL FOR GRANTING OF AN ACQUISITION

We the undersigned, hereby approve the granting of the attached property to the Agency of Natural Resources, Department of Fish and Wildlife to enhance public access and the conservation of natural resources on the 51 acres belonging to the estate of Alice Hadley in Rockingham, VT. This approval is pursuant to Title 10, Chapter 103, section 4144 of the Vermont Statutes Annotated.

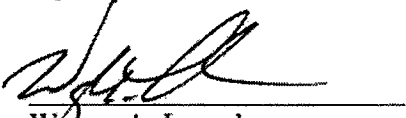
9/15/10  
Date

  
James H. Douglas  
Governor  
State of Vermont

9/9/2010  
Date

  
Jonathan Wood  
Secretary  
Agency of Natural Resources

9/8/2010  
Date

  
Wayne A. Laroche  
Commissioner  
Fish and Wildlife Department



Fish & Wildlife Department  
Barre District Natural Resources Office  
5 Perry Street, Ste. 40  
Barre, VT 05641  
[www.VtFishandWildlife.com](http://www.VtFishandWildlife.com)

{phone} 802-476-0199  
{fax} 802-476-0129  
{tdd} 802-828-3345

*Agency Of Natural Resources*

## MEMORANDUM

**To:** Susanne Young, Governor's Office  
**From:** Thomas A. Decker, Chief of Operations, Fish and Wildlife Department  
**Date:** September 7, 2010  
**RE:** Governor's Approval - Vermont Fish and Wildlife Department, fee acquisition of the Alice Hadley property, Rockingham, VT.

Enclosed is an approval to be signed by Governor Douglas for the purchase of a 51+/- acre property in Rockingham, Vermont by the State of Vermont's Fish and Wildlife Department. The property has been appraised at \$380,000.00 but the executor of the Alice Hadley estate, Sandra Cabell, will sell it to the Department for a bargain sale or for \$35,000.00, with the remainder used as match to federal funds.

Funding for this acquisition will come from federal Pittman-Robinson monies provided to the Department from the U.S. Fish and Wildlife Service. Included with the Governor's approval memo are a map of the property and a copy of the minutes from the Rockingham Select Board meeting dated March 16, 2010 stating unanimous support for the state acquisition of this easement.

If you have any questions regarding this easement project, please contact me at 241-3247 or at [tom.decker@state.vt.us](mailto:tom.decker@state.vt.us), thank you.

cc: Wayne Laroche, Commissioner  
John M. Austin, Wildlife Biologist  
Kim Royar, Wildlife Biologist



BK0000PG0583

**ROCKINGHAM SELECTBOARD REGULAR MEETING**  
**Tuesday, March 16, 2010**

Present: Thomas MacPhee, Robert Thomson, Peter Golec, Ann DiBernardo, Matthew Trieber

Also Present: Francis Walsh, Interim Municipal Manager; Kerry Bennett, Recording Clerk; Ellen Howard, Zoning Administrator; Brad Weeks, Recreation Director; Kim Royar & Tim Morton, Fish & Wildlife; Joe Brissette, Bob DeRusha, Tom Hernon, Edward Dinnany

Press: Stan Davis, FACT8; Howard Weiss-Tissman, Brattleboro Reformer; Steven Seitz, Eagle Times; Susan Smallhear, Rutland Herald

**MEETING OF THE ROCKINGHAM BOARD OF LIQUOR COMMISSIONERS**

Meeting of the Rockingham Board of Liquor Commissioners was called to order at 6:30 p.m. by Chairman Thomas MacPhee. *Peter Golec made the motion to approve the below listed 1<sup>st</sup> Class & 2<sup>nd</sup> Class Liquor license applications and tobacco license applications. Motion was seconded by Matthew Trieber. Motion passed with MacPhee, DiBernardo, Trieber and Golec voting in favor of the motion. Thomson abstained.*

1. B-A-R-T Energy, LLC d/b/a B-A-R-T Energy, LLC – 2<sup>nd</sup> Class Liquor & Tobacco
2. Athens Pizza House, Inc. d/b/a Athens Pizza House, Inc – 1<sup>st</sup> Class Liquor
3. Saxtons River Inn, Inc. d/b/a Bob, Averill and Bob Inc. – 1<sup>st</sup> Class Liquor
4. Martyn, Inc. d/b/a Martyn, Inc – 2<sup>nd</sup> Class Liquor & Tobacco
5. The Bellows Falls Polish-American Club #1, Inc. d/b/a Polish-American Club #1 – 1<sup>st</sup> Class Liquor
6. Sharon Boccelli d/b/a Boccelli's on the Canal – 1<sup>st</sup> & 2<sup>nd</sup> Class Liquor
7. Bellows Falls Country Club, Inc. d/b/a Bellows Falls Country Club, Inc. – 1<sup>st</sup> Class Liquor
8. Cumberland Farms of Vermont, Inc. d/b/a Cumberland Farms #8000 – 2<sup>nd</sup> Class Liquor & Tobacco
9. The Wurst Place in Bellows Falls, Inc. d/b/a Fat Franks – 1<sup>st</sup> Class Liquor
10. John Leslie Corporation d/b/a Leslie's The Tavern at Rockingham – 1<sup>st</sup> Class Liquor
11. Lisai's Market Inc. d/b/a Lisai's Market Inc. – 2<sup>nd</sup> Class Liquor & Tobacco
12. Cormar, LLC d/b/a P.K.'s Pub – 1<sup>st</sup> Class Liquor
13. Khalsa, Inc. d/b/a Singh Bros. Sunoco – 2<sup>nd</sup> Class Liquor & Tobacco
14. Wellfleet, Inc. d/b/a Wellfleet, Inc. – 2<sup>nd</sup> Class & Tobacco
15. Lazo's Pizza Palace, LLC d/b/a Lazo's Pizza Palace, LLC – 1<sup>st</sup> Class Liquor
16. Downstreet Café LLC, d/b/a Downstreet Café LLC – 1<sup>st</sup> Class Liquor
17. Fleming Oil Company, Inc. d/b/a Fleming Oil Company, Inc. – 2<sup>nd</sup> Class Liquor & Tobacco

**MINUTES**

**Call to Order:** Regular meeting of the Rockingham Selectboard was called to order at 6:33 p.m. by Chairman Thomas MacPhee.

**Approve Minutes of March 2, 2010:** Robert Thomson made the motion to approve the minutes of March 2, 2010 as printed. Motion was seconded by Peter Golec. Motion passed unanimously.

Rockingham Selectboard Meeting  
March 16, 2010 - Page 2

Public Comment on Items Not on the Agenda (3 minutes per person)/Add Agenda Items

- Joe Brissette, resident, stated that at the last Selectboard meeting a member of the board mentioned the string of burglaries that had taken place along Route 121. Brissette noted that the Board seemed to take this very lightly and in fact were chuckling during this discussion. Brissette asked the Board to take items like this more seriously. MacPhee thanked Brissette and stated that the Board would be more mindful of the situations in the future.

Agenda:

1. Plaque Presentation: This item was tabled due to the fact that the recipient was not present.
2. Discuss Possible Property Acquisition adjacent to Herrick's Cove: Kim Royar, Wildlife Biologist from the Vermont Department of Fish & Wildlife and Tim Morton, Stewardship Forester from the Vermont Department of Forests, Parks and Recreation were present to discuss this item. Royar stated that these two departments co-manage all the lands in the district and are here to discuss these departments interest in acquiring the Alice Hadley property between the Missing Link Wildlife Management Area and Herrick's Cove. Ms. Hadley was very interested in seeing this land conserved and the executor of the estate has been working with these departments to see this accomplished. MacPhee asked if the State would be the purchaser of the property. Royar stated that it would basically be a donation of the property to the State and the State would pay the executor's costs. MacPhee asked what the intent would be for the field area on this property. Royar stated that the executor is very interested in having the State maintain these fields and at this time a long-term agreement is being negotiated for maintenance of the field. Morton reported that the State does mow all the fields in the district and in some cases there are individuals who actually take the product off the fields. MacPhee stated that there are individuals who have rented this property for years and asked if that is still a possibility. Royar stated that there are 2 individuals that she has been in discussion with about maintaining this area for haying, etc. Morton stated that there are some areas that are leased for farm product and some that are basically brush hogged once a year and if there is someone interested in an arrangement to farm the area the State would not be opposed to working out an agreement. MacPhee asked who an individual would contact about this and Royar stated that they could contact either her or Morton about this. Royar reminded the Board that the State is still working with the executor and that the executor also has an interest in maintaining the field. MacPhee asked what the timeline on this would be. Royar stated that once they received approval from the Selectboard, approval would then be needed from the Governor and Joint Fiscal and then would be working on a funding source and hopefully signing by the end of May or June but can't promise this based on past experience. Golec asked if there were still any buildings on this property. Royar stated that all buildings have been removed. MacPhee asked what the Town would receive from this. Royar stated that the State makes an annual payment in lieu of taxes of 1% of the fair market value which is determined by the Department of Property Valuation and Review, however, the State only pays the municipal side of this, not the education side. Golec asked about public access. Royar stated it would be open both from the Herrick's Cove end and probably from Route 5. Morton stated that the access currently goes through Lamont Barnett's property and this would not be the preferred access. Therefore, the long-term plan would be to develop an access most likely from the north end toward the marina. It is also

BK0000PG0585

Rockingham Selectboard Meeting  
March 16, 2010 – Page 3

hoped to have some parking and may or may not put in a new access road depending on how the access is in terms of mowing. DiBernardo also asked about clean up of these areas or monitoring of this area. Morton stated that there are several areas that the prison work crews do clean up for some of these and this is also handled by in-house staff. Royar also stated that the wardens are fairly thinly spread but when they do have specific problems in certain areas they are asked to spend more time on these State properties and that would be a possibility if this property was a problem. Morton also noted that any change in access would require Selectboard approval and restrictions or conditions could be required by the Board at that time. Ellen Howard, Zoning Administrator, stated that when this parcel was submitted to the Town for subdivision the executor of the estate worked with VTrans because the existing access permit is from VTrans. MacPhee asked what the risk to the Town would be in this acquisition. Royar stated that she is not sure what the difference would be in the taxes but other than that could see no risk. *Robert Thomson made the motion that the Town of Rockingham support the acquisition of the Alice Hadley property by the Vermont Fish & Wildlife Department and/or the Vermont Forest, Parks & Recreation Department. Motion was seconded by Peter Golec. Motion passed unanimously.*

Morton asked if the Board had any questions for him about Town or State lands in Rockingham at this time that he could address. Morton stated that he had prepared the Town's management plan for the Grafton parcel for current use last year and that management plan does schedule a timber sale in this period and is in his work plan for this coming year and will want to address the Board about this before the plan is implemented.

3. Zoning Board/Planning Commission

a) Authorize Acceptance of Donation for Recording Equipment: Ellen Howard, Zoning Administrator, stated that two members of the Planning Commission/ZBA have generously donated the funds up to \$500 to purchase recording equipment for use at their meetings. It has been recommended that the equipment be the same as that used for the other board meetings here and could be used as back up for the present equipment if necessary. *Robert Thomson made the motion that the Board accept the donation of funds for the purchase of recording equipment to be used for the Planning/Zoning meetings. Motion was seconded by Peter Golec. Motion passed unanimously.* The Board will send a letter of thanks to these two individuals.

b) Recreation Building Zoning Application: MacPhee asked if Howard could tell the Board anything on this. Howard stated that this is on the agenda before the Rockingham Planning Commission/Zoning Board of Adjustment for its meeting tomorrow, 3/17/2010. Howard stated that the application appears very clear and there does not seem to be any impact as far as parking, lighting, etc.

4. Animal Control Ordinance Amendment

a) Leash Law: Howard reported that a memo was included in the board packets and that this had been discussed at a Joint Board meeting back in June 2009 but no action had been taken. The recommendation was that rather than specify a maximum length for a leash the following underlined language be added:







# Tax Reform in Vermont: Perception and Reform

*Joint Fiscal Committee Presentation*  
*November 15, 2010*





# How to Think about Tax Reform

- Tax system is a collection of certain broad rules.
- These rules have many, many policy exceptions.
- Tax reform is about examining how time and policy exceptions have eroded the broad rules of taxation.
- Why create broad rules?
  - Broad rules push rates down.
  - Exceptions drive rates up.
  - Exceptions tend to create complexity and economic distortions.







# Outline

- Perceptions
  - Do perceptions of Vermont's tax system match reality?
- Reform
  - Concepts being considered
  - The way forward

/



# Perception:

## *Is Conventional Wisdom Wrong?*

- Income Tax: choice of starting point for taxation may promote high marginal rates and lower effective rates.
- Sales Tax: border with no tax New Hampshire may warp perceptions.
- Property Tax: a unique statewide education property tax. Like any education funding system, it has been controversial.
- Corporate Income Tax: recent reform to Unitary Combined Reporting is in the mainstream but represents a change for Vermont's corporations. While it lowered rates, it reallocated the tax burden.





## Perception: *Income Tax*

- Two Major Income Tax Perception Issues
  - Where you start (The income tax base)
  - Where you finish (Your tax bracket)





# Components of Income Tax

Total  
Income

- Wages, Salaries, & Tips; Interest & Dividends; Alimony Received, Capital Gains Income/Losses, IRA Distributions, Pensions & Annuities; Rents, Royalties, & Partnership Income; Farm income & Losses; Unemployment Compensation, and a Portion of Social Security.

AGI

- Subtract the Following from Total Income:
- Self-Employment Tax and Health Insurance, Contributions to IRA/Keogh/MSAs/HSAs; Alimony Paid, Student Loan Interest, Penalty on Early Withdrawal of Saving, Tuition & Fees Deduction, Domestic Production Activities Deduction, Job-Related Moving Expenses, Other Expenses (Educators, Reservists, Performing Artists, and Fee-Basis Government Officials)

Taxable  
Income

- Subtract Personal Exemptions & Standard or Itemized Deductions the from Adjusted Gross Income:
- Itemized Deductions Include Medical & Dental Expenses, Taxes Paid (State Income Tax, Sales Tax, & Property Tax), Mortgage Interest, Gifts to Charity, Casualty & Theft Losses, Job Expenses, & Other Specified Expenses.



# *Perception: Income Tax*

Where you Start (The Income Tax Base)

Defining income is a \$5 billion dollar question.

Total Income	Adjusted Gross Income	Taxable Income
• \$15.3 Billion	• \$15 Billion	• \$10.2 Billion

33 states utilize an AGI base.

10 states utilize a Taxable Income base.



# Perception: *Income Tax*

*Notice Where these States Start (AGI Tax Base)*

- Connecticut
  - AGI
  - No Itemized Deductions
- Maine
  - AGI
  - Capped Itemized Deductions
- Massachusetts
  - AGI
  - No Itemized Deduction
- New Hampshire
  - No Income Tax
- Rhode Island
  - AGI
  - No Itemized Deductions
- Vermont
  - TI
  - Permissive Deductions





# Perception: *Income Tax*

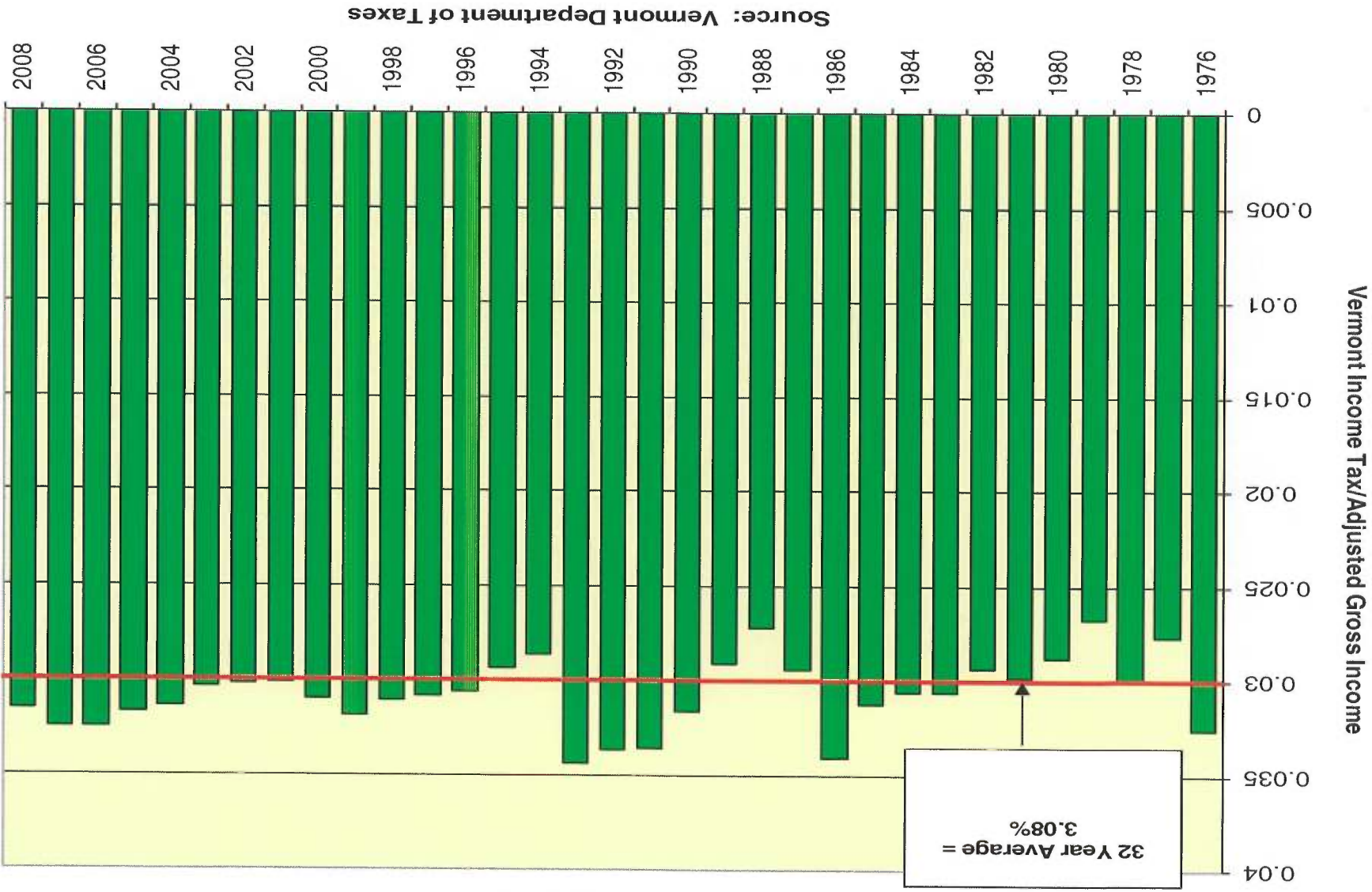
## *Notice Where You Finish (Tax Brackets)*

- Connecticut (AGI + No Itemized Deductions)
  - 3.5% \$0-\$10,000
  - 5% \$10,001-\$500k
  - 6.5% \$500k+
- Maine (AGI + Capped Itemized Deductions)
  - 2% \$0-\$4,850
  - 4.5% \$4,851-\$9700
  - 7% \$9,700-\$19,450
  - 8.5% \$19,451+
- Massachusetts (AGI + No itemized Deductions)
  - Flat 5.3%
- New Hampshire
  - No Income Tax
- Rhode Island (AGI + No itemized Deductions)
  - 3.75% \$0-\$55,000
  - 4.75% \$55,001 - \$125k
  - 5.99% \$125,001+
- Vermont (TI + Permissive Deductions)
  - 3.55%: Under \$34,000
  - 7.00% : \$34,000 - \$82,400
  - 8.00%: \$82,400 – \$171,850
  - 8.90% : \$171,850 – \$373,650
  - 8.95%: Above \$373,650



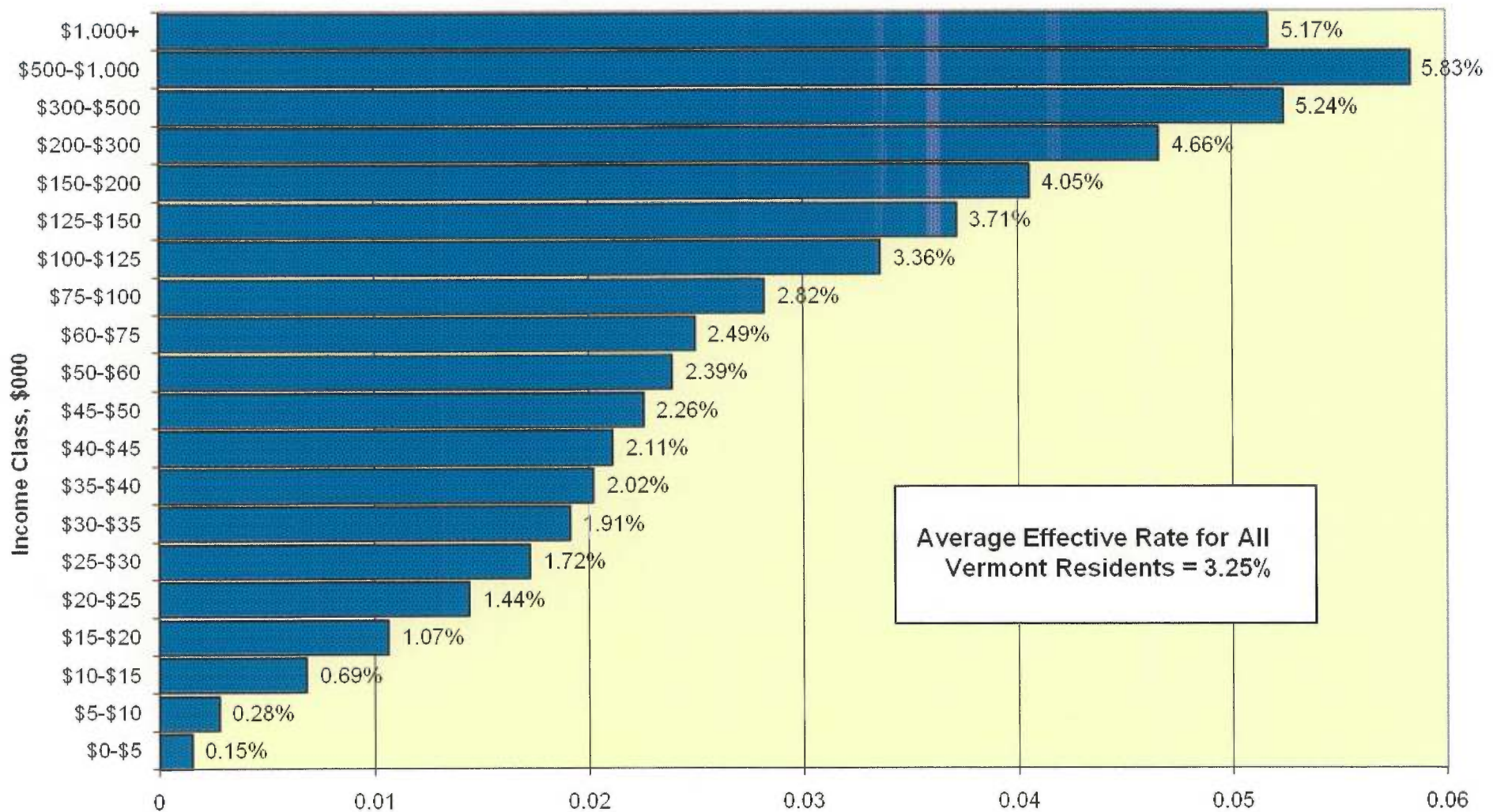


# Effective Vermont Personal Income Tax Rate





## Tax Progressivity: Effective Vermont Income Tax Rates in 2008 by Income Class



Net Vermont Tax as a Percent of Adjusted Gross Income

Source: Vermont Department of Taxes





## Perception: *Sales Tax*

- Constant comparison to New Hampshire drives perception of very high sales tax.
- Large carve-outs for tax expenditures.
- Distinction between sales of goods and services.





## Perception: *Sales Tax*

- Vermont's state rate is 6%
  - Limited use of local option sales taxes to date - although expanding. Limited to 10 towns at a rate of no more than 1%
- USA state median is 6% & mean is 5.1%
- Effective New England + NY Average is 6.375%
  - Considerations:
    - New Hampshire does not have a sales tax.



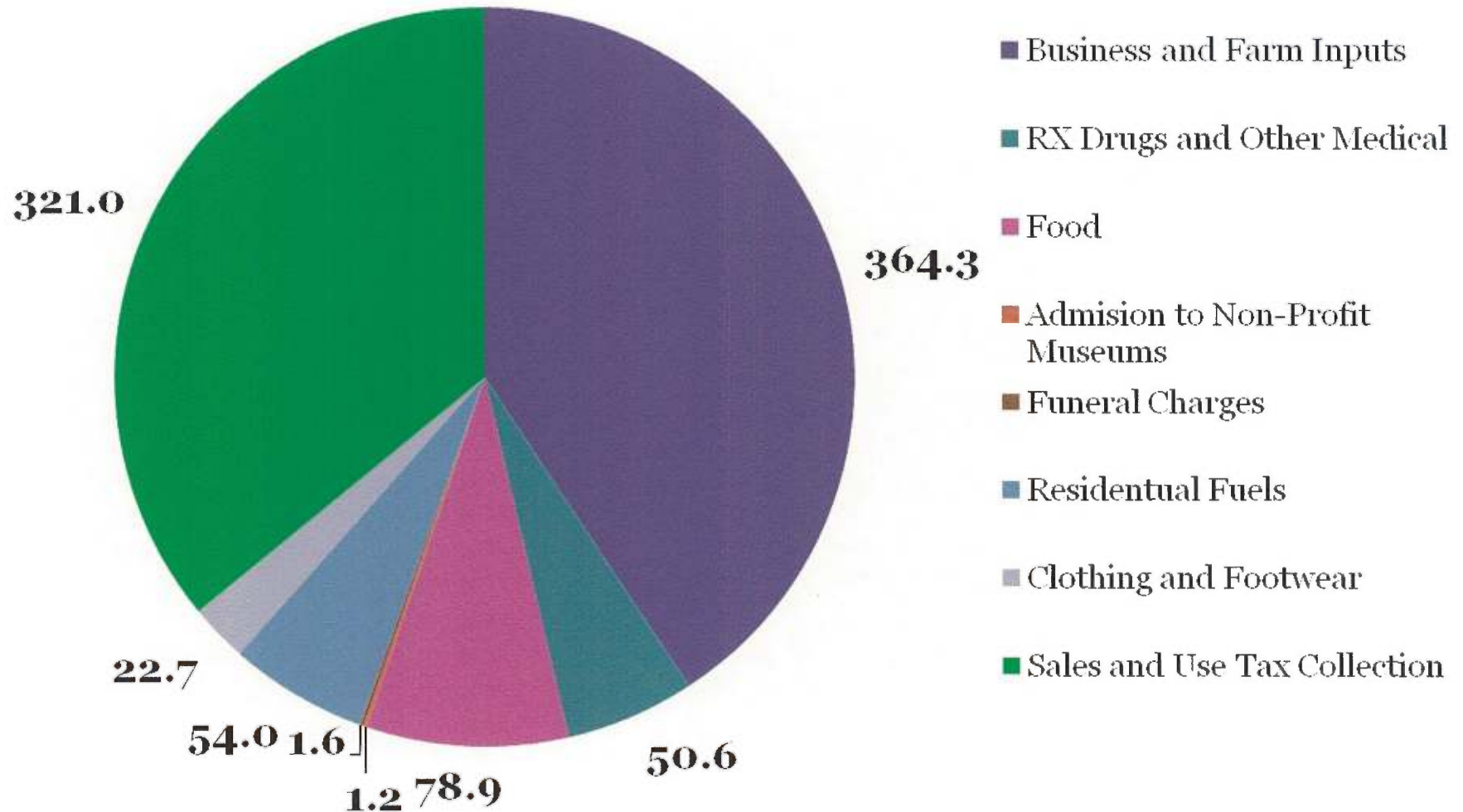


## The Scope of the Consumption Tax Base: *Tax Expenditures*

- Tax expenditures, are an exception to the normal rules of the tax structure that take many forms, including “permanent exclusions from income, deductions, deferrals of tax liabilities, credits against tax, or special rates.”
- These policy preferences provide preferential treatment for a particular industry, activity, or class or persons, and they are found throughout the personal income tax, corporate income tax, consumption taxes, and the property tax.

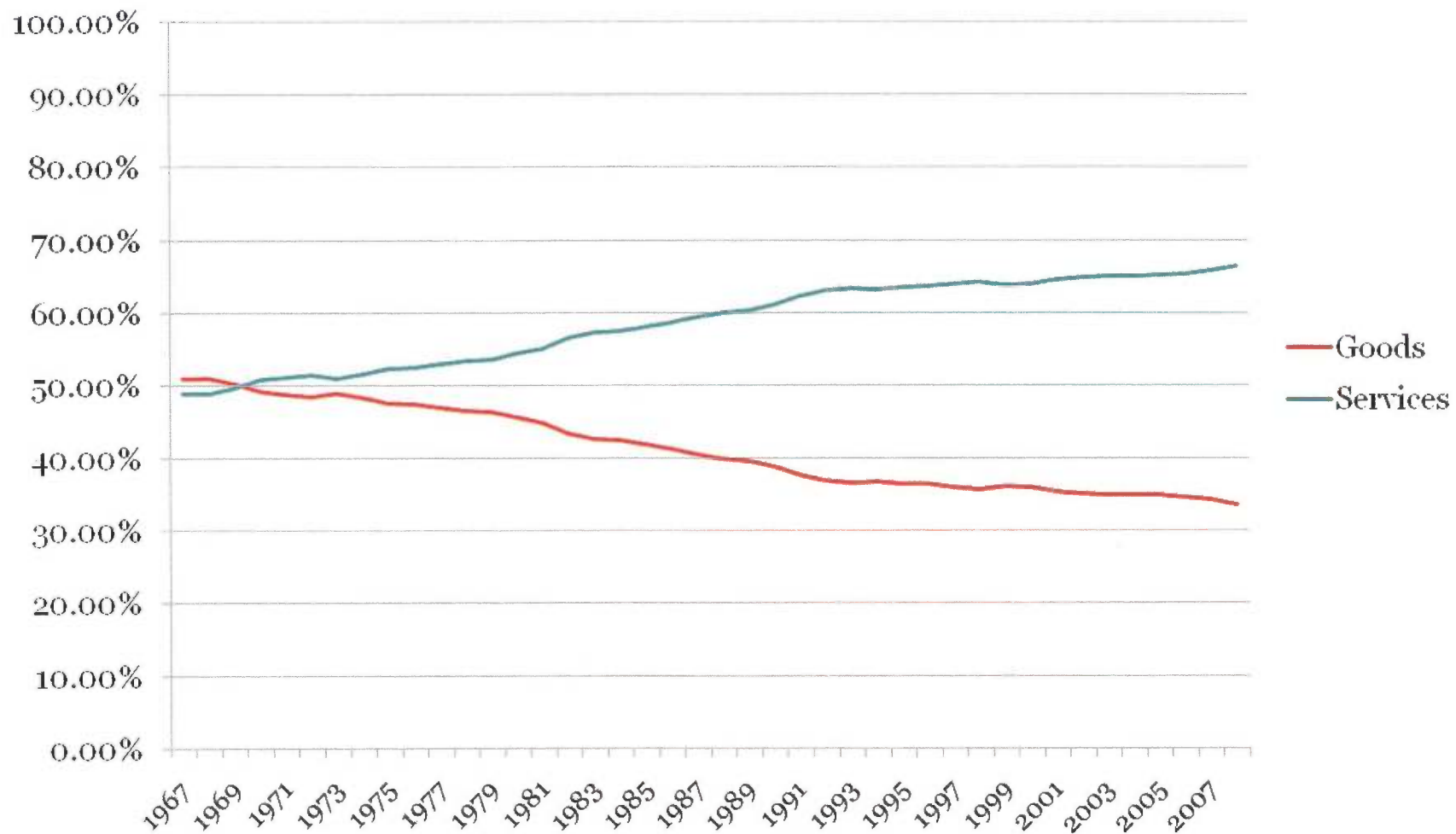


## Tax Year 2010 Sales Tax Collected and Tax Expenditure Revenue Foregone in Millions





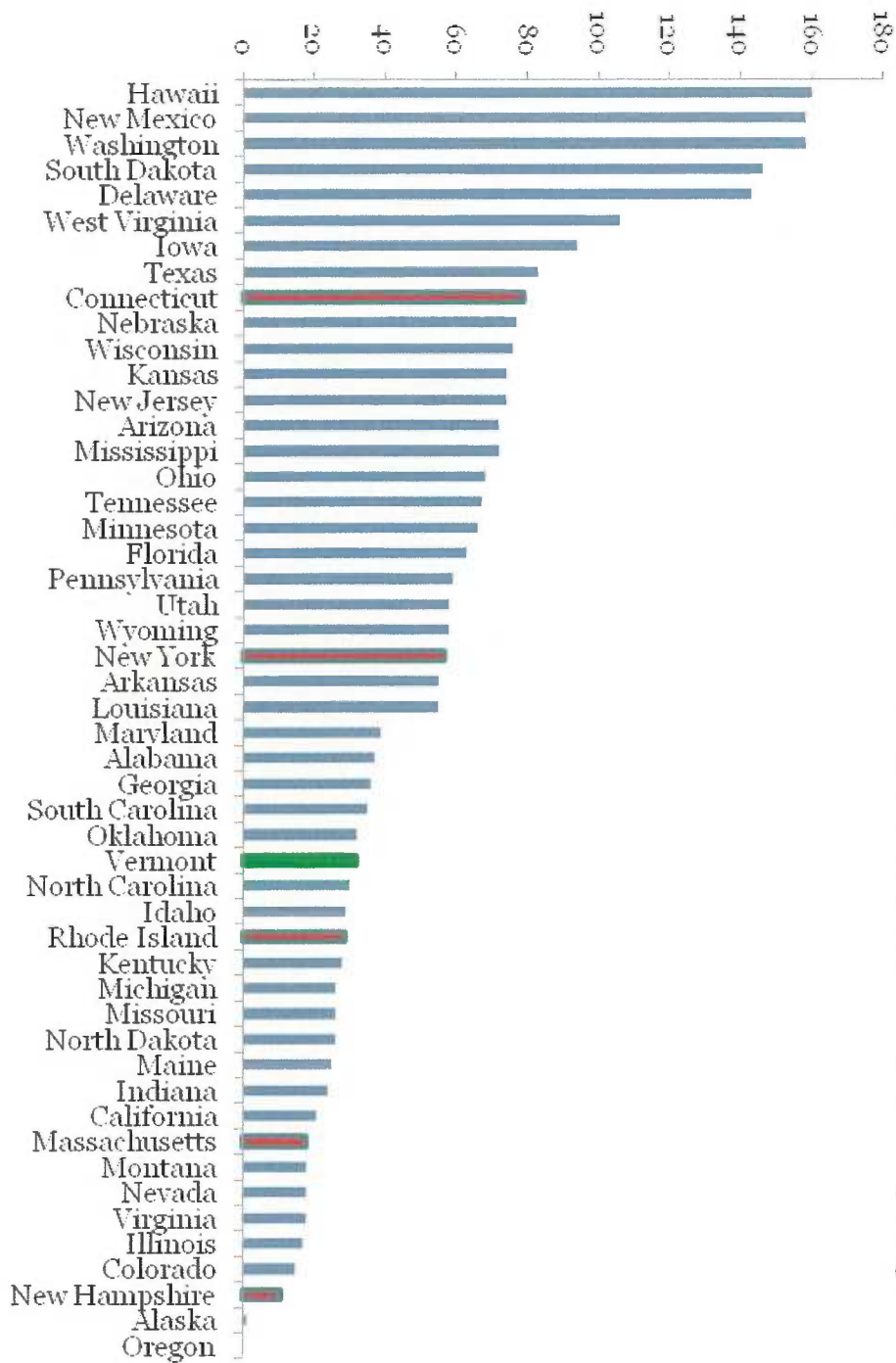
## Spending on Goods and Services as a Percent of Total Consumer Spending 1967-2008







## Number of Services Taxed



Number of Services Taxed, by State

Source: Federation of  
Tax Administrators



# Perception: *Sales Tax*

- Mainstream approach to taxing services.
- Every service taxed in Vermont is taxed in at least 23 other states. Also, Vermont exempts only six services from taxation that are taxed by a majority of states.
  - Tuxedo Rental
  - Commercial Linen Supply
  - Tire Repair
  - Overnight Trailer Park Fees
  - Service Contracts Sold at the Time of Sale of Tangible Personal Property
  - Welding Labor



# Perception: The Statewide Education Property Tax

- Two Perception Issues
  - No agreement on whether the tax should be more income based or property based.
  - Taxpayers who pay based on income and taxpayers who pay based on property both think that the other side has a better deal.
- **They're both right.**







## The Equity Double Bind

- Taxpayers with an income  $< \$90,000$ .
  - Income sensitivity and rebate programs are a better deal than paying full amount of educational property taxes; however, they are still regressive taxes. (Lower income Vermonters pay more of their income for education than households with higher income.)
- Taxpayers with an income  $> \$90,000$ .
  - Current system may be better than paying based on income; however, property tax rates are pushed higher due to income sensitivity and circuit breaker.





## Perception: Is This Perception Fair?

- Important to consider total tax burden.
  - Income tax progressivity makes up for less equitable sales and property taxes.
- Public tax grievances seem more complicated.
- Reforms must balance perception of system with reality of system





## Ideas for Reform



# Reform: *Income Tax*

- 13 income tax models examined thus far
- Concepts under consideration
  - Switch tax base to AGI
  - Limit or eliminate itemized deductions
  - Lower all rates and reduce the number of brackets
  - Keep progressive tax system
- Open questions
  - How best to limit standard/itemized deductions?
  - How to reduce rates and the number of brackets?
  - Do we raise more revenue elsewhere to lower personal income tax rates?





# Reform: *Sales Tax*

- Concepts under consideration:
  - Tax all consumer consumption.
    - Eliminate nearly all tax expenditures for consumers.
    - Extend sales tax to consumer services.
    - Pair base expansion with substantial rate cut in sales tax or other taxes.
  - Greater transparency accountability for tax expenditures and credits
    - State intent, measure cost, analyze ROI, & sunset over four year cycle.
- Open questions
  - How best to exempt business to business transactions?
  - How to address regressivity of sales tax base expansion?
  - What is the viability of being the first state to abandon an ad hoc approach to taxing services?



# Reform: *Property Tax*

- 12 models examined thus far.
- Asked the Commission to decide whether the system ought to be a pure property tax, income tax, or hybrid tax.
- Where the Commission has reached consensus:
  - Should be a hybrid tax.
  - Better reporting of property tax expenditures.
- Open questions
  - Everything else.
- Two fundamental issues to consider.
  - What is the right tax, income or property?
  - System is affected by the relationship between income and home value which changes for almost everyone over a lifetime.



## Reform: *Corporate Income Tax*

- The Commission faces a fundamental dilemma when considering Corporate Income Tax reform
- It is a strong, stable tax, and other states are following Vermont's lead by adopting Unitary Combined Reporting. Yet, CIT rates send strong signals regarding economic competitiveness.
- Commission is considering replacing limited progressive structure with a flat tax.
- Commission interested in signaling competitiveness by reducing corporate income tax rate.
  - Where would the Commission raise taxes elsewhere to reduce corporate income tax?







## Reform: *The Way Forward*

- Commission is required to submit its recommendations by January 31, 2011.
- Commission has set a goal of delivering draft recommendations before the end of the year before start of the 2011 legislative session.
- Commission plans public hearings in January for educational outreach and to explain recommendations.





# *Questions?*

Michael Costa, Director  
Blue Ribbon Tax Structure Commission  
1 Baldwin Street  
Montpelier, VT 05633  
(802) 828-3099

[www.vermonttaxreform.org](http://www.vermonttaxreform.org)

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# Legislative Joint Fiscal Committee - Potential BAA Items

Shortfalls

Education - Audit Invoice	\$227,774
ANR - DEC - Petroleum Cleanup Fund	\$300,000
Criminal Justice Training Council	\$173,794
BGS - Sarcoidosis Fund	?
Emergency Relief Assistance Fund	?
AHS	Budget Neutral (except Corrections)
LIHEAP	?
Challenges for Change	?
Other - Budget System	\$1,000,000

Language Previously Discussed

C

O

O



Reardon 2.C.IV

State of Vermont  
Agency of Administration  
Department of Finance & Management  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609-0201  
[www.finance.vermont.gov](http://www.finance.vermont.gov)

[phone] 802-828-2376  
[fax] 802-828-2428

Jim Reardon, Commissioner

**TO:** Government Accountability Committee  
Joint Fiscal Committee

**cc:** Steve Klein, Joint Fiscal Office  
Nathan Lavery, Joint Fiscal Office

**FROM:** Jim Reardon, Commissioner of Finance and Management

**DATE:** October 19, 2010

**RE:** Challenges for Change Working Document – Current Administration Working Allocation to Date

Attached you will find a Challenge for Change Working Document. This working document is to inform you of the Administration's current allocations to date compared to the estimated savings contained in Act 146 of the 2009-2010 Session of the Vermont General Assembly. Considerable progress has been made, but more work is required to meet the savings targets specified. Approximately \$3.1 million remains unallocated at this time. Although a significant portion of the Act 146 estimated savings has been allocated, please do not confuse allocations with savings. More work is required to ensure that these allocations indeed translate to sustainable ongoing savings in FY 2011 and beyond.

I hope to have the entire targeted savings allocated by early November. Of the \$23.8 million allocated to the Agency of Human Services (AHS), \$4.9 million has been allocated by Finance and Management to AHS-Global Commitment to serve as bridge funding, until other savings can be identified that will be sustainable in FY 2012.

Should you have any questions, please contact Jim Reardon, Commissioner of Finance and Management at 828-6449 or by e-mail at [jim.reardon@state.vt.us](mailto:jim.reardon@state.vt.us).

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# Working Document

Challenges for Change: Summary of Net Spending Reductions

10/12/2010

	GF Target	May 11		Oct 12		Notes
		Act 146 Estimated Savings Gross	GF share	Current Admin Working Allocation to Date Gross	GF share	
Charter Units	2,000,000	2,000,000	2,000,000	2,000,000	919,604	(Detail Below)
Performance Contracts	2,600,000	2,600,000	2,600,000	2,709,927	2,600,000	(Statewide)
Regulatory	360,000	125,000	125,000	360,000	360,000	Environmental Conservation Office of Water Programs
Economic Development	3,030,000	965,600	965,600	965,600	965,600	(Detail Below)
Human Services						
AHS-GC F&M Allocation - FY10 Carryforward				15,185,950	4,943,026	<i>one-time bridge</i>
OVHA Care Coordination		652,000	232,568	652,000	212,030	
OVHA - 340B critical care hosp - FQHC outpatient		1,000,000	366,700	1,000,000	325,200	
OVHA Clinical Utilization Review Board		4,000,000	1,426,800	4,000,000	1,300,800	
OVHA DAIL - Nursing Home Utilization Reduction		5,000,000	1,783,500	5,000,000	1,626,000	
DCF - Creative Workforce Solutions		1,300,000	1,040,000	1,300,000	1,040,000	
DCF - Integrated Family Services		4,600,000	2,235,000	5,200,000	2,447,864	
DCF - General Assistance Vocational Rehab				150,000	150,000	
DCF - Reach-Up Intensive Family Engagement		0	0	420,000	420,000	
DCF Office of Child Support		0	0	0	0	
DCF Modernization		26,100	26,100	26,100	26,100	
DCF CDD - Childrens integrated services		100,000	100,000	100,000	100,000	
MH - forensic evaluation		200,000	200,000	200,000	200,000	
Designated Agency Challenge Ideas		6,730,669	3,162,963	6,139,088	1,996,432	* 2%/1% reduction (\$4.1m/\$1.5m state)/ SFI and other changes
RFP - Community Driven Initiatives		2,000,000	2,000,000	2,000,000	2,000,000	EFMAP Investment \$2 million
Corrections (Challenges +S.292)		6,028,548	6,028,548	7,028,548	7,028,548	* Combined Impact of S.292 and Challenges, EFMAP Investment \$3.1m
Total Agency of Human Services	23,816,000	31,637,317	18,592,179	48,401,586	23,816,000	
Education	6,070,000	17,330,000	6,070,000	17,330,000	6,070,000	GF transfer to EF
TOTAL	Current Working Allocation	37,876,000	54,657,917	30,352,779	71,767,213	34,731,204
	Act 146 Target				37,876,000	
	Remaining Unallocated / Unidentified				3,144,796	

\* \$1.0 million GF moved from Designated Agencies line to Corrections for reduction in seriously functionally impaired in Corrections (Impact is in Corrections budget).

Note: Assumes \$5.1m of non-GF investments from EFMAP (as noted above)

Working Document - Current Administration Working Allocation to Date - 10/12/2010

<b><u>Charter Units:</u></b>	
FPR - Forestry	161,000
FPR - Parks	<u>212,000</u>
FPR - Subtotal	373,000
Tax Dept.	36,000
Statewide In-State Travel	247,870
Statewide - Postage	<u>262,734</u>
Total Charter Allocation	919,604

<b>Commerce and Community Development (ACCD)</b>	
Administration	78,820
Economic, Housing and Community Development	435,486
Downtown Transportation and Capital Improvement Fund	16,034
Tourism and Marketing	210,222
Agriculture	54,818
AHS - DCF - Office of Economic Opportunity	15,691
Labor	
Programs	66,241
Next Generation Initiative Workforce Education Training Fund	65,025
Adult Technical Education Program	20,525
Information and Innovation (DI)	<u>2,738</u>
Total Economic Development	965,600

**LIHEAP – FFY2011 – Full Season Fuel Liability Benefits****National LIHEAP Funding of \$3.3B = \$15.0M for Vermont****\$660 Average Full Season Benefit** for **Prior Income** group (19,275 households)  
Households Below 155% "Gross" (formerly 125% "Net")  
*Compared to \$1,136 in FFY2010*

\$660 covers 29% of a client's average winter heat cost \*

**\$265 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*

\$265 covers 12% of a client's average winter heat cost \*

\* Assumes averages of **\$3.00/gallon** and 764 gallons (after 5 cent discount)

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**Fuel Liability Benefits Issued To Date**

<b>By November 9, 2010</b>	<b>19,775 households</b>
<i>Compared to</i>	
<b>By November 10, 2009</b>	<b>15,887 households</b>

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**Fuel Liability Caseload**

<b>FFY2011</b>	<b>27,600 households projected</b>
<i>Compared to</i>	
<b>FFY2010</b>	<b>20,400 households</b>

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**National LIHEAP Funding of \$5.1B = \$25.6M for Vermont****\$930 Average Full Season Benefit** for **Prior Income** group (covers 41%)**\$380 Average Full Season Benefit** for **New Income** group (covers 17%)

---

**What if No Eligibility Changes Had Been Made?****\$15.0M LIHEAP Funding** Average Full Season Fuel Liability Benefit \$773**\$25.6M LIHEAP Funding** Average Full Season Fuel Liability Benefit \$1,075

<p><b>Vermont Office of Home Heating Fuel Assistance</b>  <b>2010-2011 Gross Monthly Income Guidelines</b></p>
--

Household Size	Seasonal Fuel 185% of Poverty	Crisis Fuel Assistance 200% of Poverty	Warmth Share Heat 200% of Poverty
1	\$ 1,671	\$ 1,806	\$ 1,806
2	\$ 2,248	\$ 2,430	\$ 2,430
3	\$ 2,824	\$ 3,052	\$ 3,052
4	\$ 3,401	\$ 3,676	\$ 3,676
5	\$ 3,978	\$ 4,300	\$ 4,300
6	\$ 4,553	\$ 4,922	\$ 4,922
7	\$ 5,131	\$ 5,546	\$ 5,546
8	\$ 5,708	\$ 6,170	\$ 6,170
9	\$ 6,285	\$ 6,794	\$ 6,794
10	\$ 6,862	\$ 7,418	\$ 7,418
Each Add'l Person	Add \$577	Add \$624	Add \$624

**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*

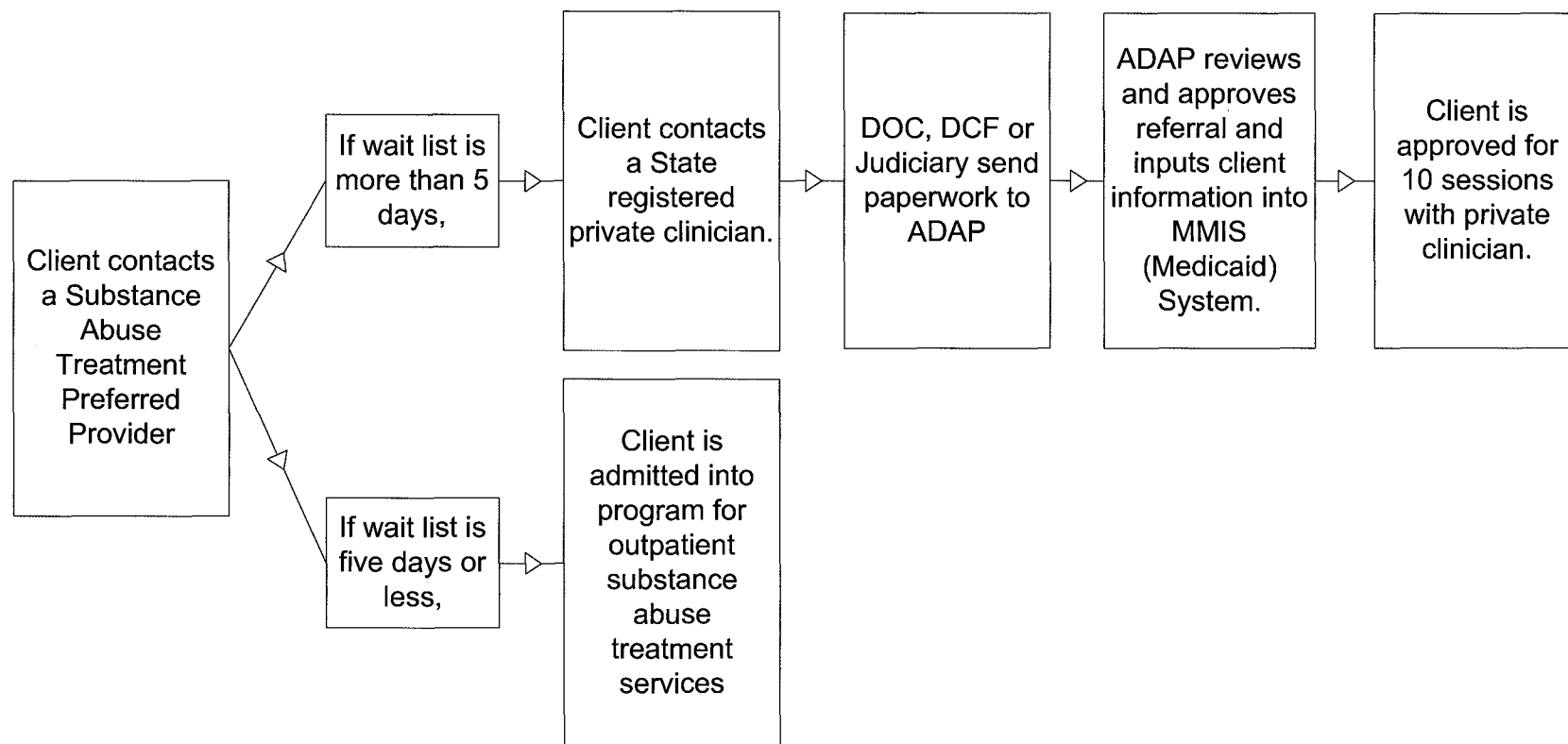
Implementation of Act 156, Sec. E.313(b) – Status Update  
Vermont Department of Health, Division of Alcohol and Drug Abuse Programs  
November 15, 2010

**IMPLEMENTATION UPDATE:**

1. All private practitioners (LADCs) have been sent an informational letter about the “Waiting List Pilot” and application form, with a deadline of November 1. As of that deadline 83 applications were received.
2. A follow up letter has been sent to the applicants (attached). This letter explains the next steps that they have to complete, which are to enroll as a Medicaid provider and to attend a mandatory training. These steps must be completed before they can accept a referral. There are two training dates scheduled in November; the training can be done via a call-in number or in person.
3. ADAP staff has been trained on the MMIS system; they will enroll each private practitioner and patient for services authorized.
4. All required procedures have been developed and approved between VDH and DHVA.
5. Rates have been established, which are the same rates as the private mental health clinicians.
6. ADAP Treatment Chief has met with managers from DOC, DCF and the Court Administrator’s Office to develop project referral protocols. The project will begin with the DOC probation officers, DCF case managers in the Family Services Division and the drug courts/Sparrow Project for the Judiciary. DOC and DCF are being trained and the court staff will be trained within the next two weeks.
7. Deputy Commissioner will be meeting with Preferred Providers on November 18 to give them a status update. Ongoing discussions have been occurring throughout development.
8. All information concerning this project, including the list of approved practitioners, will be uploaded to VDH/ADAP’s website for ease of use throughout the pilot.
9. Projected date for full implementation is January 3, 2011.



Vermont Department of Health  
Division of Alcohol and Drug Abuse Programs  
Waiting List Procedures – Referrals to LADCs



3.d.(3)



Division of Alcohol and Drug Abuse Programs  
P.O. Box 70, 108 Cherry Street, Suite 202  
Burlington, Vermont 05402-0070

Telephone: 802-651-1550  
Fax: 802-651-1573  
[www.HealthVermont.gov](http://www.HealthVermont.gov)

November 12, 2010

Interested Substance Abuse Providers,

Thank you for your interest in providing substance abuse services to Adolescent and Adult Vermonters through the Waiting List Pilot Program. We have accepted your application which moves you to the second part of this process.

1. The first step is to get a National Provider Identifier (NPI) number. You may call NPI at 1-800-465-3203 or go to their website at <https://nppes.cms.hhs.gov> to get this number.
2. The second step in the process is to enroll with Vermont Medicaid as a Provider. This is a requirement for any provider to be eligible to draw down Medicaid funds. You have two options for enrolling. The first is to go to [www.vtmedicaid.com/Downloads/forms.html](http://www.vtmedicaid.com/Downloads/forms.html) and fill out the necessary paperwork. You will note that you need to send in a copy of your license to validate this process as well as the above mentioned NPI number. **You may also enroll at the mandatory billing seminar.**
3. The third step is to attend a mandatory billing training. Two billing trainings will be offered, one on November 22 from 1-3 and the other on November 30 from 10-12. The trainings will occur at 312 Hurricane Lane, Williston, Vermont. **You may do this training in person or call in to the following number 866-502-8312 participant code 717944.** Participation in one of the trainings is required even if you hold a current mental health license.

We will need your enrollment and training to be concluded before you are officially uploaded as a provider in this pilot and given a Medicaid number to bill for services. Medicaid funds will only be able to be drawn down after ADAP approves the referral and completes the necessary documentation for Medicaid (HP). Patients referred to you under the pilot can receive a maximum of **ten outpatient** sessions. This excludes group or IOP (Intensive Outpatient services). **It is important that when you get a referral that the client's name be placed on the Preferred Provider's waiting list in case clinical need exceeds the ten sessions.** Please be aware that there is no guarantee that you will receive any patient referrals under this pilot. No new patient referrals will occur after June 30, 2011. It is important to plan accordingly.

At this time we are optimistic that this pilot will start on January 3, 2011. If you have questions regarding the pilot feel free to call me, Jackie Corbally, at 802-863-7208. If your questions are specific to the training, enrollment or getting your NPI number, please call Jean Gadue at 802-857-2948.

Once again thank you for your interest in working with Vermonters needing treatment for substance use disorders.

Sincerely,

Jackie Corbally MSW  
Chief of Treatment Services-ADAP





I.

**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](http://www.adm.state.vt.us)

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

*Neale F. Lunderville, Secretary*

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Neale Lunderville, Secretary of Administration  
**DATE:** October 26, 2010  
**RE:** FY 2011 Labor Contract and Retirement Savings –  
report required by 2010 Act 156 Sec. B.1101(a)

We are hereby submitting the report on FY 2011 Labor Contract and Retirement Savings required by 2010 Act 156 Sec. B.1101(a).

### **Sec. B.1101(a)(1): Labor contract savings due to negotiated contract.**

The State/VSEA Non-Management, Supervisory and Corrections collective bargaining agreements for FY 2011 include a 3% reduction in pay plan hourly rates. This reduction has been extended to Managerial and Confidential classified employees. In addition, step increases will be delayed 2 years (that is, there will be no step increases in FY 2011). The State/Vt Troopers' Association (VTA) bargaining agreement includes a 1 year step freeze, and various other reductions in compensation.

Executive Branch exempt employees will also see a 3% salary reduction, unless previous reductions of at least 3% have already been sustained.

Judicial and Legislative Branch employee salaries are either governed by law or separate bargaining unit agreements. The FY 2011 Judicial and Legislative budgets, as passed, already reflect FY 2011 salary savings.

Departmental budgets in the FY 2011 Appropriation Bill were developed before these salary reductions were agreed to. The General Fund value of these salary reductions was projected as \$5,548,030, and Sec. B.1101(a)(1) authorizes the Secretary of Administration to reduce appropriations accordingly.

Based on detailed salary analysis by the Department of Human Resources and our office, we allocated the reductions.

Overall, the value of the 3% reduction was computed based on the June 17, 2010 payroll. The reduction is in effect for 24 of 26 paydays, and for the extra (27<sup>th</sup>) payday in FY 2011. We added FICA, and the state shares of retirement (at the 15.37% in effect for FY 2011), LTD and life insurance (total: 23.71%). We developed the general, transportation and special fund % for each appropriation level Dept ID from BDS salary funding data.



We have apportioned the \$5,098,032 across the combined General and Special Fund salary base, and reduced only the General Fund appropriations, leaving the Special Funds for Departments' use to offset the reductions. Where there is no General Fund salary component, we are substituting Special Fund reductions and fund transfers, and will seek authority to do so in the FY 2011 Budget Adjustment.

The effect of the 3% reduction on the 27<sup>th</sup> payday will be a \$199,358 General Fund appropriation reduction to 2010 Act 156 Sec. B.1103(a)(1).

The detailed allocations of these savings is shown on the attached spreadsheet. It will be noted that the net result of these appropriation reductions and transfers to the General Fund is \$250,640 less than the savings set forth in Sec. B.1101(a)(1). The FY 2011 Budget Adjustment will address this shortfall.

**Sec. B.1101(a)(2): Adjustment to state employees' retirement.**

The state contribution to the state employees' retirement system is based on numerous assumptions, regarding actuarial projections, investment prospects and the salary base for the retirement rate, among others. These assumptions have changed during the budget process, so that the budgeted retirement rate of 15.84% has been reduced to 15.37%. Sec. B.1101(a)(2) shows the statewide General Fund and Transportation Fund savings from the budgeted amounts as \$1,768,800 GF and \$686,400 TF; however, some of these savings have already been captured in the labor contract savings in Sec. B.1101(a)(1), so the actual savings due to the reduction in retirement rate is \$789,966 in General Fund appropriations, and \$6,697 in a transfer from a Special Fund; and \$316,953 in Transportation Fund appropriations. The reductions correspond to the distribution of the initial increases that were included to bring the retirement rate to the budgeted rate of 15.84%.

The Agency of Transportation is achieving its share of the savings (\$220,394) by a reduction in the Transportation Fund appropriation for the 27<sup>th</sup> payday in 2010 Act 156 Sec. B.1103(a)(1).

The detailed allocations of these savings is shown on the attached spreadsheet. It will be noted that the net result of these appropriation reductions and transfer to the General Fund is \$972,137, and for Transportation Fund \$369,447, less than the savings set forth in Sec. B.1101(a)(2). The FY 2011 Budget Adjustment will address this shortfall.

Our proposed Budget Adjustment language covering both the labor contract savings and the retirement savings is as follows:

Sec. Sec. B.1101(a) of No. 156 of the Acts of 2010 is amended to read:

(a) In fiscal year 2011, the secretary of administration is authorized to reduce the following amounts from appropriations and shall provide a report to the joint fiscal committee by November 15, 2010 on these reductions:

(1) Labor contract savings due to negotiated contract. The secretary of administration is authorized to reduce fiscal year 2011 appropriations consistent with these contract savings:

General fund ~~\$5,548,030~~ \$4,784,600

Special funds \$284,302

Tobacco fund \$11,056

Internal Service funds \$18,074

Global Commitment fund \$118,907

The secretary of administration is authorized to transfer these amounts of special, tobacco and internal service funds to the general fund.

(2) Adjustment to state employees' retirement.

General fund ~~\$1,768,800~~ \$789,966

Transportation fund ~~\$686,400~~ \$96,559

The secretary of administration is authorized to transfer \$6,697 of special fund #21500 (inter-unit transfers) to the general fund.

Sec. Sec. B.1103(a)(1) of No. 156 of the Acts of 2010 is amended to read:

(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:

General fund ~~\$9,485,885~~ \$9,286,527 [PERTAINS TO LABOR CONTRACT SAVINGS]

Transportation fund ~~\$2,288,340~~ \$2,067,946 [PERTAINS TO RETIREMENT SAVINGS]

Finance and Management Commissioner Jim Reardon will be pleased to answer any questions you may have at the November 15, 2010 Joint Fiscal Committee meeting.

Attachment

keep:FY 2011 sal decrease &amp; retirement savings - for re-mailing 9-27-10

10/27/10 2:11 PM									
2010 Act 156 Sec B.1101(a)(1) - labor contract savings						2010 Act 156 Sec B.1101(a)(2) - retirement savings			
Dept ID	Appropriation	GF approp redux	SF approp redux + SF Direct Apps	Spec Fund #	Spec Fund Name	Global Commitment Fund approp redux	GF approp redux	TF approp redux	
1100020000	Secretary of Administration's Office Total	0					1,092		
1105500000	Communication & Information Technology Total	0					356		
1110003000	Budget & Management Total	11,261					2,003		
1115001000	Financial Operations Total	0							
1120010000	Operations Total	30,999					8,465		
1125000000	Employee Benefits & Wellness Total	0							
1130030000	Libraries Total	27,375					4,233		
1140010000	Administration/Collection Total	235,021					34,731		
1150100000	Administration Total	0							
1150300000	Engineering Total	0							6,697 Direct app from SF #21500 BU#01150
1150400000	Information Centers Total	43,456					7,732		
1150500000	Purchasing Total	15,566					2,034		
1160050000	Postal Services Total	0							
1160100000	Copy Center Total	0							
1160150000	Fleet Management Services Total	0							
1160250000	State Surplus Property Total	0							
1160300000	Property Management Total	0							
1160400000	General Liability Insurance Total	0							
1160450000	Workers' Compensation Insurance Total	0							
1160550000	Fee For Space Total	0							
1200010000	Governor's Office Total	8,300					2,798		
1210001000	Legislative Council Total	0					5,090		
1210002000	Legislature Total	0					2,478		
1210006400	Legislative Information Technology Total	0					981		
1220000000	Joint Fiscal Committee Total	0					2,472		
1230001000	Sergeant-At-Arms Total	0					1,140		
1240001000	Lieutenant Governor Total	1,751					356		
1250010000	Auditor of Accounts Total	4,606					1,068		
1260010000	Treasurer's Office Total	15,540					8,541		
1260160000	Unclaimed Property Total	0							
1270000000	State Labor Relations Board Total	699					454		
2100001000	Attorney General Total	40,463					12,624		
2110000100	Public Defense Total	61,912					12,138		
2110010000	Assigned Counsel Total	2,974					286		
2120000000	Judiciary Total	0					70,732		
2130100000	State's Attorney's Total	94,333					24,952		
2130200000	Sheriffs Total	63,126					8,168		
2140010000	State Police Total	273,433					21,808	96,559	
2140020000	Criminal Justice Services Total	87,461					279		
2140030000	Emergency Management Total		1,444	21125	Hazardous Chemical Substances Emergency Response Fund				
2140040000	Fire Safety Total	75,097					1,360		
2140060000	Administration Total	26,154					4,020		
2140070000	Homeland Security Total	7,514					1,379		
2140080000	Radiological Emergency Response Program Total			14,122	21025 Radiological Emergency Response Fund				
2150010000	Administration Total	7,754					1,666		
2150020000	Air Service Contract Total	4,196					549		
2150030000	Army Service Contract Total	831					146		
2150040000	Building Maintenance Total	23,178					3,257		
2150050000	Veterans' Affairs Total	9,087					1,254		
2170010000	Criminal Justice Training Council Total	9,489					1,542		
2200010000	Administration Total	7,703					1,376		
2200020000	Food Safety & Consumer Protection Total	52,401					3,601		
2200030000	Agricultural Development Total	9,543					1,434		
2200040000	Labs, Agricultural Resource Management & Environmental Stewardship Total	53,447					4,817		
2210001000	Banking Total	0							
2210011000	Insurance Total	0							
2210020000	Captive Insurance Total	0							
2210031000	Securities Total	0							
2210040000	Health Care Administration Total	0							
2210080000	Administration Total	0							
2230010000	Secretary of State Total	90,908					3,502		
2240000000	Regulation & Energy Total		55,660	21698	PSD: Regulations/Energy Efficiency				
2250000000	Public Service Board Total		12,883	21709	PSB: Special Fees				
2260001000	Enhanced 9-1-1 Board Total		18,899	21711	Enhanced 911 Board				
2280001000	Human Rights Commission Total	4,167					629		
2300002000	Enforcement & Licensing Total		4,361	21370	Tobacco Litigation Settlement Fund				
2300003000	Administration Total	0							
2300007000	Warehousing & Distribution Total	0							

keep:FY 2011 sal decrease &amp; retirement savings - for re-mailing 9-27-10

10/27/10 2:11 PM									
2010 Act 156 Sec B.1101(a)(1) - labor contract savings						2010 Act 156 Sec B.1101(a)(2) - retirement savings			
Dept ID	Appropriation	GF approp redux	SF approp redux + SF Direct Apps	Spec Fund #	Spec Fund Name	Global Commitment Fund approp redux	GF approp redux	TF approp redux	
2310010000	Lottery Commission Total	0							
3150070000	Mental Health Total	387					64		
3150080000	Vermont State Hospital Total	338,942					44,986		
3300010000	Care & Support Services Total		139,657	21782	Vt Medicaid				
3310000000	Vermont Commission on Women Total	3,170					772		
3400001000	Secretary's Office Total	55,579					7,827		
3400004000	Secretary's Office - Global Commitment	42,747							
3400008000	Rate Setting Total	0							
3400009000	Developmental Disabilities Council Total	0							
3400010000	Human Services Board Total	372					107		
3410010000	Administration Total	1,536				118,907			
3420010000	Administration & Support Total	14,295					1,383		
3420021000	Public Health Total	209,681					8,458		
3420060000	Alcohol & Drug Abuse Program Total	33,363					743		
3440010000	Administration & Support Services Total	242,389					56,895		
3440020000	Family Services Total	161,389					53,396		
3440030000	Child Development Total	34,812					8,491		
3440040000	Child Support Services Total	51,170					9,011		
3440100000	Office of Economic Opportunity Total	2,355					1,240		
3440110000	Weatherization Total		956	21235	Home Weatherization Assistance				
3440120000	Woodside Rehabilitation Center Total	63,818					9,009		
3440130000	DDS Total	0							
3460010000	Administration & Support Total	131,662					16,358		
3480001000	Administration Total	30,326					5,902		
3480002000	Parole Board Total	3,339					757		
3480003000	Education Total		12,844	21764	Education: Medicaid Reimbursement				
3480004000	Correctional Services Total	1,358,182					221,199		
3480005000	Facilities Recreation Fund Total		8,567	21190	Correctional Facilities Recreation Fund				
3675001000	Vermont Offender Work Program Total		18,074	59100	Correctional Industries Fund				
4100500000	VDOL Programs Total	64,158					4,224		
4100600000	VDOL Administration Total	6,579							
5100010000	Finance & Administration Total	61,043					8,161		
5100070000	Education Services Total	60,832					7,801		
5100170000	Tobacco Litigation Total		6,695	21370	Tobacco Litigation Settlement Fund				
5100310000	Act 117 Cost Containment Total		17,432	21764	Education: Medicaid Reimbursement				
6100010000	Administration, Management & Planning Total	63,425					10,524		
6120000000	Support & Field Services Total	0							
6130010000	Administration Total	9,116					2,189		
6130020000	Forestry Total	63,634					10,378		
6130030000	State Parks Total	4,231					856		
6130040000	Lands Administration Total	8,393					1,121		
6140020000	Management & Support Services Total	9,062					1,712		
6140030000	Air & Waste Management Total	11,064					1,234		
6140040000	Office of Water Programs Total	107,469					10,195		
6215000000	Natural Resources Board Total	45,221					2,393		
7100000000	Administration Division Total	28,079					5,603		
7110010000	Economic, Housing & Community Development Total	52,812					7,231		
7110080000	Downtown Transportation & Capital Improvement Fund Total		1,838	21575	Downtown Transportation & Capital Improvements Fund				
7130000000	Tourism & Marketing Total	10,224					2,200		
7150020000	Vermont Life Total	0							
8100000100	Finance & Administration Total	0							
8100000200	Aviation Total	0							
8100000800	Transportation Board Total	0							
8100001100	Program Development Total	0							
8100002000	Maintenance State System Total	0							
8100002100	Department of Motor Vehicles Total	0							
8100002200	Planning, Outreach & Community Affairs Total	0							
8100002300	Rail Total	0							
8100005700	Public Transit Total	0							
8110000200	Central Garage Total	0							
APPROP TOTALS		4,784,600	313,432			118,907	789,966	96,559	6,697
	Labor contract savings in 27th payday(2010 Act 156 Sec B.1103(a)(1))	199,359					Take AOT Retirement reduction out of 27th payday approp (2010 Act 156 Sec B.1103(a)(1))	220,394	





III

Vermont Tobacco Evaluation and Review Board  
Vermont Agency of Human Services • 103 South Main Street • Waterbury, VT 05671  
Tel: 802-241-2555 • Fax: 802-241-2979 • Email: [tobaccoboard@ahs.state.vt.us](mailto:tobaccoboard@ahs.state.vt.us)

TO: The Honorable Governor James H. Douglas  
Senate Appropriations Committee  
House Appropriations Committee  
Joint Fiscal Committee

FROM: Brian S. Flynn, ScD, Chair

DATE: October 15, 2010

RE: FY2012 Budget Recommendation for the Tobacco Control Program  
(Section 271 of Act 152 (2000), 18 V.S.A. chapter 225, §9505(9))

The Tobacco Evaluation and Review Board and its committees have reviewed the comprehensive tobacco control program to assess program performance and priorities for the coming fiscal year. The program as a whole appears to be effective. Smoking rates for adults and youth and exposure to secondhand smoke have dropped below national rates since the programs were introduced in 2001. We note with concern, however, that adult and youth smoking rates have not declined over the past two years, a period during which the program experienced substantial budget reductions.

We recommend FY2012 appropriations of \$4.5 million from Master Settlement Agreement (MSA) payments to support the program, an amount equivalent to current year funding. The recommended amount is about 12% of Vermont's current annual MSA payment of \$36 million and just 40% of the amount recommended by the Centers for Disease Control and Prevention. The attached table shows the recommended funding levels across Departments.

Tobacco use continues to be the number one cause of preventable disease and death in Vermont, costing over \$233 million per year for health care, \$72 million of which are Medicaid expenditures. Decreases in smoking rates are encouraging evidence that our comprehensive programs have a positive impact. States with longer-term tobacco programs have documented substantial cost-savings from reductions in tobacco-related chronic diseases as a result of investments in tobacco control. There is, however, precedent for cigarette smoking rates rising among youth when tobacco control funding is substantially reduced. Further reductions in funding would jeopardize the success achieved in reducing youth smoking and relinquish further achievable benefits in adult smoking reduction.

Sustaining our tobacco control investments will maintain life-saving benefits for our citizens. The success of Vermont's efforts to reduce health care costs through chronic disease prevention depends, to a considerable extent, on continued reduction of tobacco use. Progress in further reductions of tobacco use is clearly related to level of investment in the program. Thank you for consideration of these recommendations. We would be happy to provide further information.

*An independent board established by and accountable to the Legislature  
for evaluation of tobacco prevention, cessation and control programs in Vermont*

**Vermont Tobacco Evaluation and Review Board Budget Recommendation**  
**Total FY2012 Recommendation: \$4,515,039**

**Department of Health**  
**FY2012 Recommendation: \$2,896,507**

**Tobacco Cessation Programs**

Provides nicotine replacement therapy and free quit smoking programs in-person, by telephone, and on the internet.

**Community-Based Programs**

Community coalitions provide prevention, cessation, and messaging activities for youth and adults geographically across the state.

**Tobacco Reduction Marketing and Public Education**

Provides state and local communication campaigns to help youth avoid smoking, help smokers to quit, and reduce exposure to second-hand smoke.

**Surveillance**

Administration of surveys required for program evaluation.

**Department of Education**  
**FY2012 Recommendation: \$988,917**

**Grants and Technical Assistance**

Provides grants and technical assistance to Local Educational Agencies to implement model tobacco prevention programs.

**Department of Liquor Control**  
**FY2012 Recommendation: \$296,306**

**Retailer Training and Compliance Checks**

Provides training to retail tobacco licensees and their employees and implements compliance checks for underage tobacco sales as required by statute.

**Tobacco Evaluation and Review Board (AHS Central Office)**  
**FY2012 Recommendation: \$338,309**

**Board Support**

Continue funding one full-time staff and additional administrative support, and meeting expenses for staff and board members, as directed by statute.

**Independent Evaluation Contract**

Continue independent program evaluation as mandated by statute.



November 12, 2010

STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL COMMITTEE  
ONE BALDWIN STREET  
MONTPELIER, VT 05633-5701

To: The Legislative Joint Fiscal Committee

Rep. Michael J. Obuchowski, Chair

Sen. Ann Cummings, Vice-Chair

Sen. Diane Snelling, Clerk

Rep. Janet Ancel

Sen. Susan Bartlett

Rep. Martha Heath

Rep. Mark Larson

Sen. Richard Sears, Jr.

Sen. Peter Shumlin

Rep. Richard Westman

Enclosed is the Quarterly Report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission [30 V. S. A. § 20 (b)(9)] covering the period from July 1, 2010 – September 30, 2010.

Respectfully Submitted,  
Vermont Department of Public Service



David O'Brien  
Commissioner

Enclosure

**Public Service Department Expenditures  
Related to Proceedings  
At the  
Federal Energy Regulatory Commission  
For the period  
July 1, 2010 through September 30, 2010**

**General Description of Activity**

The Department takes action at FERC to protect the interest of Vermont ratepayers in many different proceedings. We have FERC counsel on contract to monitor general FERC actions and proceedings and to also represent Vermont's interests in particular proceedings. For example, the Department has been active at FERC in ensuring fairness in cost allocations for utility projects and in ensuring Vermont's interests are represented in New England transmission projects. The issues vary from quarter to quarter but it is crucial to Vermont consumers that the Public Service Department intervenes at FERC when necessary to ensure that the costs flowing back to Vermont ratepayers as a result of FERC activity and proceedings are true, accurate, just and reasonable.

**Expenditures**

For FERC related activity affecting Vermont <sup>1</sup>	4,562.90
Indirect Expenditures <sup>2</sup>	0
Total Expenditures <sup>3</sup> for the Quarter	<u>4,562.90</u>

---

<sup>1</sup>In accordance with Title 30, § 20 (b) (9) the department of public service provides the following quarterly report for expenditures related to FERC proceedings affecting the State of Vermont Utilities for the period July 1, 2010 through September 30, 2010.

§20. Particular proceedings; personnel

(b) Proceedings, including appeals therefrom, for which additional personnel may be retained are:

(9) proceedings in the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the state of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to section 21(a) of this title. In cases where the proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. The public service board and the department of public service shall report quarterly to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred and expenditures made;

<sup>2</sup>Indirect expenditures include telephone, postage and copying expense.

<sup>3</sup> Expenditures include amounts actually paid for the quarter.



**STINSON  
MORRISON  
HECKER**

LLP

19598(3)

PO Box 219492 Kansas City, MO 64121-9492 toll free 800.846.1201  
Kansas City | St. Louis | Jefferson City | Overland Park | Wichita | Omaha | Washington, D.C. | Phoenix

tax ID #44 0643135  
www.stinson.com

SH/7D

Contract 17501

STATE OF VERMONT, DEPARTMENT OF PUBLIC SERVICE  
ATTN CHRISTINE DEWYEA  
CONTRACT 17501  
112 STATE ST  
DRAWER 20  
MONTPELIER, VT 05620-2601

JULY 12, 2010  
773843-0001  
INVOICE #9914216  
HARVEY REITER

REGARDING: GENERAL - MONITORING OF FERC PROCEEDINGS AFFECTING VERMONT

For Services Rendered Through June 30, 2010	1,241.00
For Disbursements Advanced Through June 30, 2010	.40
<b>TOTAL</b>	<b>1,241.40</b>

Approved By  
SH  
Date 8/6/10  
Bill back to Allelectric  
Utilities. No  
Split w/Board

2010 AUG -5 - 99V 0102

PLEASE RETURN THIS REMITTANCE COPY WITH YOUR PAYMENT  
STATE OF VERMONT  
DEPT OF PUBLIC SERVICE  
1092-02950  
05620-2601



**STINSON  
MORRISON  
HECKER**  
— LLP —

19598(3)

PO Box 219492 Kansas City, MO 64121-9492 toll free 800.846.1201  
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tax ID #44 0649135  
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SH/74

Contract 17501

STATE OF VERMONT, DEPARTMENT OF PUBLIC SERVICE  
ATTN CHRISTINE DEWYEA  
CONTRACT 17501  
112 STATE ST  
DRAWER 20  
MONTPELIER, VT 05620-2601

JULY 12, 2010  
773843-0145  
INVOICE #9914217  
HARVEY REITER

REGARDING: CALIFORNIA FEED-IN TARIFF - DOCKET NO EL10-64

For Services Rendered Through June 30, 2010	2,044.00
For Disbursements Advanced Through June 30, 2010	.00
-----	
TOTAL	2,044.00

Approved By

SH

Date

8/6/10

Bill back to all  
electric utilities  
with no split  
w/ Board

2010 AUG -5 A 8:50

STATE OF VERMONT  
DEPT OF PUBLIC SERVICE  
MONTPELIER, VT.  
05620-2601

PLEASE RETURN THIS REMITTANCE COPY WITH YOUR PAYMENT



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MORRISON  
HECKER**

LLP

PO Box 219492 Kansas City, MO 64121-9492 toll free 800.846.1201  
Kansas City | St. Louis | Jefferson City | Overland Park | Wichita | Omaha | Washington, D.C. | Phoenix

tax ID #44 0643135  
www.stinson.com

19598

9/12

Contract 17501

STATE OF VERMONT, DEPARTMENT OF PUBLIC SERVICE  
ATTN CHRISTINE DEWYEA  
CONTRACT 17501  
112 STATE ST  
DRAWER 20  
MONTPELIER, VT 05620-2601

AUGUST 10, 2010  
773843-0145  
INVOICE #9917084  
HARVEY REITER

REGARDING: CALIFORNIA FEED-IN TARIFF - DOCKET NO EL10-64

For Services Rendered Through July 31, 2010	1,277.50
For Disbursements Advanced Through July 31, 2010	.00
	-----
TOTAL	1,277.50

PLEASE RETURN THIS REMITTANCE COPY WITH YOUR PAYMENT



**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](http://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:** October 20, 2010  
**RE:** Excess Receipts Report – 32 VSA Sec 511

*Neale F. Lunderville*

In accordance with 32 VSA Sec 511, please find attached the report on Excess Receipts approved for FY 2010.

Attachment

**FY 2010 EXCESS RECEIPTS REPORT (32 VSA SEC 511)**

Agency/Department	Date	Fund	Fund	Amount	Description
Agency of Transportation	9/23/2009	20105	Transp Fund - Nondedicated	\$ 27,000.00	Pursuant to 19 V.S.A. 26 proceeds from sale or lease of highway related properties shall be deposited in the transportation fund and credited to the transportation buildings program.
Agency of Transportation	11/25/2009	20135	Transportation FHWA Fund	\$ 243,514.04	FHWA Emergency Relief Program funds have become available.
Agency of Transportation	5/11/2010	20145	Transportation FTA Fund	\$ 160,000.00	PY grant agreement payments were processed during current FY.
Agency of Transportation	7/17/2009	20150	Transportation FEMA Fund	\$ 1,123,903.00	FEMA disaster declarations. ERAF funds provide state match for the FEMA funds.
Agency of Transportation	7/27/2009	20160	Transportation Local Fund	\$ 100,000.00	Local reimbursement for contract #C00144 for the Hartford Rest Area
Agency of Transportation	6/14/2010	20160	Transportation Local Fund	\$ 150,000.00	Local reimb for payroll and other charges to locally participating projects.
Agency of Transportation	9/23/2009	20165	Transportation Other Fed Funds	\$ 223,557.50	Funds are available from the National Motor Vehicle Titrating Information System Interface (NMVTIS) Grant.
Fish & Wildlife	6/15/2010	20305	F&W Fund - Nondedicated	\$ 848,000.00	Increased Fed Receipts to fund 4 land purchases.
Fish & Wildlife	6/15/2010	20315	Fish & Wildlife Trust Fund	\$ 150,000.00	The Dept may expend the interest earned in this trust fund. At the time of budget submission it was not expected that the Dept would need to use these funds.
State Treasurer-Gov'tal	7/30/2009	21001	Financial Literacy Trust Fund	\$ 5,000.00	Contributions from parties from whom OST has requested contributions.
State Treasurer-Gov'tal	8/5/2009	21001	Financial Literacy Trust Fund	\$ 25,000.00	Commitments from parties to contribute to the Reading is an Investment project.
Finance & Management	7/17/2009	21005	FMS System Development Fund	\$ 400,000.00	Authority to spend in advance of receipts; will be rebilled to departments as part of the annual VISION charge.
Public Service Department	9/24/2009	21020	Lw-IVL Radioactive Waste Cmpct	\$ 50,000.00	Texas Low-Level Radioactive Waste Disposal Compact - Title 10, Chapter 162, 7064(b), 7067(b)(3), 7067(c).
Public Service Department	12/8/2009	21020	Lw-IVL Radioactive Waste Cmpct	\$ 2,500,000.00	To support Texas Low-Level Radioactive Waste Disposal Compact. VSA Title 10, Chapter 162, 7064(b) 7067(b)(3) and 7067(c). VSA Title 10, Chapter 162, 7067(2)(A) & (B).
Public Service Department	4/12/2010	21020	Lw-IVL Radioactive Waste Cmpct	\$ 20,000.00	Texas Low Level Radioactive Waste Disposal Compact. Title 10, Chapter 162, 7064(b), 7067(b)(3) and 7067(c)
Public Safety	5/20/2010	21025	Radiological Emerg Response	\$ 1,000,000.00	Agreement with VT Yankee that they would pay for the Tritium investigation.
Agriculture, Food & Markets	6/4/2010	21060	Vt Dairy Promotion Fund	\$ 130,000.00	These funds are received from milk processors. Some promotional expenses are paid from this fund and a portion is kept by AGR for operation expenses. The balance is passed through to the VT Dairy Promotion Council. This program runs on calendar year.
Agriculture, Food & Markets	5/11/2010	21061	VDPC State Portion	\$ 50,000.00	Funds from the Dairy Promotion Board for the promotion of dairy products and to cover a portion of salaries. The program runs on a calendar year not the State FY.
Public Safety	5/11/2010	21125	Haz Chem & Subst Emerg Resp	\$ 27,000.00	Level of receipts was not fully known at the time of budgeting.
Public Safety	4/12/2010	21130	Criminal History Records Check	\$ 54,736.00	Criminal History Records Check 20VSA 2063(c)(1)&(2) - DPS is allowed to retain the first \$200,000 from this fund.
Public Safety	4/12/2010	21140	DUI Enforcement Special Fund	\$ 331,440.00	VT Statute 23 VSA 1220a. DUI enforcement special fund.
Center of Crime Victims' Serv	9/9/2009	21145	Victims Compensation Fund	\$ 182,058.00	More revenues than projected.
Center of Crime Victims' Serv	6/10/2010	21145	Victims Compensation Fund	\$ 23,455.00	\$5 increase to surcharge in FY10 has allowed for increased revenues in Victims Compensation special fund.
Center of Crime Victims' Serv	6/10/2010	21145	Victims Compensation Fund	\$ 25,378.00	\$5 increase to surcharge in FY10 has allowed for increased revenues in Victims Compensation special fund.
Secretary of State	5/24/2010	21150	Prof Regulatory Fee Fund	\$ 250,000.00	OPR collects fees from applicants/licensees in order to pay for its cost of doing business.
Secretary of State	3/19/2010	21160	Vermont Campaign Fund	\$ 75,000.00	Fees feeding this fund were increased on 7/1/08. The increase in revenue was appropriated in FY09 but not in FY10, making it available in this FY.
Secretary of State	4/27/2010	21165	Funeral & Burial Service Trust	\$ 8,672.66	26 VSA section 1272 (9) - Authority is needed in order to make payment for prepaid funeral contract where the funeral establishment defaulted on it's obligation.
Aging and Independent Living	5/20/2010	21213	PATH-Civil Monetary Fund	\$ 22,500.00	Civil Money Penalty Funds are funds used for specific purposes as allowed by the Federal Gov't only. They are penalties to Nursing Homes for a variety of violations that have built up in the CMP Fund over a number of years.
Aging & Ind Living-Proprietary	7/30/2009	21213	PATH-Civil Monetary Fund	\$ 50,000.00	Proprietary Fund with limited use. Dept's share - Nursing Home fines paid
Natural Resources Board	2/26/2010	21260	Act 250 Permit Fund	\$ 60,768.00	Funds will be available from future fee receipts
Natural Resources Board	6/2/2010	21260	Act 250 Permit Fund	\$ 121,000.00	Funds will be available from future fee receipts.

Agency/Department	Date	Fund	Fund	Amount	Description
Forest, Parks & Recreation	6/15/2010	21270	State Forest Parks Fund	\$ 150,000.00	21500/Worked by Forestry Div for F&W & AGR. 21270/Revenues higher than expected-Robust year of park use & timber sales. 21779/VYCC reimbursing FPR for HR expenses. 22005/National Recreation Trails & Land & Water Cons. 21502/AOT Grant D&H rail trail
Housing & Comm Affairs	6/15/2010	21325	Historic Sites Special Fund	\$ 80,000.00	Earned receipts from Historic Sites admission fees and gift shop sales were higher than expected in FY10.
Housing & Comm Affairs	9/9/2009	21330	Municipal & Regional Planning	\$ 12,402.32	Funds are available due to final closeout of grants w/unused remaining grant balances, return of funds previously paid to the municipalities and from a PO that did not roll properly for FY09.
Office of the Attorney General	3/5/2010	21372	AG-Tobacco Settlement	\$ 100,000.00	Receipts are available from attorney fees collected pursuant to the original Tobacco Settlement and are used for one time infrastructure needs of the office.
Housing & Comm Affairs	9/9/2009	21397	State Register Publications Fd	\$ 1,288.53	FY09 unspent fund from sale of CD's and publications.
Buildings & Gen Serv-Prop	2/1/2010	21410	DWI Forfeiture Vehicles	\$ 201.75	Sale of forfeiture vehicle.
Forest, Parks & Recreation	3/26/2010	21440	All Terrain Vehicles	\$ 132,525.00	Fund 21440 - Pass through to VASA Fund 21495 - Pass through to VAST
Finance & Management	3/25/2010	21445	Art Acquisition Fund	\$ 45,500.00	VT Arts Council to acqire are on behalf of the State
Finance & Management	6/14/2010	21445	Art Acquisition Fund	\$ 24,500.00	Funds are recieved into the Acquisition of Art in State Buildings special fund for VT Arts Council to acquire art on behalf of the state. The VT Arts Council must request distribution directly from the Dept of F&M. Currently \$102,000 is available.
Forest, Parks & Recreation	5/11/2010	21455	Vt Recreational Trails Fund	\$ 100,000.00	21455 - VT Recreational Trail Program 63105 - Accum Interest from the timber bond payments 21781 - Earth People's Park 21500 - Grant from DEC to build skidder bridges
Health	11/20/2009	21470	Medical Practice	\$ 46,680.00	Funds are available due to the admin indirect earnings associated with the Medical Practice Board.
Health	5/11/2010	21470	Medical Practice	\$ 40,000.00	Funds are available due to indirect earnings associated with admin support for the Medical Practice Board.
Health	5/20/2010	21480	Otto Johnson Fund	\$ 800.00	Otto Johnson receipts are higher than estimated at time of budget build.
Health	5/20/2010	21480	Otto Johnson Fund	\$ (800.00)	Otto Johnson receipts are higher than estimated at time of budget build.
Aging and Independent Living	5/20/2010	21480	Otto Johnson Fund	\$ 800.00	Otto Johnson receipts are higher than estimated at time of budget build.
Forest, Parks & Recreation	3/26/2010	21495	Snowmobile Trails	\$ 305,000.00	Fund 21440 - Pass through to VASA Fund 21495 - Pass through to VAST
Finance & Management	2/9/2010	21500	Inter-Unit Transfers Fund	\$ 80,328.36	Food and Fuel partnership funds for FY09 were not spent in FY09.
Finance & Management	6/4/2010	21500	Inter-Unit Transfers Fund	\$ 60.00	Act 68 9(d) made funds available for investments as par of the Challenges for Change.
Personnel-Governmental	4/13/2010	21500	Inter-Unit Transfers Fund	\$ 112,502.53	Funds being paid to DHR by other agnecies and need to be transferred in through the interdepartmental transfer fund.
Tax	8/26/2009	21500	Inter-Unit Transfers Fund	\$ 38,675.67	Increase in FY09 fee collections resulted in fund balances on 6/30/09.
Tax	6/14/2010	21500	Inter-Unit Transfers Fund	\$ 14,579.71	Annual fee charged for processing tax refund offsets. Funds are generated based on the number processed. Number is not known until the end of the FY.
Buildings & Gen Serv-Gov'tal	12/21/2009	21500	Inter-Unit Transfers Fund	\$ 75,000.00	29 VS A 152 (a)(3)(B). Property Purchase Option in Colchester
Buildings & Gen Serv-Gov'tal	6/10/2010	21500	Inter-Unit Transfers Fund	\$ 14,818.76	Act 68 9(d) made funds available for investments as part of the Challenges for Change.
Joint Fiscal Office	8/10/2009	21500	Inter-Unit Transfers Fund	\$ 681,856.00	Sec. 5012.2 of Act 192 of 2008 JFC - Nuclear Energy Analysis - See Subsection (c).
State Labor Relations Board	6/10/2010	21500	Inter-Unit Transfers Fund	\$ 461.15	Additional receipts from publication sales, transcripts and training beyond what we budgeted.
Office of the Defender General	2/24/2010	21500	Inter-Unit Transfers Fund	\$ 5,154.00	The ODG obtained approval for Children's Justice Act Funding through DCF of \$5154 to provide training to attorneys who provide services in juvenile cases.
State's Attorneys and Sheriffs	6/11/2010	21500	Inter-Unit Transfers Fund	\$ 23,455.00	CCVS is paying 1/2 the price for 25 computers and operating costs.
Public Safety	10/14/2009	21500	Inter-Unit Transfers Fund	\$ 168,550.00	Continuation of FY09 MOU with Dept of Health for Pan Flu. Also new FY10 MOU for H1N1 Pandemic Flu.
Center of Crime Victims' Serv	6/10/2010	21500	Inter-Unit Transfers Fund	\$ 40,500.00	Capital Bill from PY approp for ADA for domestic violence shelters.
Center of Crime Victims' Serv	6/10/2010	21500	Inter-Unit Transfers Fund	\$ 40,688.04	Capital Bill from PY approp for ADA for domestic violence shelters.
Criminal Justice Tmg Council	12/21/2009	21500	Inter-Unit Transfers Fund	\$ 82,489.00	Sub grant from VT Dept of Labor.



Agency/Department	Date	Fund	Fund	Amount	Description
Agriculture, Food & Markets	8/18/2009	21500	Inter-Unit Transfers Fund	\$ 87,000.00	CF funds from FY2009. VDH has funds available from the Centers for Disease Control to conduct avian influenza preparedness activities. AGR will use these funds through MOU to obtain USAHERDS software in support of this project.
Agriculture, Food & Markets	3/5/2010	21500	Inter-Unit Transfers Fund	\$ 9,750.00	Award from VT Dept of Labor Workforce Education & Training Fund for a training program for safe and humane handling of livestock.
Liquor Control	9/23/2009	21500	Inter-Unit Transfers Fund	\$ 13,502.20	80/20 matching grant from Public Safety for Enforcement equipment upgrade to assist interdepartmental communications in the field.
Liquor Control	9/28/2009	21500	Inter-Unit Transfers Fund	\$ 26,250.00	VT Dept of Health OADAP submitted application for additional funds for investigators to participate in the statewide effort under START program & Alcohol Compliance statewide.
Liquor Control	9/28/2009	21500	Inter-Unit Transfers Fund	\$ 8,750.00	VT Dept of Health OADAP submitted application for additional funds for investigators to participate in the statewide effort under START program & Alcohol Compliance statewide.
Governor's Commission on Women	8/13/2009	21500	Inter-Unit Transfers Fund	\$ 2,430.40	AOT included funds for the VT Comm on Women's VT Women's History Project as part of the Connect VT Project.
Human Services Central Office	7/29/2009	21500	Inter-Unit Transfers Fund	\$ 131,096.00	Funds are with DAIL and Central Office will receive funds with MOU agreement.
Human Services Central Office	7/29/2009	21500	Inter-Unit Transfers Fund	\$ 41,064.00	Funds are with DAIL and Central Office will receive funds with MOU agreement.
Human Services Central Office	7/29/2009	21500	Inter-Unit Transfers Fund	\$ 74,500.00	Funds are with DAIL and Central Office will receive funds with MOU agreement.
Human Services Central Office	11/16/2009	21500	Inter-Unit Transfers Fund	\$ 148,813.57	Funds are related to an MOU with VDH for VT Emergency Response Volunteers.
Health	10/6/2009	21500	Inter-Unit Transfers Fund	\$ 262,000.00	Funds are available as a result of an MOU with DOC
Health	5/11/2010	21500	Inter-Unit Transfers Fund	\$ 10,508.00	MOU with the Dept of Corrections.
Health	5/20/2010	21500	Inter-Unit Transfers Fund	\$ 16,015.00	MOU with the Dept of Education
Health	5/27/2010	21500	Inter-Unit Transfers Fund	\$ 1,213,350.00	Funds are available due to 2 MOU's with the Dept of Public Safety.
Children and Family Services	2/5/2010	21500	Inter-Unit Transfers Fund	\$ 106,250.00	Food stamp bonus awards, Food Stamp Participation grant, Additional federal leverage for ESD modernization expenses, and WIC revenue for EBT expenses. TSF funds from DAIL for 6 months of Foodstamp outreach grants to AAA's
Children and Family Services	6/10/2010	21500	Inter-Unit Transfers Fund	\$ 100,000.00	Increased Title 1 and school lunch grants from SOV DOE
Aging and Independent Living	5/20/2010	21500	Inter-Unit Transfers Fund	\$ 322,000.00	Higher than anticipated Reach Up receipts from DCF at time of budget build
Aging and Independent Living	5/24/2010	21500	Inter-Unit Transfers Fund	\$ 60,000.00	Higher than anticipated VR Community Action receipts than estimated at time of budget build.
Corrections	9/24/2009	21500	Inter-Unit Transfers Fund	\$ 350,000.00	FY09 Remaining fund \$58,333 - Invoices not received in time to process in FY09. FY10 MOU w/ Dept of Health to provide \$350,000 funding for Patestry II program. Funds not included in FY10 budget request.
Corrections	9/24/2009	21500	Inter-Unit Transfers Fund	\$ 58,333.00	FY09 Remaining fund \$58,333 - Invoices not received in time to process in FY09. FY10 MOU w/ Dept of Health to provide \$350,000 funding for Patestry II program. Funds not included in FY10 budget request.
Education	6/28/2010	21500	Inter-Unit Transfers Fund	\$ 25,000.00	Carryover from transfer fund, not budgeted plus new transfer fund award.
Fish & Wildlife	3/25/2010	21500	Inter-Unit Transfers Fund	\$ 80,000.00	Interdepartmental funds coming in.
Fish & Wildlife	6/15/2010	21500	Inter-Unit Transfers Fund	\$ 60,000.00	Received more interdepartmental funds than expected.
Forest, Parks & Recreation	7/17/2009	21500	Inter-Unit Transfers Fund	\$ 5,000.00	21550 - Land & Facilities Trust fund receipts are available from unexpended project balances from PY 21525 - Donations from National Project Learning Tree, National Assoc of State Foresters 21500 - Transportation Enhancement Grant from the VT AOT
Forest, Parks & Recreation	5/11/2010	21500	Inter-Unit Transfers Fund	\$ 25,000.00	21455 - VT Recreational Trail Program 63105 - Accum Interest from the timber bond payments 21781 - Earth People's Park 21500 - Grant from DEC to build skidder bridges
Forest, Parks & Recreation	6/15/2010	21500	Inter-Unit Transfers Fund	\$ 30,000.00	21500/Worked by Forestry Div for F&W & AGR. 21270/Revenues higher than expected-Robust year of park use & timber sales. 21779/VYCC reimbursing FPR for HR expenses. 22005/National Recreation Trails & Land & Water Cons. 21502/AOT Grant D&H rail trail
Environmental Conservation	8/10/2009	21500	Inter-Unit Transfers Fund	\$ 500,110.00	DEC Lab

Agency/Department	Date	Fund	Fund	Amount	Description
Environmental Conservation	5/11/2010	21500	Inter-Unit Transfers Fund	\$ 168,000.00	VT Yankee/Tritium release - DEC has staff involved directly in this work and is being reimbursed from VEM. VT Yankee is reimbursed VEM directly.
Commerce & Community Dev Admin	7/15/2009	21500	Inter-Unit Transfers Fund	\$ 434,000.00	CMO - Coordinated marketing efforts from multiple departments.
Commerce & Community Dev Admin	3/5/2010	21500	Inter-Unit Transfers Fund	\$ 350,000.00	CMO marketing for media campaigns.
Agency of Transportation	10/26/2009	21500	Inter-Unit Transfers Fund	\$ 70,211.91	Funds are available from a Grant agreement with the Dept of Public Safety - GHSP.
Agency of Transportation	11/25/2009	21500	Inter-Unit Transfers Fund	\$ 23,500.00	Funds are available through an MOA between VTrans and the Dept of EC.
Agency of Transportation	12/14/2009	21500	Inter-Unit Transfers Fund	\$ 8,000.00	Funds are available from a Grant agreement w/ Dept of Public Safety - GHSP. Agreement #02140-0909-2109.
Agency of Transportation	12/14/2009	21500	Inter-Unit Transfers Fund	\$ 66,400.00	Funds are available from a Grant agreement w/ Dept of Public Safety - GHSP. Agreement #02140-0910-4007.
Agency of Transportation	6/15/2010	21500	Inter-Unit Transfers Fund	\$ 50,000.00	Funds are available through an MOA between VTrans & DEC.
Judiciary	12/8/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 20,407.00	ARRA - To increase women's safety and offender accountability.
State's Attorneys and Sheriffs	11/5/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 105,658.84	ARRA Funds - ARRA to CCVS
State's Attorneys and Sheriffs	11/5/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 85,000.00	ARRA Funds - ARRA to CCVS
State's Attorneys and Sheriffs	5/20/2010	21502	ARRA Inter-Unit Subaward Fund	\$ 15,000.00	ARRA - Sub Grant from CCVS from Federal ARRA funds
Public Safety	9/21/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 6,550,000.00	ARRA Funds - Scope of Work MOU# 01100-2 between Sec of Admin & Public Safety
Public Safety	3/15/2010	21502	ARRA Inter-Unit Subaward Fund	\$ (6,550,000.00)	reverses ER - amount budgeted in BAA 67 of 2010 sec 11
Public Safety	4/27/2010	21502	ARRA Inter-Unit Subaward Fund	\$ 8,665,419.00	ARRA - Spending Authority in Fund 21502 due to Act 78 of 2009-2010 Sec 2(a)
Education	11/13/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 38,575,036.00	ARRA - State Fiscal Stabilization Fund
Education	3/15/2010	21502	ARRA Inter-Unit Subaward Fund	\$ (38,575,036.00)	reverses ER - amount added to budget in sec 44 of BAA 67 of 2010
Forest, Parks & Recreation	7/1/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 194,153.00	transfer from VDOL-youth crew program
Forest, Parks & Recreation	6/15/2010	21502	ARRA Inter-Unit Subaward Fund	\$ 200,000.00	21500/Worked by Forestry Div for F&W & AGR. 21270/Revenues higher than expected-Robust year of park use & timber sales. 21779/VYCC reimbursing FPR for HR expenses. 22005/National Recreation Trails & Land & Water Cons. 21502/AOT Grant D&H rail trail
Economic Development	9/23/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 200,000.00	ARRA Funds - State Fiscal Stabilization Fund
Tourism & Marketing	9/23/2009	21502	ARRA Inter-Unit Subaward Fund	\$ 500,000.00	ARRA Funds - State Stabilization Fund
State Treasurer-Gov'tal	5/11/2010	21520	Treas Retirement Admin Cost	\$ 350,000.00	Transfer of project costs from Retirement project.
Buildings & Gen Serv-Capital	8/5/2009	21525	Conference Fees & Donations	\$ 600,000.00	Funds are made available through the Acts of 2009, Sec 4 (2) The Calvin Coolidge Memorial foundation has been awarded a grant to help with the construction of a new Visitors Center.
Liquor Control	10/20/2009	21525	Conference Fees & Donations	\$ 2,200.00	Final collection of annual membership and conference fees for 2009 grant year. Funds are used to pay for conference expenses that are incurred but not covered by grant funds.
Liquor Control	2/24/2010	21525	Conference Fees & Donations	\$ 12,233.00	Donations and conference fees collected from participants at Fall conferences. Funds are used to pay for conference expenses that are incurred but not covered by grant funds.
Liquor Control	5/17/2010	21525	Conference Fees & Donations	\$ 54,986.00	Membership & conference fees are received from schools throughout VT. These additional fees help pay conference expenses that are incurred but are not covered by grant funds.
Department of Mental Health	6/10/2010	21525	Conference Fees & Donations	\$ 40,000.00	DMH hold conferences for which registration fees are charged. The Dept also bills monthly for medical record copies.
Forest, Parks & Recreation	7/17/2009	21525	Conference Fees & Donations	\$ 23,000.00	21550 - Land & Facilities Trust fund receipts are available from unexpended project balances from PY 21525 - Donations from National Project Learning Tree, National Assoc of State Foresters 21500 - Transportation Enhancement Grant from the VT AOT
Housing & Comm Affairs	3/29/2010	21525	Conference Fees & Donations	\$ 29,985.00	Funds are available from expected receipts from local communities to match a grant from the National Park Service/Preserve America program to create a Geographic Information Systems Database for VT's historic downtowns.
Human Services Central Office	5/25/2010	21535	School Match	\$ 721,573.00	High Success Beyond Six billings than budgeted
Forest, Parks & Recreation	7/17/2009	21550	Land and Facilities Trust Fd	\$ 50,000.00	21550 - Land & Facilities Trust fund receipts are available from unexpended project balances from PY 21525 - Donations from National Project Learning Tree, National Assoc of State Foresters 21500 - Transportation Enhancement Grant from the VT AOT
Agency of Transportation	7/17/2009	21555	Emergency Relief & Assist Fd	\$ 387,617.14	FEMA disaster declarations. ERAF funds provide state match for the FEMA funds.

Agency/Department	Date	Fund	Fund	Amount	Description
Agency of Transportation	11/25/2009	21555	Emergency Relief & Assist Fd	\$ 145,985.00	Funds are available for non federal match for active Federal Emergency Management Agency disasters.
Children and Family Services	2/5/2010	21560	Public Assistance Recoveries	\$ 5,000.00	Federal FSE&T revenues and recoveries for Public Assistance and Food Stamp payments.
Children and Family Services	2/5/2010	21570	Food Stamp Recoveries	\$ 131,000.00	Federal FSE&T revenues and recoveries for Public Assistance and Food Stamp payments.
Housing & Comm Affairs	9/9/2009	21575	Downtown Trans & Capital Impro	\$ 120,036.93	FY09 unexpected balances to be used for project and admin costs.
Tax	8/26/2009	21584	Surplus Property	\$ 9,920.00	Increase in FY09 fee collections resulted in fund balances on 6/30/09.
Office of the Attorney General	2/3/2010	21584	Surplus Property	\$ 9,954.12	Proceeds from sale of 2003 AGO Honda Civic Hybrid and 2005 MFRAU Honda Civic Hybrid
Public Safety	7/16/2009	21584	Surplus Property	\$ 4,500.00	Spring auction of Surplus Property
Public Safety	2/3/2010	21584	Surplus Property	\$ 2,700.00	Spring auction of Surplus Property
Public Safety	4/2/2010	21584	Surplus Property	\$ 8,000.00	Sale of surplus property
Agriculture, Food & Markets	3/5/2010	21584	Surplus Property	\$ 4,815.80	Surplus Property funds - Scale Truck & 800 gal prover
Secretary of State	5/11/2010	21584	Surplus Property	\$ 4,000.00	Sale of two forklifts and other surplus items from VSARA
Department of Mental Health	5/25/2010	21584	Surplus Property	\$ 1,000.00	Surplus Property
Natural Res Central Office	11/12/2009	21584	Surplus Property	\$ 870.00	Unused Enforcement Fines and Sale of surplus property
Fish & Wildlife	5/17/2010	21584	Surplus Property	\$ 11,204.00	Unexpended surplus property funds from last FY.
Tax	8/26/2009	21590	Tax-Miscellaneous Fees	\$ 140,763.29	Increase in FY09 fee collections resulted in fund balances on 6/30/09.
Tax	8/26/2009	21591	Tax-Local Option Process Fees	\$ 17,424.77	Increase in FY09 fee collections resulted in fund balances on 6/30/09.
Tax	6/4/2010	21591	Tax-Local Option Process Fees	\$ 26,636.40	Quarterly fee for processing local option taxes for municipalities. Fees received have exceeded available spending authority. Fees are needed to help the Tax Dept get through the FY close.
Buildings & Gen Serv-Gov'tal	10/26/2009	21599	BGS-BTS Marketing Costs	\$ 10,000.00	Re-establish spending authority. Anticipated sale of Brandon.
Buildings & Gen Serv-Capital	8/10/2009	21600	BGS-Duxbury/Moretown	\$ 4,431.97	Re-establish spending authority as of 6/30/09.
Buildings & Gen Serv-Capital	8/10/2009	21600	BGS-Duxbury/Moretown	\$ (4,431.97)	Re-establish spending authority as of 6/30/09.
Buildings & Gen Serv-Capital	9/3/2009	21600	BGS-Duxbury/Moretown	\$ 4,431.97	Re-establish spending authority as of 6/30/09.
Buildings & Gen Serv-Gov'tal	7/15/2009	21603	Motorist Aid Refreshment Prog	\$ 18,513.04	Funds are paid by motorists at the Information Centers by donation for coffee. Funds are used to offset the cost of the coffee and for running the Information Centers.
Buildings & Gen Serv-Gov'tal	8/25/2009	21603	Motorist Aid Refreshment Prog	\$ 20,162.32	Funds are paid by motorists at the Information Centers by donation for coffee. Funds are authorized for use to both offset the cost of the coffee mess as well as for the costs associated with running the Information Centers.
Buildings & Gen Serv-Gov'tal	10/26/2009	21603	Motorist Aid Refreshment Prog	\$ 28,420.17	Funds are paid by motorists at the Information Centers by donation for coffee. Funds are authorized for use to both offset the cost of the coffee mess as well as for the cost associated with running the Information Centers.
Buildings & Gen Serv-Gov'tal	2/3/2010	21603	Motorist Aid Refreshment Prog	\$ 44,955.05	Funds are paid by motorists at the Information Centers by donation for coffee.
Buildings & Gen Serv-Gov'tal	3/29/2010	21603	Motorist Aid Refreshment Prog	\$ 36,402.11	Funds are paid by motorists at the Information Centers by donation for coffee. Funds are authorized and used to offset the cost of the coffee mess as well as for hte costs associated with running the Information Centers.
Buildings & Gen Serv-Gov'tal	7/15/2009	21604	BGS-Recycling Efforts	\$ 39,166.94	Funds are collected from the disposition of recycling materials. The proceeds are deposited into the fund and can only be used for recycling efforts statewide.
Buildings & Gen Serv-Capital	8/10/2009	21605	BGS-Newport Office Bldg	\$ 55,868.68	Re-establish spending authority from 6/30/09 per Acts of 1997, No. 062 Sec 37 (a)
Buildings & Gen Serv-Capital	8/25/2009	21613	BGS-Sale of State Land	\$ 10,000.00	Anticipated sale of properties. No 43 Acts of 2009, Sec 25 (a)-Newport,(b)-Westminster,(c)-Essex Tree Farm,(d)Middlesex Playcare,(e)Weeks Schl,(f)Dummerston Lib,(g)(1)Bldg 617,(2)Redstone Bldg,(h) Father Logue Camp,62 Pierpoint Ave,NW CorrFac,(i)Thayer
Sergeant at Arms	11/25/2009	21627	Leg-Sgt at Arms-Use of St Hous	\$ 3,309.70	Held over - never used.
State Labor Relations Board	2/1/2010	21633	St Labor Relations Bd-Misc Rec	\$ 800.00	Additional receipts from publication sales and training registration fees beyond what we budgeted.
State Labor Relations Board	3/19/2010	21633	St Labor Relations Bd-Misc Rec	\$ 3,016.32	Additional receipts from publication sales and transcripts beyond what we budgeted
State Labor Relations Board	6/10/2010	21633	St Labor Relations Bd-Misc Rec	\$ 1,856.55	Additional receipts from publication sales, transcripts and training beyond what we budgeted.
Office of the Attorney General	4/23/2010	21639	AG-Court Diversion	\$ 136,000.00	Pass through fund - receipts of Court Diversion client fees.
Office of the Attorney General	5/17/2010	21639	AG-Court Diversion	\$ 6,240.88	Pass through funds. Court Diversion client fees collected by Court Diversion organizations and are returned to cover operating costs. Fees received from the Chittenden County Court Diversion Program are higher than anticipated.

Agency/Department	Date	Fund	Fund	Amount	Description
Military Department	5/20/2010	21660	Mil-Armory Rentals	\$ 15,000.00	Armory Rental Receipts accumulated since 2001
Agriculture, Food & Markets	10/14/2009	21666	AF&M-Agricultural Events	\$ 20,000.00	CF Funds from ER request in FY09. Sponsorship for the VT Cheesemakers Festival held at Shelburne Farms in partnership with the VT Cheese Council & the VT Institute of Artisan Cheese were received in FY09.
Agriculture, Food & Markets	2/10/2010	21666	AF&M-Agricultural Events	\$ 34,000.00	Sponsorships for the VT Cheesemakers Festival held at Shelburne Farms in partnership with the VT Cheese Council and the VT Institute of Artisan Cheese.
Agriculture, Food & Markets	4/13/2010	21668	AF&M-Feed Seeds & Fertilizer	\$ 254,235.50	CF Special Funds from FY09. Water quality computer software program under contract with Symbiosis Solution, Inc.
Agriculture, Food & Markets	4/13/2010	21669	AF&M-Pesticide Monitoring	\$ 176,735.50	CF Special Funds from FY09. Water quality computer software program under contract with Symbiosis Solution, Inc.
Banking Ins Sec Hlth Care Adm	10/7/2009	21690	BISHCA-Docket	\$ 1,565.50	Default judgement and order
Banking Ins Sec Hlth Care Adm	5/20/2010	21690	BISHCA-Docket	\$ 4,895.27	Restitution payments per Default Judgement and Order
Banking Ins Sec Hlth Care Adm	5/20/2010	21690	BISHCA-Docket	\$ 25,000.00	Restitution payments per Default Judgement and Order
Human Rights Commission	8/10/2009	21692	Human Rights Commission	\$ 35,735.49	Approval from Admin to utilize the proceeds of costs and fees recovered in a fair housing lawsuit. Deposit ID 2280001000 BU 02280.
Public Service Department	5/11/2010	21698	PSD-Regulation/Energy Efficiency	\$ 1,010,558.00	Expenditures much higher than expected for contractual cost associated with Entergy/VT Yankee and Fairpoint dockets.
Public Service Department	6/18/2010	21698	PSD-Regulation/Energy Efficiency	\$ 150,000.00	To cover expenditures for the last payroll of FY10.
Public Service Board	6/18/2010	21709	PSB-Special Fds	\$ 40,000.00	Receipts in accordance with Section 5.012.2 of Act 192 of 2008
Natural Res Central Office	11/12/2009	21769	NR-Stratton Corp	\$ 469.26	Unused Enforcement Fines and Sale of surplus property
Forest, Parks & Recreation	8/25/2009	21779	FPR-Youth Conservation Corps	\$ 110,000.00	Funds were generated by USFS for Forest Legacy acquisitions for Uplands in Bolton, Richmond, & Jericho; Farm and Wilderness in Plymouth; and Eden Forest in Eden. Spending Auth is needed in the Vt Youth Cons Corp to cover payroll costs of corp members.
Forest, Parks & Recreation	6/15/2010	21779	FPR-Youth Conservation Corps	\$ 30,000.00	21500/Worked by Forestry Div for F&W & AGR. 21270/Revenues higher than expected-Robust year of park use & timber sales. 21779/VYCC reimbursing FPR for HR expenses. 22005/National Recreation Trails & Land & Water Cons. 21502/AOT Grant D&H rail trail
Forest, Parks & Recreation	5/11/2010	21781	FPR-Earth People's Park	\$ 2,384.00	21455 - VT Recreational Trail Program 63105 - Accum Interest from the timber bond payments 21781 - Earth People's Park 21500 - Grant from DEC to build skidder bridges
Vermont Veterans' Home	1/4/2010	21782	Vermont Medicaid	\$ 250,000.00	Retroactive rate adjustments and timing of projects
Vermont Veterans' Home	1/4/2010	21782	Vermont Medicaid	\$ 120,000.00	Retroactive rate adjustments and timing of projects
Vermont Veterans' Home	1/4/2010	21782	Vermont Medicaid	\$ 150,000.00	Retroactive rate adjustments and timing of projects
Vermont Veterans' Home	1/4/2010	21782	Vermont Medicaid	\$ 60,000.00	Retroactive rate adjustments and timing of projects
Vermont Veterans' Home	1/4/2010	21782	Vermont Medicaid	\$ 450,000.00	Retroactive rate adjustments and timing of projects
Aging and Independent Living	5/20/2010	21813	VR Fees	\$ 321,000.00	more Employment Assistance Program receipts earned than anticipated at time of budget build. Receipts are earned thru the Statewide Employment Assistance Program that VR is responsible for.
Aging and Independent Living	5/20/2010	21815	DAD-Vending Facilities	\$ 5,000.00	Vending receipts are available through the sale of goods at vending machines thru the Division of the Blind and Visually Impaired - Randolph Shepard Act
Buildings & Gen Serv-Gov'tal	7/15/2009	21822	ACCD\Tourism & Marketing Broch	\$ 190,303.17	Vendors pay BGS to store and display their business brochures at the State Information Centers. The amount charges is now part of the annual Fee bill request.
Buildings & Gen Serv-Gov'tal	3/29/2010	21822	ACCD\Tourism & Marketing Broch	\$ 64,913.31	Vendors pay BGS to store and display their business brochures at the State Information Centers.
Health	5/11/2010	21836	HE-AIDS Medication Rebates	\$ 400,000.00	Rebates from drug manufacturing companies.
Education	5/11/2010	21848	ED-Private Sector Grants	\$ 140,000.00	Carryover from a private grant.
Public Safety	2/9/2010	21851	PS-Law Enforcement Services	\$ 138,000.00	VSA 20 1871 contracts for security and related traffic control.
Office of the Attorney General	12/31/2009	21870	Misc Special Revenue	\$ 30,000.00	Funds received from Oregon Attorney Generals Office for pass through to the University of N. Carolina.
Office of the Attorney General	4/12/2010	21870	Misc Special Revenue	\$ 68,000.00	Fund is used to pay for contract expenditures which are funded by non-govt organizations. Reimbursements are received from the National Assoc of Attorneys General for payments made for contracted services relative to VT vs RJ Reynolds Tobacco Co.
Public Safety	4/2/2010	21870	Misc Special Revenue	\$ 2,960.00	KISS (Kids in Safety Seats) revenue came in at a higher rate than expected.
State Treasurer-Gov'tal	10/6/2009	21884	Emerg Pers Survivor Benefit Fd	\$ 100,000.00	Prior year funding
State Treasurer-Gov'tal	2/24/2010	21884	Emerg Pers Survivor Benefit Fd	\$ 50,000.00	Funds are currently available as cash in fund balances.
Judiciary	10/7/2009	21885	Judicial Project Support	\$ 1,450.00	balance from guardian ad litem program
State Treasurer-Gov'tal	3/31/2010	21886	Treas-Refunding Bond Issue	\$ 301,196.40	Sale of 2010 Series C Refunding Bonds

Agency/Department	Date	Fund	Fund	Amount	Description
Agriculture, Food & Markets	9/2/2009	21889	Risk Manage Ag Producers	\$ 5,015.83	These are CF special funds from FY09 which have not been expended.
Agriculture, Food & Markets	9/2/2009	21889	Risk Manage Ag Producers	\$ 19,121.89	These are CF special funds from FY09 which have not been expended.
Agriculture, Food & Markets	11/16/2009	21889	Risk Manage Ag Producers	\$ 9,000.00	Amendment to Memorandum of Agreement from UVM received adding \$9000 for the project.
Agriculture, Food & Markets	3/18/2010	21889	Risk Manage Ag Producers	\$ 21,100.00	These funds are sponsorships from organizations collaborating with the Agency of Agriculture for the program entitled "Farm First" which will provide critical resource information, support and counseling to dairy producers and their family members.
State's Attorneys and Sheriffs	2/3/2010	21891	State's Att & Sheriff-Misc	\$ 13,921.04	Extension of grant form WomenSafe
Fish & Wildlife	6/2/2010	21894	Green Mtn Cons Camp Endowment	\$ 2,500.00	Endowment fund to support the maintenance or minor improvements to the dept's two conservation camps.
Health	5/11/2010	21902	Health Department-Special Fund	\$ 1,000.00	Variety of small receipts such as copy fees, conference fees, etc.
Children and Family Services	6/22/2010	21903	PATH-Misc Fund	\$ 3,500,000.00	Increased Earned Income Tax Credit claims.
Office of the Attorney General	2/18/2010	21908	Misc Grants Fund	\$ 9,500.00	Funds are available from Sears, Roebuck and Co Grant to be used for promoting consumer education and protection.
Judiciary	8/10/2009	21908	Misc Grants Fund	\$ 20,427.88	Grant award (JFO 2361) to strengthen foreign language interpreter services in the courts.
Judiciary	8/10/2009	21908	Misc Grants Fund	\$ 58,192.24	Grant (JFO 2368) that will help make it easier for low income people to represent themselves effectively.
Judiciary	8/10/2009	21908	Misc Grants Fund	\$ 30,000.00	Grants (JFO 2376 & 2377) to support the work of the Commission on Court Operations on the VT Re-Engineer Court Systems project.
Judiciary	8/10/2009	21908	Misc Grants Fund	\$ 21,600.00	Grants (JFO 2376 & 2377) to support the work of the Commission on Court Operations on the VT Re-Engineer Court Systems project.
Judiciary	8/10/2009	21908	Misc Grants Fund	\$ 5,083.75	Grant (JFO 2374) for court manager training.
Judiciary	2/10/2010	21908	Misc Grants Fund	\$ 21,000.00	Reimbursable grant award to the Judiciary to implement the action plan developed to strengthen foreign language interpreter services in courts.
Judiciary	6/22/2010	21908	Misc Grants Fund	\$ 55,000.00	This is a reimb grant award to the Jud to help support the guardian ad litem program. Funds were appropriated in FY10 budget but wrongly placed under federal funds.
Public Safety	7/16/2009	21908	Misc Grants Fund	\$ 19,967.00	Grant received from the National Assoc of Drug Diversion Investigators (NADDI)
Tax	8/26/2009	21909	Tax Computer Sys Modernization	\$ 3,952,835.46	Remainder of FY09 Appropriation.
Buildings & Gen Serv-Gov'tal	7/15/2009	21911	Sarcoidosis Benefit Trust Fund	\$ 121,729.64	Payment to claimants of Sarcoidosis attributed to the Bennington State Office Building
Buildings & Gen Serv-Gov'tal	11/25/2009	21911	Sarcoidosis Benefit Trust Fund	\$ 250,000.00	Special payments to claimants of Sarcoidosis attributed to the Bennington State Office Building.
VT Department of Labor	7/17/2009	21913	Workforce Ed & Training Fund	\$ 1,415,500.00	Funds are being transferred from special fund 21992
VT Department of Labor	5/28/2010	21913	Workforce Ed & Training Fund	\$ 185,000.00	Funds are being transferred from special fund 21992.
Office of the Attorney General	5/18/2010	21917	Public Funds Investigation	\$ 10,596.00	On 6/30/10 fund will be transferred from court ordered fees and reimb. to the Public Funds Investigation Fund to bring the unencumbered fund balance up \$100,000 pursuant to 2010 Budget Adj Act H534 Sec 88a 3 VSA 167 of the 2010 session for a public Funds
Public Safety	10/7/2009	21925	Restitution Special Fund	\$ 800.00	Restitution
Public Safety	11/16/2009	21970	Registration Fees Fund	\$ 8,500.00	Forensic Lab Conference had a larger attendance and the number of Marijuana Registry applicants is increasing.
Finance & Management	8/28/2009	21975	Armed Services Scholarship Fnd	\$ 19,445.00	FY 2010 GF appropriation to bring fund to \$50,000 to cover anticipated scholarship awards.
Finance & Management	6/4/2010	21975	Armed Services Scholarship Fnd	\$ 2,916.00	Special fund for the Armed Services Scholarship Fund. The interest off the fund is used to pay for scholarships of dependents of deceased military personnel.
State Treasurer-Gov'tal	10/7/2009	21980	Indemnification Fund	\$ 50,000.00	balance from previous years approp
State Treasurer-Gov'tal	5/17/2010	21980	Indemnification Fund	\$ 19,669.93	Special fund balance carried forward from previous year per 10 V.S. A. 222a
VT Department of Labor	7/15/2009	21992	Next Generation Initiative Fnd	\$ 311,675.00	Funds appropriated for FY2007 were not fully spent.
VT Department of Labor	6/18/2010	21992	Next Generation Initiative Fnd	\$ 45,000.00	Funds were obligated to but not spent by subgrantees in past years.
Aging and Independent Living	7/30/2009	21994	VT Traumatic Brain Injury Fund	\$ 112,163.67	H.0891 Executive and Judicial Branch Fees bill set aside the \$140,000 for the TBI fund.
Buildings & Gen Serv-Capital	8/10/2009	22005	Federal Revenue Fund	\$ 875,120.06	Re-establish spending authority as of 6/30/09
State Treasurer-Gov'tal	2/3/2010	22005	Federal Revenue Fund	\$ 364,183.00	Federal money.
Public Safety	2/1/2010	22005	Federal Revenue Fund	\$ 1,873,000.00	Federal programs are more than anticipated.
Public Safety	2/9/2010	22005	Federal Revenue Fund	\$ 3,300,000.00	Federal funds came in at a higher rate than anticipated.
Public Safety	6/10/2010	22005	Federal Revenue Fund	\$ 3,000.00	Federal Funds came in at a higher rate than anticipated.
Public Safety	6/11/2010	22005	Federal Revenue Fund	\$ 650,000.00	Federal funds came in at a higher rather than anticipated.

Agency/Department	Date	Fund	Fund	Amount	Description
Criminal Justice Trng Council	8/28/2009	22005	Federal Revenue Fund	\$ 13,516.34	Rec'd grant congressional earmark grant in FY09 to span two years for \$178,870 which was approved for acceptance. Have \$13,516.34 remaining unspent and available for FY10 to conclude project.
Agriculture, Food & Markets	3/5/2010	22005	Federal Revenue Fund	\$ 110,000.00	Cross utilization expenses
Agriculture, Food & Markets	6/4/2010	22005	Federal Revenue Fund	\$ 15,000.00	Additional funds were awarded for the early detection of the Emerald Ash Borer In Vermont.
Human Services Central Office	4/12/2010	22005	Federal Revenue Fund	\$ 62,500.00	Federal grant award increased above the anticipated amount.
Human Services Central Office	6/10/2010	22005	Federal Revenue Fund	\$ 900,000.00	Earned federal funds from Indirect rates and PY Refugee Assistance Grants paid in FY10.
Health	3/5/2010	22005	Federal Revenue Fund	\$ 5,601,595.00	Funds are available due to an award from the Centers for Disease Control.
Health	5/17/2010	22005	Federal Revenue Fund	\$ 865,420.00	Funds are available due to earning federal revenues that are greater than anticipated.
Children and Family Services	10/20/2009	22005	Federal Revenue Fund	\$ 17,250,000.00	Federal release of LIHEAP block grant and Contingency grant funds
Children and Family Services	10/20/2009	22005	Federal Revenue Fund	\$ 550,000.00	Federal release of LIHEAP block grant and Contingency grant funds
Children and Family Services	2/5/2010	22005	Federal Revenue Fund	\$ 3,000,000.00	Food stamp bonus awards, Food Stamp Participation grant, Additional federal leverage for ESD modernization expenses, and WIC revenue for EBT expenses. TSF funds from DAIL for 6 months of Foodstamp outreach grants to AAA's
Children and Family Services	2/5/2010	22005	Federal Revenue Fund	\$ 770,000.00	Federal FSE&T revenues and recoveries for Public Assistance and Food Stamp payments.
Children and Family Services	2/5/2010	22005	Federal Revenue Fund	\$ 325,000.00	Approved increased earnings from SSA
Children and Family Services	2/5/2010	22005	Federal Revenue Fund	\$ 411,000.00	Earnings from FFY09 & FFY10 annual awards and activities
Children and Family Services	2/5/2010	22005	Federal Revenue Fund	\$ 600,000.00	ARRA Funds - ARRA & Federal funds for Food Stamp Cash Out benefits
Children and Family Services	6/10/2010	22005	Federal Revenue Fund	\$ 170,000.00	Approved increased earnings from SSA
Children and Family Services	6/10/2010	22005	Federal Revenue Fund	\$ 400,000.00	Funding shifts based on caseload. Reduced GC and more Food Stamp earnings.
Aging and Independent Living	5/24/2010	22005	Federal Revenue Fund	\$ 218,000.00	Higher than anticipated SS Admin receipts.
Aging and Independent Living	6/4/2010	22005	Federal Revenue Fund	\$ 35,000.00	Higher than anticipated SSA federal receipts.
Forest, Parks & Recreation	8/25/2009	22005	Federal Revenue Fund	\$ 4,700,000.00	Funds were generated by USFS for Forest Legacy acquisitions for Uplands in Bolton, Richmond, & Jericho; Farm and Wilderness in Plymouth; and Eden Forest in Eden. Spending Auth is needed in the Vt Youth Cons Corp to cover payroll costs of corp members.
Forest, Parks & Recreation	12/21/2009	22005	Federal Revenue Fund	\$ 400,000.00	National Recreation Trails Program and the Land and Water Conservation fund program generate Federal funds.
Forest, Parks & Recreation	6/2/2010	22005	Federal Revenue Fund	\$ 200,000.00	United States Forestry Service program expenditures have been higher than originally planned.
Forest, Parks & Recreation	6/15/2010	22005	Federal Revenue Fund	\$ 50,000.00	21500/Worked by Forestry Div for F&W & AGR. 21270/Revenues higher than expected-Robust year of park use & timber sales. 21779/VYCC reimbursing FPR for HR expenses. 22005/National Recreation Trails & Land & Water Cons. 21502/AOT Grant D&H rail trail
Agency of Admin Sec Office	9/24/2009	22040	ARRA Federal Fund	\$ 8,500,000.00	ARRA Funds - State Fiscal Stabilization Funds
Agency of Admin Sec Office	3/23/2010	22040	ARRA Federal Fund	\$ (8,500,000.00)	reverses er-1675, 9/24/2009 - amounts have been appropriated in Act 67 of 2010 sec 71
Agency of Admin Sec Office	11/16/2009	22040	ARRA Federal Fund	\$ 38,575,036.00	State Fiscal Stabalization Funds being transferred to the Dept of Education. Act 1 Section B.505
Agency of Admin Sec Office	3/23/2010	22040	ARRA Federal Fund	\$ (38,575,036.00)	reverses er-1694, 11/2010 - amounts have been appropriated in Act 67 of 2010 sec 71
Agency of Admin Sec Office	6/18/2010	22040	ARRA Federal Fund	\$ 419.00	ARRA - not appropriated by legislature.
Personnel-Proprietary	6/16/2010	22040	ARRA Federal Fund	\$ 81,190.84	ARRA - Reimb. for federal share of COBRA payments for laid off employees.
Military Department	7/22/2009	22040	ARRA Federal Fund	\$ 3,593,000.00	ARRA FUNDS - Federal Stimulus Dollars for sustainment, restoration and modernization
Human Services Central Office	7/29/2009	22040	ARRA Federal Fund	\$ 273,695.00	ARRA Funds
Children and Family Services	2/5/2010	22040	ARRA Federal Fund	\$ 167,230.00	ARRA Funds - ARRA award for FFY10
Children and Family Services	2/5/2010	22040	ARRA Federal Fund	\$ 1,500,000.00	ARRA Funds - ARRA & Federal funds for Food Stamp Cash Out benefits
Children and Family Services	2/9/2010	22040	ARRA Federal Fund	\$ 1,805,000.00	ARRA - ARRA award for FFY10
Aging and Independent Living	7/28/2009	22040	ARRA Federal Fund	\$ 125,170.00	ARRA Funds
Aging and Independent Living	7/28/2009	22040	ARRA Federal Fund	\$ 6,500.00	ARRA Funds
Aging and Independent Living	7/29/2009	22040	ARRA Federal Fund	\$ 81,000.00	ARRA Funds - DDAS' AOA Congregate Meals Program
Aging and Independent Living	7/29/2009	22040	ARRA Federal Fund	\$ 126,720.00	ARRA Funds - Basic Support Services
Aging and Independent Living	7/29/2009	22040	ARRA Federal Fund	\$ 8,000.00	ARRA Funds - DBVI's Section 110 Program
Aging and Independent Living	7/29/2009	22040	ARRA Federal Fund	\$ 164,800.00	ARRA Funds - DBVI's Section 110 Program
Aging and Independent Living	9/2/2009	22040	ARRA Federal Fund	\$ 3,170.00	ARRA Funds - For DBVI's Older Blind Program/Part C

Agency/Department	Date	Fund	Fund	Amount	Description
Aging and Independent Living	9/2/2009	22040	ARRA Federal Fund	\$ 5,728.00	ARRA Funds - For DBVI's Independent Living Program/Part B
Aging and Independent Living	9/2/2009	22040	ARRA Federal Fund	\$ 55,000.00	ARRA Funds - For DBVI's Independent Living Program/Part B
Aging and Independent Living	10/13/2009	22040	ARRA Federal Fund	\$ 48,000.00	ARRA Funds - Federal Stimulus Money for Independent Living Services
Aging and Independent Living	10/13/2009	22040	ARRA Federal Fund	\$ 134,185.00	ARRA Funds - Federal Stimulus Money for Independent Living Services
Education	8/6/2009	22040	ARRA Federal Fund	\$ 87,983.00	ARRA - Homeless Education
Education	9/3/2009	22040	ARRA Federal Fund	\$ 12,800,811.00	ARRA - IDEA
Education	8/10/2009	22040	ARRA Federal Fund	\$ 12,882,703.00	ARRA - Title 1
Education	8/10/2009	22040	ARRA Federal Fund	\$ 458,150.00	ARRA - IDEA Preschool
Education	8/6/2009	22040	ARRA Federal Fund	\$ 180,765.00	ARRA - School Lunch Program
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 159,754.00	Water quality management
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 386,336.00	Clean water
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 75,000.00	Clean water
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 9,250,000.00	Clean water
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 1,664,000.00	Diesel Emissions Reduction Act
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 950,000.00	Dring water revolving loan
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 240,000.00	Dring water revolving loan
Environmental Conservation	7/1/2009	22040	ARRA Federal Fund	\$ 13,880,000.00	Dring water revolving loan
Environmental Conservation	10/7/2009	22040	ARRA Federal Fund	\$ 935,000.00	ARRA funds used to clean up contaminated LUST sites effectively
Liquor Control	6/10/2010	50300	Liquor Control Fund	\$ 212,000.00	DLC Liquor sales receipts.
Liquor Control	6/10/2010	50300	Liquor Control Fund	\$ 161,000.00	DLC Liquor sales receipts.
Liquor Control	6/10/2010	50300	Liquor Control Fund	\$ 130,000.00	DLC Liquor sales receipts.
Personnel-Proprietary	6/14/2010	55200	Dental Insurance Fund	\$ 1,000.00	Admin funds for the Dental Fund which is 100% state contributions to operate the fund.
Buildings & Gen Serv-Prop	6/14/2010	56100	Workers' Compensation Fund	\$ 20,000.00	Receipts come from billing for services to customers. This request is for additional spending authority in the non-demand side of the program.
AOT Proprietary Funds	9/23/2009	57100	Highway Garage Fund	\$ 186,742.76	Unexpended balance in the equipment replacement account at end of FY09. Funds will be used for equipment purchases per Title 19, Sec 13 (c)
Buildings & Gen Serv-Prop	4/27/2010	58200	Fleet Management	\$ 125,000.00	Receipts come from billing for services to customers. This request is for additional spending authority in the non-demand side of the program.
Buildings & Gen Serv-Prop	6/14/2010	58500	State Surplus Property Fund	\$ 20,000.00	Receipts come from sales of surplus property to customers. This request is for additional spending authority in the non-demand side of the program.
Buildings & Gen Serv-Prop	6/18/2010	58500	State Surplus Property Fund	\$ 25,000.00	Receipts come from sale of surplus property to customers.
F&M - Financial Management Sys	6/2/2010	59300	Financial Management Fund	\$ 185,000.00	Internal Service Funds
F&M - Financial Management Sys	6/28/2010	59300	Financial Management Fund	\$ 70,000.00	Receipts come from billing for services to customers. This request is for additional spending authority for the program.
Banking Ins Sec Hlth Care Adm	3/19/2010	63100	Vendor and Other Deposits Fund	\$ 135,676.00	Dept called in Letter of Credit from Bank for Cimarron Risk Retention Group
Banking Ins Sec Hlth Care Adm	4/23/2010	63100	Vendor and Other Deposits Fund	\$ 250,000.00	Dept called in Letter of Credit from bank for Second Street Insurance Corp.
Forest, Parks & Recreation	5/11/2010	63105	FPR Timber Sales Account	\$ 20,000.00	21455 - VT Recreational Trail Program 63105 - Accum Interest from the timber bond payments 21781 - Earth People's Park 21500 - Grant from DEC to build skidder bridges
Agency of Transportation	7/17/2009	63115	Rutland Multi Modal Ctr-Escrow	\$ 325,454.89	Funds are available for structural repairs to the Rutland Multi - Modal Transit Center pursuant to Sec. 47(c) of Act 156 of 2000.
Vt Housing & Conserv Board	12/31/2009	90630	Federal Fund - VHCB	\$ 3,300,000.00	Sub grant awarded by VT CCD to VHCB for Neighbor Hood Stabilization Program

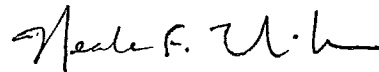
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Montpelier, VT 05609-0201  
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Neale F. Lunderville, Secretary

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Neale F. Lunderville, Secretary of Administration  
**DATE:** November 8, 2010  
**RE:** Report on Allotments – 32 VSA Sec 705(c)



In accordance with 32 VSA Sec 705(c), I am reporting that no allotments were made during the quarter 7/1/10 – 9/30/10.







(Chair) VI.

**Division of Fire Safety  
Vermont Fire Academy**

317 Academy Road  
Pittsford, VT 05763-9358  
www.vtfiresafety.org

(phone) (802) 483-2755  
(fax) (802) 483-2464

*Department of Public Safety*

Rep. Michael Obuchowski, Chair  
State of Vermont  
Legislative Joint Fiscal Committee  
One Baldwin Street  
Montpelier, VT 05633-5701

November 8, 2010

Re: Quarterly Report  
Per 32 VSA§ 8557(b)

Dear Rep. Obuchowski;

Enclosed please find our training activity report for the first quarter of FY 2011. Please feel free to contact us with any questions or concerns that you or the Legislative Joint Fiscal Committee may have.

Thank you for the opportunity to provide this information.

Sincerely,

James Litevich  
Chief Fire Service Training Officer



**Division of Fire Safety  
Vermont Fire Academy**

317 Academy Road, East Cottage  
Pittsford, VT 05763-9358  
www.vtfiresafety.org

(phone) (802) 483-2755  
(fax) (802) 483-2464

*Department of Public Safety*

**Training Activity Report  
November 8, 2010**

Firefighter I and Firefighter II programs in progress:

<u>County:</u>	<u>Host FD:</u>	<u>Course Name:</u>	<u>Students in Course</u>
Addison County	Middlebury	Firefighter I	27
Bennington	Bennington	Firefighter I	14
Chittenden	Essex Town	Firefighter I	24
Chittenden	Hinesburg	Firefighter I	17
Franklin/Lamoille	Sheldon	Firefighter I	14
Orange	VTC **	Firefighter I	17
Orleans/Essex	Newport City	Firefighter I	23
Rutland	Pittsford	Firefighter I – On Line	23
Washington	Northfield	Firefighter I	26
Windsor	Teago	Firefighter I	22
			207
*****			
Addison	Vergennes	Firefighter II	25
Bennington	Bennington Town	Firefighter II	TBD
Chittenden	Williston**	Firefighter II	23
Essex	Concord	Firefighter I / II	22
Lamoille	Stowe**	Firefighter II	TBD
Rutland	Pittsford @ VFA	Firefighter II	TBD
Washington	Barre City	Firefighter II	25
Windsor	Springfield	Firefighter II	TBD
			95 (total of 302)

\*\* for compiling student numbers only, no support from our budget

Fire Officer I: Brattleboro FD – in progress 17

National Fire Academy Programs:

Decision Making for Initial Company Officers - VFA – Pittsford - 27  
10/23, 24

Flashover Recognition – Advanced Fire Behavior:

Vergennes FF II 25  
Barre City FF II 25  
Williston FF II 23

Technical Rescue:

2 Interior Shoring @ VFA Pittsford - VT USAR 37  
2 Exterior Shoring @ VFA Pittsford – VT USAR 38

Building Projects:

Admin Building: Complete – Occupancy 4/1/10  
Burn Building @ VTC/ Randolph – Complete – closed until 4/1/10

**Central Office:** 1311 U.S. Route 302, Suite 600 (Berlin) Barre, VT 05641 (802) 479-7561



Regional Offices – Barre/Rutland/Springfield/Williston

Vermont Fire Academy - Pittsford

Respectfully Submitted  
James Litevich  
Chief Fire Service Training Officer

Statement of Expenditures										
Appropriation: DPS-Fire Safety										
Fire Academy										
Dept ID: 2140043100										
For the fiscal year to September 30, 2010										
Account	Account Description	10000			21120			22005		
		Budget	General Fund	Balance	Budget	Fire Academy	Balance	Budget	Federal Fund	Balance
500000	Classified Employees	173,307.00	-	173,307.00	153,899.00	72,518.46	81,380.54	45,739.00	-	45,739.00
500010	Exempt	68,536.00	-	68,536.00		18,452.00	(18,452.00)		-	-
500040	Temporary Employees		-	-	185,000.00	29,267.27	155,732.73	40,000.00	16,040.89	23,959.11
500060	Overtime	1,000.00	-	1,000.00	31,300.00	9,668.03	21,631.97	7,000.00	1,373.15	5,626.85
500070	Shift Differential		-	-		2.78	(2.78)		-	-
<b>Salaries &amp; Wages Total</b>		242,843.00	-	242,843.00	370,199.00	129,908.54	240,290.46	92,739.00	17,414.04	75,324.96
501000	FICA - Classified Employees	103,745.90	-	103,745.90	81,141.00	5,725.78	75,415.22	19,064.00	5.29	19,058.71
501010	FICA - Exempt		-	-		1,418.80	(1,418.80)		-	-
501040	FICA - Temporaries		-	-	14,152.50	2,569.60	11,582.90	3,060.00	1,326.39	1,733.61
501500	Health Ins - Classified Empl		-	-		14,439.67	(14,439.67)		-	-
502000	Retirement - Classified Empl		-	-		11,619.37	(11,619.37)		11.26	(11.26)
502010	Retirement - Exempt		-	-		2,755.13	(2,755.13)		-	-
502500	Dental - Classified Employees		-	-		930.58	(930.58)		-	-
502510	Dental - Exempt		-	-		168.42	(168.42)		-	-
503000	Life Ins - Classified Empl		-	-		272.95	(272.95)		51.98	(51.98)
503010	Life Ins - Exempt		-	-		79.59	(79.59)		-	-
503510	LTD - Exempt		-	-		47.04	(47.04)		-	-
504000	EAP - Classified Empl		-	-		44.94	(44.94)		7.49	(7.49)
504010	EAP - Exempt		-	-		7.49	(7.49)		-	-
505200	Workers Comp - Ins Premium	1,208.00	6,363.13	(5,155.13)	46,185.00	38,184.64	8,000.36	4,594.00	4,708.21	(114.21)
505700	Catamount Health Assessment		-	-		138.87	(138.87)		-	-
<b>Fringe Benefits Total</b>		104,953.90	6,363.13	98,590.77	141,478.50	78,402.87	63,075.63	26,718.00	6,110.62	20,607.38
507500	Contr&3rd Pty-Physical Health	1,300.00	-	1,300.00		-	-		-	-
507550	Contract & 3rd Party-Info Tech		-	-		250.00	(250.00)		-	-
507600	Other Contr and 3rd Pty Serv	6,000.00	-	6,000.00		404.00	(404.00)	100,000.00	-	100,000.00
<b>Contracted &amp; 3rd Party Services Total</b>		7,300.00	-	7,300.00	0.00	654.00	(654.00)	100,000.00	-	100,000.00
510000	Water/Sewer		-	-		-	-		125.00	(125.00)
510210	Rubbish Removal	250.00	-	250.00		-	-		-	-
510220	Recycling		-	-		7.00	(7.00)		-	-
<b>Property Management Services Total</b>		250.00	-	250.00	0.00	7.00	(7.00)	0.00	125.00	(125.00)
512300	Rep & Maint - Motor Vehicles	13,000.00	-	13,000.00		7,933.91	(7,933.91)		-	-
513000	Rep&Maint-Info Tech Hardware	1,300.00	-	1,300.00		-	-		-	-
513200	Other Repair & Maint Serv	10,000.00	-	10,000.00		588.37	(588.37)		-	-
<b>Repair &amp; Maintenance Services Total</b>		24,300.00	-	24,300.00	0.00	8,522.28	(8,522.28)	0.00	-	-
514650	Rental - Office Equipment	4,000.00	-	4,000.00		2,499.73	(2,499.73)		-	-
515000	Rental - Other	1,000.00	-	1,000.00	200.00	705.50	(505.50)		-	-
515010	Fee For Space Charge		-	-	293,269.00	-	293,269.00		-	-
<b>Rentals Total</b>		5,000.00	-	5,000.00	293,469.00	3,205.23	290,263.77	0.00	-	-
516010	Insurance - General Liability	2,253.00	-	2,253.00	4,022.00	-	4,022.00	363.00	-	363.00
516020	Insurance - Auto		-	-	5,210.00	-	5,210.00		-	-
516500	Dues	1,000.00	-	1,000.00		375.00	(375.00)		-	-
516600	Communications	5,000.00	-	5,000.00	1,600.00	1,623.20	(23.20)		-	-
516670	IT Inter Svc Cost DII Other		-	-	4,085.00	-	4,085.00	654.00	-	654.00
516671	IT Inter Svc Cost-VISION/ISD	4,026.00	-	4,026.00	1,541.00	-	1,541.00	793.00	-	793.00
516672	IT Inter Svc Cost DII Telephone	4,000.00	-	4,000.00		1,928.18	(1,928.18)		-	-
516673	IT Inter Svc Cost DII Data Tel	800.00	-	800.00		-	-		-	-
517000	Printing and Binding	200.00	-	200.00		210.10	(210.10)		-	-
517005	Printing & Binding-BGS Copy Ct	6,000.00	-	6,000.00		-	-		5,710.75	(5,710.75)
517020	Photocopying	800.00	-	800.00		-	-		-	-
517100	Registration for Meetings&Conf	1,400.00	-	1,400.00	200.00	-	200.00		-	-
517200	Postage	5,000.00	-	5,000.00	100.00	900.00	(800.00)	1,000.00	900.00	100.00
517300	Freight & Express Mail	300.00	6.33	293.67	180.00	139.55	40.45		-	-
517400	Instate Conf, Meetings, Etc	500.00	-	500.00		-	-		-	-
517410	Catering/Meals Cost	3,400.00	-	3,400.00		-	-		-	-
517500	Outstate Conf, Meetings, Etc	200.00	-	200.00		-	-		-	-
518000	Travel-Inst-Auto Mileage-Emp	1,500.00	-	1,500.00	42,818.00	6,548.00	36,270.00	9,000.00	981.00	8,019.00
518020	Travel-Inst-Meals-Emp	600.00	-	600.00	200.00	41.70	158.30		15.00	(15.00)
518030	Travel-Inst-Lodging-Emp	1,000.00	-	1,000.00	60.00	-	60.00		-	-
518320	Travel-Inst-Meals-Nonemp		-	-		288.00	(288.00)		-	-
519000	Other Purchased Services	4,000.00	-	4,000.00	1,800.00	1,514.00	286.00		13,360.00	(13,360.00)
<b>Purchased Services Total</b>		41,979.00	6.33	41,972.67	61,816.00	13,567.73	48,248.27	11,810.00	20,966.75	(9,156.75)
520000	Office Supplies	10,000.00	-	10,000.00	520.50	6,645.74	(6,125.24)		1,075.36	(1,075.36)
520100	Vehicle & Equipment Supplies	10,000.00	-	10,000.00		645.72	(645.72)		-	-
520105	Tires		-	-		304.70	(304.70)		-	-
520110	Gasoline	15,000.00	-	15,000.00		2,152.96	(2,152.96)		-	-
520120	Diesel	5,000.00	-	5,000.00		1,268.94	(1,268.94)		-	-
520220	Small Tools	400.00	-	400.00		-	-		-	-
520500	Other General Supplies	15,000.00	-	15,000.00	600.00	2,744.51	(2,144.51)	9,000.00	6,449.36	2,550.64

Statement of Expenditures										
Appropriation: DPS-Fire Safety										
Fire Academy										
Dept ID: 2140043100										
For the fiscal year to September 30, 2010										
Account	Account Description	10000			21120			22005		
		Budget	General Fund	Balance	Budget	Fire Academy	Balance	Budget	Federal Fund	Balance
520510	IT & Data Processing Supplies	5,000.00		5,000.00			-			-
520520	Cloth & Clothing	2,000.00	-	2,000.00		977.00	(977.00)		-	-
520540	Educational Supplies	5,000.00	-	5,000.00		5,821.68	(5,821.68)	3,000.00	874.60	2,125.40
520550	Electronic	3,400.00		3,400.00			-			-
520590	Fire, Protection & Safety	5,044.10	-	5,044.10	600.00	3,172.36	(2,572.36)	4,000.00	4,886.29	(886.29)
520600	Recognition/Awards	200.00		200.00			-			-
520700	Food		-	-		144.83	(144.83)		-	-
521100	Electricity	1,500.00	-	1,500.00		632.74	(632.74)		-	-
521500	Books&Periodicals-Library/Educ	22,000.00	-	22,000.00		14,634.97	(14,634.97)	8,000.00	18,641.66	(10,641.66)
521510	Subscriptions	800.00		800.00			-			-
521520	Other Books & Periodicals	1,200.00		1,200.00			-			-
521800	Household, Facility&Lab Suppl	100.00		100.00			-			-
521810	Medical and Lab Supplies		-	-		48.80	(48.80)		-	-
<b>Supplies Total</b>		101,644.10	-	101,644.10	1,720.50	39,194.95	(37,474.45)	24,000.00	31,927.27	(7,927.27)
522200	Hardware-Other Info Technology	10,000.00		10,000.00			-			-
522216	Hardware-Desktop & Laptop PCs	4,500.00	-	4,500.00		933.80	(933.80)		-	-
522400	Other Equipment	5,000.00	-	5,000.00		-	-		7,975.53	(7,975.53)
522410	Office Equipment	500.00		500.00			-			-
522420	Educational Equipment	500.00		500.00			-			-
<b>Equipment Total</b>		20,500.00	-	20,500.00	0.00	933.80	(933.80)	0.00	7,975.53	(7,975.53)
523620	Single Audit Allocation	250.00	-	250.00	600.00	-	600.00		-	-
523640	Registration & Identification	40.00		40.00			-			-
<b>Other Operating Expenses Total</b>		290.00	-	290.00	600.00	-	600.00	0.00	-	-
550500	Other Grants	55,000.00	55,000.00	-		-	-		-	-
<b>Grants Total</b>		55,000.00	55,000.00	-	0.00	-	-	0.00	-	-
551060	Late Interest Charge		-	-		10.03	(10.03)		-	-
<b>Intrest Expense Total</b>		0.00	-	-	0.00	10.03	(10.03)	0.00	-	-
<b>Grand Total</b>		604,060.00	61,369.46	542,690.54	869,283.00	274,406.43	594,876.57	255,267.00	84,519.21	170,747.79
Percentage of Budget used				10.16%			31.57%			33.11%
Percentage of year done				25.00%			25.00%			25.00%



VII

State of Vermont  
Governor's Health Care Cabinet  
**Federal Health Care Reform: Funding Opportunities**

Program Name	Section	Eligible Entities	Start Date	Direct Approp.	Type of Grant	Matching and MOE Provisions	Discretionary \$ Per CBO	Funding Information	VT Agency/ Dept	Status
<b>Title I - Quality, Affordable Health Care:</b>										
Health Insurance Consumer Information	1002	State government or exchanges operating in states		Yes (Year 1)		No	X	\$30 million in first year; future years - authorizes such sums as necessary CFDA 93.519	BISHCA	BISHCA awarded \$135,000 grant which it will use to contract with the Health Care Ombudsman for more assistance to Vermonters on health insurance issues.
Premium Review Grants	1003	State government	FY 2010	Yes	Formula	MOE level - maintain spending at prior-year level		\$250 million for FYs 2010-2014; No state should receive less than \$1 million or more than \$5 million annually CFDA 93.511	BISHCA	\$1 million grant awarded - Cycle 1 on 8/16/10
High Risk Pools	1101	State government or non-profit private entity	No later than 90 days after enactment	Yes		MOE level - maintain spending at prior-year level		\$5 billion total (for claims and administrative costs)	BISHCA	BSICHA did not submit a proposal due to inability to reach a beneficial agreement with HHS
Early Retirement Reinsurance Program (EERP)	1102							\$5 billion	DHR	DHR's application approved for the State of Vermont Group Health Benefit Plan. List of other VT recipients updated weekly here: <a href="http://www.healthcare.gov/law/provisions/retirement/states/vt.html">http://www.healthcare.gov/law/provisions/retirement/states/vt.html</a>
Health Insurance Exchange - Planning and Establishment Grants	1311	State government	No later than 3/23/11	Yes	Secretary discretion	Planning: No		Secretary of HHS determines amount; no grants awarded after January 1, 2015 CFDA 93.525	BISHCA/DVHA	Vermont received \$1 million
Grants for Implementation of Appropriate Enrollment HIT -	1561	State and local government							DVHA Hunt Blair	Awaiting formal HHS guidance but have discussed pursuing with ONC staff
<b>Title II - Role of Public Programs:</b>										
Money Follows the Person Rebalancing Demonstration (existing program)	2403	State government	FY 2011	Yes	Demo.			\$450 million annually for FYs 2011-2016 CFDA 93.791	DAIL	State not pursuing planning grant; Using internal and existing contractual assistance to review pursuing implementation grant
Aging and Disability Resource Centers (existing program)	2405	State government and territories	FY 2010	Yes	Cooperative agreement	At least 5% of total cost		\$10 million annually for FYs 2010-2014 CFDA 93.048	DAIL	Awarded \$498,733, project period 9/30/10 - 9/29/12
Medicaid Health Home for Enrollees with Chronic Conditions	2703	State government	1/1/2011			Matching based on FMAP		States will receive 90% FMAP for services for first eight quarters	DVHA Daljit Clark	Awaiting HHS Guidance

State of Vermont  
Governor's Health Care Cabinet  
**Federal Health Care Reform: Funding Opportunities**

Program Name	Section	Eligible Entities	Start Date	Direct Approp.	Type of Grant	Matching and MOE Provisions	Discretionary \$ Per CBO	Funding Information	VT Agency/ Dept	Status
Medicaid Health Home for Enrollees with Chronic Conditions: Planning Grants	2703	State government	1/1/2011			Matching based on FMAP		\$25 million total		Awaiting HHS Guidance
Medicaid Global Payment System Demonstration Program	2705	State government (up to 5)	FY 2010		Demo.		X	Authorization for such sums as necessary for FYs 2010-2012	DVHA IT	Awaiting HHS Guidance
Pediatric Accountable Care Organization Demonstration Program	2706	State government	1/1/2010		Demo.		X	Authorization for such sums as necessary from January 1, 2010 - December 31, 2016; budget saving requirement	DVHA Daljit Clark	Awaiting HHS Guidance
Medicaid Emergency Psychiatric Demonstration Project	2707	State government	FY 2011	Yes	Demo.			\$75 million for FY 2011	DMH/DVHA Daljit Clark	Awaiting HHS Guidance
Maternal, Infant, and Early Childhood Home Visitation Grant Program	2951	State government, territories (non-profit if state doesn't apply or receive funds)	FY 2010	Yes		Funds must supplement not supplant state funds		\$100 million for FY 2010, \$250 million for FY 2011, \$350 million for FY 2012, \$400 million for FY 2013, \$400 million for FY 2014 CFDA 93.505	VDH	Data source inventory submitted 7/9/10 Needs assessment submitted 9/1/10 Original award for \$557,408 had \$4,507 more awarded 9/16/10. New total award is \$561,915
Personal Responsibility Education Grant Program	2953	State government (local organization if state doesn't apply)	FY 2010	Yes	Formula	Maintain FY 2009 spending level		\$75 million annually for FYs 2010 - 2014 CFDA 93.092	VDH	Submitted in collaboration with DOE Program (PREP)
<b>Title III – Improving the Quality and Efficiency of Health Care:</b>										
Establishment of Center for Medicare and Medicaid Innovation within CMS	3021							Research, develop, test and expand innovative payment and delivery arrangements.	DAIL	AHS/Duals group is developing a white paper detailing proposals related to Per Member Per Month analyses for dual eligibles and 4 cohorts. Data contract in place.
Medicare Prescription Drug Program - Additional Funding for Outreach and Assistance for Low-Income Programs (existing program)	3306	State health insurance programs, area agencies on aging, and aging and disability resource centers	FY 2009	Yes				Specifies funding for FYs 2009-2010 (\$7.5 million in FY 2009 and \$15 million in FY 2010 for health insurance and agencies on aging; \$5 million in FY 2009 and \$10 million in FY 2010 for resource centers) CFDA 93.071	DAIL	AoA Awarded \$42,055 Priority Area 2 (AAA) and \$34,811 Priority Area 3 (ADRC) budget period 9/30/10 - 9/29/12. Still awaiting CMS award for Priority Area 1 (SHIP).

State of Vermont  
Governor's Health Care Cabinet  
**Federal Health Care Reform: Funding Opportunities**

Program Name	Section	Eligible Entities	Start Date	Direct Approp.	Type of Grant	Matching and MOE Provisions	Discretionary \$ Per CBO	Funding Information	VT Agency/ Dept	Status
Community Health Teams	3502	State or state-designated entity							VDH	Awaiting HHS Guidance
<b>Title IV - Prevention of Chronic Diseases and Improving Public Health:</b>										
Prevention and Public Health Fund (to increase funding for certain programs authorized by Public Health Services Act) Multiple grants listed below	4002		FY 2010	Yes				\$500 million for FY 2010, \$750 million for FY 2011, \$1 billion for FY 2012, \$1.25 billion for FY 2013, \$1.5 billion for FY 2014, and \$2 billion for FY 2015 and thereafter	VDH	Grant application submitted
State Competitive Supplemental Funding for Behavioral Risk Factor Surveillance System	4002	State health departments				No		CFDA 93.520		Grant application in process
HIV/AIDS Surveillance: Enhancing Laboratory Reporting	4002	Specific state and local health departments				No		CFDA 93.523		Grant application in process
Incentives for Prevention of Chronic Diseases in Medicaid	4108	State government	No later than 1/1/11	Yes				\$100 million for five-year period, beginning January 1, 2011	DVHA Mike McAdoo, Daljit Clark, Eileen Girling	Awaiting HHS Guidance
Community Transformation Grants\	4201	State and local government, and community-based organizations	FY 2010				X	Authorizes such sums as necessary for FYs 2010-2014	DAIL/DVHA/VDH Mike McAdoo, Daljit Clark, Eileen Girling?	Awaiting HHS Guidance
Healthy Aging, Living Well Pilot Project	4202	State and local health departments	FY 2010				X	Authorizes such sums as necessary for FYs 2010-2014	DAIL/DVHA Mike McAdoo, Daljit Clark, Eileen Girling	Awaiting HHS Guidance
Demonstration Program to Improve Immunization Coverage	4204	State government	FY 2010		Demo.		X	Authorizes such sums as necessary for FYs 2010-2014	VDH	Awaiting HHS Guidance
Demonstration Project Concerning Individualized Wellness Plan	4303	Community health centers (up to 10)			Cooperative agreement		X	Authorizes such sums as necessary		
Epidemiology-Laboratory Capacity Grants	4304	State and local health departments, and academic centers	FY 2010				X	Authorizes \$190 million annually from FYs 2010-2013 CFDA 93.521	VDH	VT received \$319,273



State of Vermont  
Governor's Health Care Cabinet  
**Federal Health Care Reform: Funding Opportunities**

Program Name	Section	Eligible Entities	Start Date	Direct Approp.	Type of Grant	Matching and MOE Provisions	Discretionary \$ Per CBO	Funding Information	VT Agency/ Dept	Status
CHIP Obesity Demonstration Program (existing program)	4306	Local government, health department or educational agency; community-based organization; other specified entities	FY 2010	Yes	Demo.			\$25 million for FYs 2010-2014	DVHA/VDH Daljit Clark	Awaiting HHS Guidance
<b>Title V – Health Care Workforce:</b>										
State Workforce Development Grants	5102	State workforce investment boards	FY 2010		Competitive	Matching (planning - 15% of grant, implement - 25% of grant)	X	Planning grants: Authorizes \$8 million for FY 2010 and such sums as necessary thereafter; implement grants: authorizes \$150 million for FY 2010 and such sums as necessary thereafter CFDA 93.509	DOL UVM	UVM received \$131,786 for one-year planning grant
<b>Title VI – Transparency and Program Integrity:</b>										
Nationwide Program for National and State Background Checks on Direct Patient Access Employees of Long-Term Care Facilities	6201	State government	FY 2010	Yes	Formula	Matching requirement		Not to exceed \$160 million for FYs 2010-2012	BISHCA/DAIL	Grant not submitted. Anticipate new NOFA to be issued in Oct. DAIL to evaluate feasibility.
Grants to Enhance the provision of Adult Protective Services	2042	State government and territories	FY 2011		Formula	Funds must supplement not supplant federal, state, and local resources	X	Authorizes \$100 million annually for FYs 2011-2014	DAIL	Funds not currently appropriated in federal budget
Adult Protective Services - State Demonstration Projects	2042	State and local government	FY 2011				X	Authorizes \$25 million annually for FYs 2011-2014	DAIL	Funds not currently appropriated in federal budget
Grants to Support the Long-Term Care Ombudsman Program	2043	Eligible entities with relevant experience	FY 2011				X	Authorizes \$5 million in FY 2011, \$7.5 million in FY 2012, and \$10 million annually for FYs 2013-2014; training program - authorizes \$10 million annually for FYs 2011-2014	DAIL	Funds not currently appropriated in federal budget
<b>Title X – Strengthening Quality, Affordable Health Care for All Americans:</b>										

State of Vermont  
Governor's Health Care Cabinet  
**Federal Health Care Reform: Funding Opportunities**

Program Name	Section	Eligible Entities	Start Date	Direct Approp.	Type of Grant	Matching and MOE Provisions	Discretionary \$ Per CBO	Funding Information	VT Agency/ Dept	Status
Pregnancy Assistance Fund	10212	State government	FY 2010	Yes	Competitive	Funds must supplement not supplant		\$25 million annually for FYs 2010-2019 93.500	VDH	Grant application submitted
Infrastructure to Expand Access to Care	10502	IHEs and the state's sole public academic medical and dental school	FY 2010	Yes	Competitive	Yes		\$100 million in FY 2010 CFDA 93.502	VDH	VDH has been awarded this grant and will receive \$1.1 Million per annum 2010 - 2015
Community Health Center Fund (to increase funding for existing community health center program)	10503		FY 2011	Yes				\$1 billion in FY 2011, \$1.2 billion in FY 2012, \$1.5 billion in FY 2013, \$2.2 billion in FY 2014, and \$3.6 billion in FY 2015; an additional \$1.5 billion for FYs 2011-2015 for construction 93.527		8/9/10 HHS Announcement of FY2011 grant funding: \$250 million Two New Start New Access Point applications: Bristol, Arlington Satellite Expansions of existing FQHCs: Rutland City, possibly Shoreham.

## **Progress Report on Completing the Secure Residential Program**

VIII

As required by Act No. 43 of 2009 §31 (f)(3) – Required Quarterly Update to Joint Fiscal Committee and the Mental Health Oversight Committee

### **Development of the Secure Recovery Residence**

Consistent with the Capital and Appropriations bills, the Department of Mental Health has been engaged in developing a 15-bed Secure Recovery Residence (SRR) to be located on the grounds of the Waterbury State Complex. Completion of this facility would be the final residential project (joining Second Spring and Meadowview) to replace the long term care function of the Vermont State Hospital. It will serve current VSH patients who no longer need acute inpatient treatment but do require an intensive clinical program for longer term care and a level of security commensurate with the current VSH program.

#### Certificate of Need Process

Early this fall, DMH amended the application filed last March to reflect a change in building site to a location approximately 350 feet south of the site originally proposed. The new location is directly west of the “A” and Osgood buildings on the Waterbury State Complex. The Commissioner of Buildings and General Services provided notice of the final location to the chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions in July. The application for a Certificate of Need was ruled complete by BISHCA on October 7, 2010 after multiple rounds of questions and answers.

The Public Oversight Commission (POC) held a hearing on the application on November 3<sup>rd</sup>. The POC invited Interested Parties, amicus curiae, and members of the public to offer comments at the hearing. The POC will deliberate at their next meeting on December 1<sup>st</sup>, and will formulate their recommendation to the commissioner of BISHCA. The commissioner is to make a final decision on the application to develop the SRR within 120 days from the date that BISHCA ruled the application complete, in this case by February 4, 2011.

#### Participation in Medicaid under the Global Commitment Waiver

The Centers for Medicare and Medicaid Services (CMS) recommended that the Secure Recovery Residence be included in the renewal agreement for the Global Commitment waiver as a residential treatment service under the CRT program.

While the waiver renewal negotiation is still in progress CMS and the state are not negotiating the types of coverage of the programs the state would be able to fund through Global Commitment as that discussion has been completed. There is specific language in the renewal document concerning the Community Residential Treatment (CRT) program and confirming coverage for residential treatment services. The Department of Vermont Health Access plans to include the Secure Recovery Residence in the CRT program

claim for matching funds in the same manner and under the same authority that the other CRT residential treatment programs are reimbursed.

#### Licensing of the Secure Recovery Residence

The Department of Disabilities, Aging and Independent Living (DAIL) will introduce a revised regulation for Residential Care Homes to the rule making process early in 2011. The new proposed rule will accommodate a secure residential program such as the SRR.

#### **Acute Inpatient Services**

The 2010 Capital Bill (§37 (d)) directs the Commissioners of Mental Health and Buildings and General Services to plan for the replacement of Vermont State Hospital inpatient beds in consultation with Brattleboro Retreat, Rutland Regional Medical Center, and Dartmouth Medical School. Current estimates are that forty-five (45) inpatient beds are required to fulfill the needs of Vermonters requiring intensive, psychiatric inpatient care.

#### Rutland Regional Medical Center: Twelve (12) Beds

DMH recommends developing a new 28 bed facility at Rutland Regional Medical Center (RRMC) that builds on the existing psychiatric inpatient program and creates a net increase of twelve (12) VSH replacement beds. RRMC remains interested in advancing this proposal pending available capital financing. The interested financial institution advised that the financing arrangement would need to include both a long-term operating agreement between the State and RRMC, and an agreement from both the State and RRMC to contribute to capital construction cost. DMH and RRMC continue to explore options to finance the project.

#### Veteran's Administration & Dartmouth Medical School

DMH continues its ongoing conversations to explore ways to develop a 16-bed psychiatric facility on Veteran's Administration donated land with psychiatric and other medical services to be provided through contractual arrangements with Dartmouth Medical School and the Veteran's Administration.

#### Brattleboro Retreat

DMH and the Brattleboro Retreat are developing a planning agreement to further develop the conceptual proposal that the Retreat brought forward. This planning agreement will develop cost estimates for facilities renovations and daily program operations, and resolve the outstanding question of whether the Brattleboro Memorial Hospital or a third party would license the proposed 16-bed program.



IX.

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

## MEMORANDUM

**TO:** Joint Fiscal Committee; House and Senate Committees on Government Operations and on Appropriations  
**FROM:** Jim Reardon, Commissioner, Department of Finance & Management  
**DATE:** September 15, 2010  
**RE:** Report on FY 2011 Pay Act Allocations (per 3 VSA Sec 2281(4))

A handwritten signature in dark ink, appearing to read "Jim B. Reardon".

The FY 2011 Pay Act was limited to \$556,500 for non-salary items specified in the FY 2011-2012 State of Vermont/VSEA labor agreements (dependent care, tuition reimbursement) and contract implementation costs, and was appropriated in 2010 Act 156 Sec. B.1102. The entire amount was approved for distribution to the Department of Human Resources on July 12, 2010.





**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Fiscal Analyst  
Date: October 11, 2010  
Subject: Small Grant & Gift Quarterly Report

In accordance with the provisions of 32 V.S.A. § 5(a)(3) (as amended in Secs. 394 and 406 of Act No. 65 of 2007 and as further amended in Sec. 92 of Act No. 4 of 2009\*), the Joint Fiscal Office is required to submit quarterly reports for small grant and gift requests with a value of \$5,000 or less.

For the quarter ending September 30, 2010, the Joint Fiscal Office did not receive notification of any item with a value of \$5,000 or less.

\*Sec. 394. 32 V.S.A. § 5(a)(3) is amended to read:

(3) This section shall not apply to the acceptance of grants, gifts, donations, loans, or other things of value with a value of \$5,000.00 or less, provided that such acceptance will not incur additional expense to the state or create an ongoing requirement for funds, services, or facilities. The secretary of administration and joint fiscal office shall be promptly notified of the source, value and purpose of any items received under this subdivision. The joint fiscal office shall report all such items to the joint fiscal committee quarterly.

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*Jim Reardon, Commissioner*

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** James B. Reardon, Commissioner of Finance & Management  
**DATE:** September 2, 2010  
**RE:** Special Funds Created in FY2010; Special Fund Balances at End of FY2010

---

Pursuant to 32 VSA Sec. 588(6), I am herewith submitting to the Joint Fiscal Committee the list of Special Funds created in FY2010, with name, authorization and revenue source; and the list of Special Funds and their balances at the end of FY2010.

Attachment

keep:Special Funds created FY10	9/9/10 12:08 PM	
<b>Report on Special Funds created in FY 2010</b>		
<b>Submitted to the Joint Fiscal Committee pursuant to 32 VSA Sec 588(6)</b>		
<b>Dept/Name of Fund</b>	<b>Authorization</b>	<b>Revenue Source</b>
<b>Health Dept</b>		
Hospital Licensing Fees	18 VSA Sec 1904( c)	Hospitals licensed by the State
<b>Attorney General</b>		
Public Funds Investigation Fund	3 VSA Sec 167	Consumer fraud recoveries
<b>Agency of Transportation</b>		
Transportation Infrastructure Bond Fund	19 VSA Sec 11f	Motor fuel infrastructure assessments



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## SPECIAL FUND SUMMARY EOFY 2010

Special Fund Name	Fund Net Assets 7/1/09	All Revenues	All Expenses	Other Financing (Sources) Uses	Fund Net Assets 6/30/10
Financial Literacy Trust Fund	1,993	29,079	(2,560)	0	28,513
FMS System Development Fund	(3,391,510)	600,000	(204,685)	0	(2,996,196)
Elva S Smith Bequest	22,513	42,709	(22,071)	0	43,151
Lw-lvl Radioactive Waste Cmpct	(811)	2,652,424	(2,613,781)	(100,748)	(62,916)
Radiological Emerg Response	203,011	1,510,256	(1,991,893)	0	(278,626)
Public Defender Special Fund	130,272	570,851	(567,626)	0	133,497
Misc Fines & Penalties	441,287	267,551	(178,578)	60,847	591,107
Vt Dairy Promotion Fund	291,793	2,530,859	(2,535,591)	0	287,061
VDPC State Portion	77,742	248,776	(299,579)	0	26,938
Financial Institut Supervision	(59,476)	1,407,647	(1,555,609)	207,438	0
Health Care Suprv & Reg	212,012	1,539,237	(1,427,598)	(71,166)	252,484
Insurance Regulatory & Suprv	0	8,428,186	(5,431,712)	(2,996,474)	0
Securities Regulatory & Suprv	0	5,705,925	(1,474,747)	(4,231,178)	0
Captive Insurance Reg & Suprv	0	4,720,041	(3,983,925)	(736,116)	0
VOHI Wk Cmp Self-Ins Corp Trst	50,096	142	0	0	50,238
Passenger Tramways	(16,562)	366,792	(378,098)	16,562	(11,306)
Elevator Safety Fund	52,520	65,060	(55,584)	0	61,996
Licensing & Inspection Spec Fd	310,968	301,887	(514,652)	(51,996)	46,207
Worker's Comp Admin Fund	(260,764)	1,485,713	(1,732,231)	7,793	(499,490)
Employee Leasing Companies	24,355	32,100	(17,985)	(24,355)	14,116
Crim Justice Training Council	74,155	563,014	(498,811)	(239,193)	(100,835)
Fire Service Training Council	52,979	911,868	(820,091)	30,000	174,756
Haz Chem & Subst Emerg Resp	315,383	565,892	(397,623)	0	483,652
Criminal History Records Check	22,630	238,258	(200,000)	(54,736)	6,152
Vt Law Telecommunications	(708)	131,060	(117,205)	0	13,148
DUI Enforcement Special Fund	256,175	1,533,617	(1,745,328)	(33,273)	11,191
Victims Compensation Fund	972,004	3,219,462	(2,790,800)	0	1,400,666
Prof Regulatory Fee Fund	5,097,836	3,519,800	(3,631,755)	0	4,985,881
Rulemaking Advertising Fund	41,400	109,700	(107,111)	0	43,989
Vermont Campaign Fund	13,199	662,179	(521,259)	0	154,119
Funeral & Burial Service Trust	243,597	686	(8,673)	0	235,611
Children's Trust Fund	88,968	74,202	(78,162)	0	85,009
Correctional Facilities Rec Fd	198,394	823,868	(590,262)	0	432,000
Catamount Fund	7,083,884	21,568,433	(27,770,631)	0	881,686
Home Heating Fuel Asst Trust	121,411	343	0	0	121,755
PATH-Civil Monetary Fund	315,221	0	(25,941)	0	289,280
Robert Wood Johnson Fund	29,019	82	0	0	29,101
Mental Health Risk Pool	721,609	1,392	(464,502)	0	258,499
Vermont State Hospital Canteen	5,000	89,147	(89,147)	0	5,000
Home Weatherization Assist	1,005,610	4,062,353	(4,024,104)	400,000	1,443,859
VT Healthcare Ed Loan Repaymnt	73,420	208	0	0	73,627
Teacher Licensing Fund	1,201,422	953,427	(1,129,083)	0	1,025,766
Post Secondary Certification	3,028	5,000	0	0	8,028
General Education Development	536	1,590	0	0	2,126
Petroleum Cleanup Fund	2,955,336	5,275,525	(7,193,266)	750,000	1,787,595
Act 250 Permit Fund	(314,009)	1,455,919	(1,874,113)	0	(732,203)
State Forest Parks Fund	645,952	7,067,340	(6,820,511)	0	892,781
Environmental Contingency Fund	1,944,728	176,002	(147,206)	0	1,973,525
Mitec Settlement Fund	157	0	0	0	157
Waste Management Assistance	1,895,950	3,284,583	(2,536,023)	(513,551)	2,130,959
Hazardous Waste Fund	207,523	67,731	(49,991)	0	225,263
FPR - Land Acquisitions	25,081	0	(1,470)	0	23,611
Environmental Permit Fund	793,104	5,216,980	(5,270,020)	0	740,064
Hydroelectric Licensing Fund	32,911	(6,500)	(674)	0	25,737
Sunderland Landfill	14,424	41	0	0	14,465
Central Vt Shopping Ctr	154,348	437	0	0	154,785
Historic Sites Special Fund	48,477	399,973	(389,631)	0	58,820
Municipal & Regional Planning	458,407	4,008,332	(3,528,058)	(747,941)	190,741
Insurance Reserve Fund	140,422	0	0	0	140,422
Unorganized Towns-Bennington	16,180	79,219	(60,713)	0	34,686
Unorganized Towns-Chittenden	(3,183)	22,823	(42,130)	0	(22,490)
Unorganized Towns-Windham	11,141	122,953	(119,166)	0	14,928
Unemployment Comp Admin Fund	38,353	0	(38,353)	0	0
Tobacco Litigation Settlement	(1,246,465)	36,172,454	(43,192,917)	8,266,928	0
AG-Tobacco Settlement	399,798	0	(65,266)	0	334,532
Tobacco Trust Fund	27,813,639	3,078,110	(87,098)	(8,266,928)	22,537,724
Williamstown Env & Public Hlth	191,697	542	0	0	192,240
Mount Independence Historic	0	0	0	0	0
State Register Publications Fd	1,289	76	0	0	1,365
Bond Investment Earnings Fund	(9,819)	41,798	0	(31,978)	1
DWI Forfeiture Vehicles	0	1,500	(202)	(1,298)	0

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## SPECIAL FUND SUMMARY EOFY 2010

Special Fund Name	Fund Net Assets 7/1/09	All Revenues	All Expenses	Other Financing (Sources) Uses	Fund Net Assets 6/30/10
Pownal Tanning Settlement II	0	0	0	(0)	0
Flexible Spending	154,418	1,881,248	(1,988,085)	0	47,581
AHS Administrative Fund	7,329	0	0	0	7,329
All Terrain Vehicles	122,744	329,775	(369,845)	0	82,675
Art Acquisition Fund	97,500	0	(70,000)	50,000	77,500
Gross Revenue Fund	660	0	0	0	660
Fuel Efficiency Fund	(12,832)	2,797,768	(296,971)	0	2,487,966
Vt Recreational Trails Fund	209,012	0	(384,778)	370,000	194,234
Laboratory Services	83,839	1,351,751	(1,397,927)	0	37,663
Medical Practice	1,428,094	261,756	(771,686)	0	918,164
Hospital Licensing Fees	0	134,555	(134,555)	0	0
Natural Resources Mgmnt	(5,925)	300,979	(279,517)	0	15,537
Otto Johnson Fund	0	6,850	(6,850)	0	0
PILOT	(403,922)	6,594,128	(5,124,000)	0	1,066,206
Rabies Control	5,189	80,075	(36,303)	(44,370)	4,591
Snowmobile Trails	11,001	891,332	(793,500)	0	108,834
Inter-Unit Transfers Fund	2,329,483	37,259,488	(37,117,708)	(657,143)	1,814,121
ARRA Inter-Unit Subaward Fund	0	52,613,135	(52,825,405)	0	(212,269)
Boating Safety	13,012	0	(105,000)	136,904	44,915
Treas Retirement Admin Cost	6,488	1,876,663	(1,876,663)	0	6,488
Conference Fees & Donations	149,800	231,858	(213,791)	(60,995)	106,872
School Match	1,804,724	9,864,573	(11,608,124)	0	61,173
Lands and Facilities Trust Fd	3,857,529	376,851	(179,572)	0	4,054,807
Emergency Relief & Assist Fd	387,614	0	(505,946)	143,916	25,584
Public Assistance Recoveries	2,887	8,505	0	0	11,391
Food Stamp Recoveries	70,859	87,384	0	0	158,243
Downtown Trans & Capital Impro	862,232	0	(186,603)	400,000	1,075,629
Surplus Property	243,599	272,675	(130,232)	(8,577)	377,465
Pers-Human Resourc Development	72,777	83,549	(39,544)	(13,282)	103,501
Tax-Miscellaneous Fees	140,763	254,176	(173,192)	0	221,747
Tax-Local Option Process Fees	17,425	697,604	(710,565)	0	4,464
Tax-Current Use Admin	0	238,186	(221,000)	(17,186)	0
Public Records Special Fund	132,464	14,283	0	0	146,747
BGS-BTS Marketing Costs	81,526	0	(1,461)	0	80,065
BGS-Duxbury/Moretown	(568)	20,700	(3,471)	0	16,661
Vital Records Special Fund	50,746	87,089	0	0	137,835
Motorist Aid Refreshment Prog	18,513	159,326	(94,390)	0	83,449
BGS-Recycling Efforts	39,167	20,899	(19,266)	0	40,800
BGS-Newport Office Bldg	55,869	0	(2,390)	(53,479)	0
BGS-Newport Office	2,500	0	0	0	2,500
BGS-Donations-St House Restore	(1,195)	0	0	0	(1,195)
BGS-Sale of State Land	4,310	5,300	(4,977)	(3,010)	1,624
Leg-State House Sick Room	1,198	0	0	0	1,198
Leg-Sgt at Arms-Use of St Hous	3,310	0	(1,112)	0	2,197
St Labor Relations Bd-Misc Rec	7,114	9,440	(7,973)	0	8,582
AG-Consumer Fraud Restitution	770,791	78,070	(216,236)	0	632,624
AG-Fees & Reimburs-Court Order	510,599	0	(474,482)	0	36,117
AG-Court Diversion	547	662,221	(662,241)	0	528
SA-Windsor Comm Prosecution Gr	(2,584)	0	0	0	(2,584)
PS-Highway Safety	10,485	0	0	0	10,485
PS-Sale of Photos	0	22,499	(8,636)	(10,286)	3,578
PS-Explosive Handlers	0	8,465	0	(17,143)	(8,678)
Mil-Armory Rentals	17,452	1,200	(15,000)	0	3,652
Mil-Sale of Burl Armory & Othe	21,450	85,000	0	0	106,450
Mil-Vets Cemetary Contribution	126,952	49,993	(83,529)	0	93,416
AF&M-Agricultural Events	64,835	48,911	(79,562)	0	34,184
AF&M-Laboratory Testing	0	16,670	0	0	16,670
AF&M-Feed Seeds & Fertilizer	683,156	972,310	(1,196,405)	0	459,061
AF&M-Pesticide Monitoring	488,443	962,032	(1,046,777)	(6,574)	397,124
AF&M-Apple Marketing Board	9,378	1,926	0	0	11,305
AF&M-Agricultural Fees	11,000	55,960	(14,923)	0	52,037
AF&M-Terminal Mkts-Ship Insp	4,630	3,509	(3,000)	0	5,139
AF&M-Weights & Measures-Testin	34,782	364,965	(351,340)	(30,851)	17,556
AF&M-Livestock Dealers/Transpo	62,762	15,218	(2,526)	0	75,454
AF&M-Mosquito Control	74,751	0	(80,000)	91,269	86,020
AF&M-Housing & Conservation Bd	(40,769)	242,721	(229,674)	0	(27,722)
AF&M-Eastern States Building	98,161	158,084	(136,705)	(31,235)	88,305
AF&M-Dairy Receipts	14,309	10,593	0	(11,773)	13,129
AF&M-Meat Handlers	15,070	9,950	(9,959)	0	15,061
AF&M-Pesticide Control	40,561	69,193	(106,345)	0	3,408
AF&M-Promotional Activities	3,658	32,442	(31,949)	(2,814)	1,337

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## SPECIAL FUND SUMMARY EOFY 2010

Special Fund Name	Fund Net Assets 7/1/09	All Revenues	All Expenses	Other Financing (Sources) Uses	Fund Net Assets 6/30/10
AF&M-West Nile Virus	2,552	(2,500)	0	0	52
BISHCA-Docket	49,423	6,461	(31,461)	0	24,423
Human Rights Commission	35,735	0	(17,419)	0	18,317
PSD-Regulation/Energy Efficiency	646,361	8,476,943	(5,894,949)	(3,260,108)	(31,753)
PSD-Telecomm Serv for Deaf	149,576	396,824	(512,973)	0	33,427
PSD-Hydroquebec Power	9,445	(9,445)	0	0	0
PSD-Rate & Tariff Power	(147,896)	2,686,531	(2,552,909)	0	(14,274)
PSB-Special Fds	327,146	270,308	(2,740,947)	2,740,746	597,253
Enhanced 9-1-1 Board	1,424,474	5,486,653	(5,151,968)	0	1,759,159
OCS-Child Supp Collect-ANFC	99,568	447,386	(457,464)	0	89,490
HE-Food & Lodging Fees	0	914,435	(867,907)	(49,969)	(3,441)
GCW-Misc	12,003	668	0	0	12,670
DET-Adm Rec/Fac Admin Other Fd	0	0	0	0	0
DET-Apprenticeship Train OFS	0	207,225	(206,675)	0	550
ED-Wards of St-Non-Special Edu	5,405	(5,405)	0	0	0
ED-Health-Infants & Toddlers	490	0	0	0	490
ED-Medicaid Reimb-Admin	4,382,919	0	(16,441,549)	15,866,000	3,807,370
Vets Home-Private Pay	(882,665)	2,023,694	(1,887,280)	0	(746,251)
Vets Home-Dom Applied Income	89,552	43,339	(49,275)	0	83,616
NR-Stratton Corp	469	0	(469)	0	0
Local Comm Implementation Fund	107,258	257	(20,685)	0	86,831
Impaired Water Restoration Fnd	804,457	37,193	(272,896)	0	568,755
Pollution Prevention Plans Fee	32,251	52,800	(68,089)	0	16,962
FPR-Laura Burnham Estate	10,403	0	0	0	10,403
FPR-Youth Conservation Corps	3,593	271,393	(271,393)	0	3,593
FPR-Earth People's Park	2,384	0	0	0	2,384
Vermont Medicaid	4,859,977	7,320,823	(7,357,164)	0	4,823,636
New York Medicaid	1,595,655	1,931,461	(1,392,565)	0	2,134,551
Streamgauging Fees	37,124	18,625	0	0	55,749
EC-Geological Publications	41,088	2,020	(37,711)	0	5,396
Miscellaneous Settlement Fund	2,969,847	644,300	(643,394)	0	2,970,753
EC-Tax Loss-Conn Riv Flood Ctl	(17,350)	52,050	(34,700)	0	0
EC-Aquatic Nuisance Control	(27,125)	0	0	0	(27,125)
EC-VT Poll Control 24VSA4753	114,786	550,000	(549,439)	0	115,347
ACCD-ISO 9000 Training	6,123	0	(6,123)	0	0
VHCTF-VHFA-Lead Program	108	0	0	(108)	0
SRS-Social Security	0	1,162,347	(1,162,347)	0	0
SRS-Parental Child Support	0	294,244	(294,244)	0	0
Attorney Admission,Licensing,& VR Fees	599,327	810,061	(658,016)	0	751,372
DAD-Vending Facilities	0	1,078,492	(1,078,492)	0	0
DAD-RWJ	0	214,168	(190,590)	0	23,578
ACCD-Mobile Home Park Laws	27,759	0	(27,759)	0	0
ACCD-Miscellaneous Receipts	0	60,165	(60,165)	0	0
ACCD\Tourism & Marketing Broch	0	6,966	(6,966)	0	0
Sale of Copies/Publications	182,480	200,905	(197,692)	0	185,693
Memorial Gifts	371	2,086	(2,083)	108	483
HE-Lead Abatement Fees	6,009	445	(1,000)	0	5,454
HE-Asbestos Fees	0	50,665	(50,665)	0	0
HE-Medicaid in Schools	0	148,469	(148,469)	0	0
HE-AIDS Medication Rebates	(216,000)	0	0	0	(216,000)
HE-ADAP DDRP Fees	0	948,999	(948,999)	0	0
CORR-Supervision Fees	0	194,315	(190,189)	(4,126)	0
PERS-Recruitment Services	1,090,697	911,980	(252,000)	0	1,750,677
Chitt-Women Help Battered Wome	28,701	86,978	(90,342)	(12,506)	12,831
Windsor-Armory Square Project	(23,396)	5,424	(0)	0	(17,971)
ED-Private Sector Grants	10,000	0	0	0	10,000
PS-Law Enforcement Services	237,869	0	(170,398)	0	67,471
PS-VAST	(15,113)	535,322	(531,906)	0	(11,697)
PS-Fingerprint Fees	0	81,157	(40,579)	0	40,579
PS-VIBRS	(12,643)	240,045	(189,985)	0	37,417
SRS-Build Bright Spaces/Future	(23,671)	1,139,477	(1,034,079)	0	81,727
EC-Laboratory Receipts	12,479	18,691	(7,227)	0	23,943
EC-Motorboat Registration Fees	79,955	14,828	(19,629)	0	75,154
CJTC-Surcharge Fees	200,526	0	(223,532)	718,763	695,757
CJTC-Tuition Fund	(141,575)	0	0	141,575	0
Special Funds Debt Service	(97,617)	0	0	97,617	0
Misc Special Revenue	1,126	0	(2,499,715)	2,499,715	1,126
Gates Foundation Grants	19,952	250,418	(247,310)	0	23,059
Emerg Pers Survivor Benefit Fd	91	0	0	0	91
Judicial Project Support	186,439	320	(150,000)	0	36,759
	1,450	0	(1,450)	0	0

9/2/10 11:59 AM

## SPECIAL FUND SUMMARY EOFY 2010

Special Fund Name	Fund Net Assets 7/1/09	All Revenues	All Expenses	Other Financing (Sources) Uses	Fund Net Assets 6/30/10
Treas-Refunding Bond Issue	1	1	(264,772)	301,196	36,426
Risk Manage Ag Producers	16,176	72,136	(75,795)	0	12,517
State's Att & Sheriff-Misc	46,839	0	(1,504)	0	45,335
Green Mtn Cons Camp Endowment	57,928	4,281	(1,903)	0	60,307
Upper Valley Regional Landfill	261,776	735	(6,830)	0	255,681
Waterfront Preservation	190,000	0	0	0	190,000
Fire Prev/Bldg Inspect Sp Fund	186,298	2,993,595	(2,305,559)	0	874,334
Health Department-Special Fund	0	260,501	(188,990)	0	71,511
PATH-Misc Fund	908,749	3,134,364	(23,076,281)	19,614,460	581,292
Wallace Foundation-SAELP	1,406	4	0	(1,410)	0
Securities Investor Education	77,445	36,375	0	0	113,820
Polygraph Exam & License Fees	0	90	(90)	0	0
Misc Grants Fund	17,171	229,175	(242,942)	0	3,403
Tax Computer Sys Modernization	(591,561)	3,147,359	(1,719,259)	0	836,539
Counselor Regulatory Fee Fund	0	2,180	(2,180)	0	0
Sarcoidosis Benefit Trust Fund	141,418	0	(292,291)	449,166	298,292
Evidence-Based Educ & Advertis	444,467	1,069,632	(439,149)	0	1,074,950
Workforce Ed & Training Fund	1,592,134	0	(1,600,500)	0	(8,366)
Crime Victims Restitution Fund	827,518	2,830,466	(2,455,153)	0	1,202,831
Vermont Health IT Fund	321,059	2,462,828	(127,389)	0	2,656,498
Public Funds Investigation	0	0	(10,596)	110,596	100,000
VOL Membership/Dues	90,106	104,731	(96,000)	0	98,837
Restitution Special Fund	300	817	(1,117)	0	0
Information Center Revenues	12,572	8,153	(20,724)	0	0
Court Technology Fund	1,932,359	1,726,488	(1,387,412)	0	2,271,435
Municipal Tkt Repay Revolving	179,301	0	0	0	179,301
DOC-Corrections Donations	636	466	0	0	1,102
Property Assessment Fund	1	0	0	0	1
Unsafe Dam Revolving Loan Fund	32,900	0	0	0	32,900
Animal Spay/Neutering Fund	194,384	231,380	(211,279)	0	214,485
Registration Fees Fund	3,758	24,575	(19,300)	0	9,033
Armed Services Scholarship Fnd	36,883	81	(22,361)	6,484	21,088
Indemnification Fund	372,117	67,738	(69,670)	0	370,186
State Health Care Resources Fd	(1,432,524)	158,188,440	(152,851,462)	0	3,904,454
VT Clean Energy Dev Fund	10,540,606	4,488,224	(4,912,591)	(2,234,720)	7,881,518
Next Generation Initiative Fnd	1,638,780	8,993	(2,542,065)	3,291,860	2,397,568
VT Traumatic Brain Injury Fund	113,265	143	(112,164)	0	1,244
<b>Special Fund Total</b>	<b>104,427,348</b>	<b>482,065,447</b>	<b>(516,848,041)</b>	<b>32,137,346</b>	<b>101,782,100</b>



XII

**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 *JG*  
**THROUGH:** Robert Hofmann, Secretary, Agency of Human Services *RH*  
**DATE:** June 23, 2010  
**RE:** Global Commitment Closeout Adjustments

Please find attached a second request for Global Commitment adjustments that reflect the AHS closeout plan for Agency Central Office and our Departments. As stated in my June 2nd memo we were continuing to monitor expenditures weekly and may need additional adjustments to ensure payment of all HP bills through the 53<sup>rd</sup> week.

The attached adjustments reflect the available unused GC funds in DMH and DAIL after the payment of all anticipated claims. The increases in the OVHA appropriations continue to reflect that the State has not received the pharmacy rebates at the rate and timing anticipated.

The full \$43M GC carry forward planned for in the SFY11 appropriations act will remain available in the GC fund June 30, 2010. Confirmation will occur in July after closeout of all appropriations.

I am cautiously optimistic that there will not be a need for any additional transfers on June 29<sup>th</sup> to ensure all departments can pay their 53<sup>rd</sup> week of HP payments.

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

**AHS ADJUSTMENTS ON ATTACHED SPREADSHHET**

- AHS Central Office
- Office of Vermont Health Access
- Department of Mental Health
- Department of Disabilities, Aging, and Independent Living



**Neale F. Lunderville Global Commitment Adjustment memo**

**June 23, 2010**

**Page 2**

Approved:

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Date:

Neale F. Lunderville

Secretary of Administration

**Sec. 86. GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT<sup>1</sup>**

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.

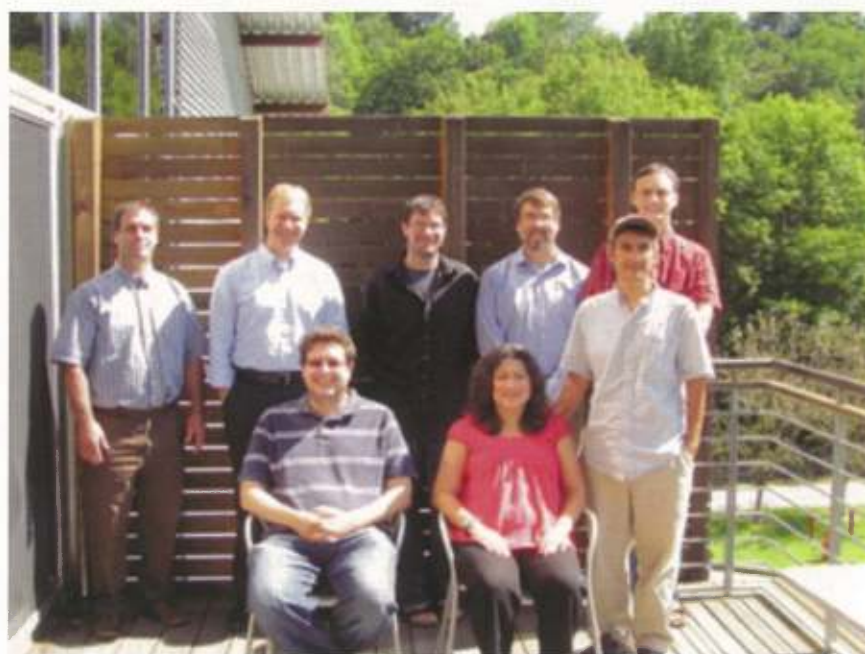
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<sup>1</sup> <http://www.leg.state.vt.us/docs/2010/Acts/ACT067.pdf>

## AHS GC Closeout Adjustments

Department	Dept ID	Fund Codes	IDT 21500	Global Commitment 20405	Total
AHS	3400004000	<b>GC Appropriation</b>			
		neutral transfer from AHS GC to OVHA State Only - 53rd Week	(300,000)		(300,000)
<b>TOTAL AHS/DRS/DOC</b>			(300,000)		(300,000)
OVHA	3410010000	<b>Administration</b>			
		neutral transfer from OVHA Admin to OVHA GC - 53rd Week		(1,200,000)	(1,200,000)
	3410015000	<b>Global Commitment</b>			
		neutral transfer from OVHA Admin to OVHA GC - 53rd Week		1,200,000	1,200,000
		neutral transfer from DMH to OVHA GC - 53rd Week		5,000,000	5,000,000
		neutral transfer from DMH-VSH to OVHA GC - 53rd Week		294,410	294,410
		neutral transfer from DAIL-DS to OVHA GC - 53rd Week		3,000,000	3,000,000
		neutral transfer from OVHA State Only to OVHA GC - 53rd Week		300,000	300,000
	3410017000	<b>State Only</b>			
		neutral transfer from AHS GC to OVHA State Only - 53rd Week	300,000	(300,000)	0
<b>TOTAL OVHA</b>			300,000	8,294,410	8,594,410
DMH	3150070000	<b>Mental Health</b>			
		neutral transfer from DMH to OVHA GC - 53rd Week		(5,000,000)	(5,000,000)
	3150080000	<b>Vermont State Hospital</b>			
		neutral transfer from DMH-VSH to OVHA GC - 53rd Week		(294,410)	(294,410)
<b>TOTAL DMH</b>				(5,294,410)	(5,294,410)
	3460050000	<b>Developmental Services</b>			
		neutral transfer from DAIL-DS to OVHA GC - 53rd Week		(3,000,000)	(3,000,000)
<b>TOTAL DDAIL</b>				(3,000,000)	(3,000,000)
<b>SUBTOTAL AHSCO</b>					





## **General Manager's Report Quarter 3 - 2010**

Prepared by Jamie Gage  
General Manager  
October 15, 2010

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## EXECUTIVE SUMMARY

The third quarter of 2010 was a very productive and busy quarter for VIC. During this period we:

- **Won our 2<sup>nd</sup> consecutive Best of the Web Top 10 award for [www.Vermont.gov](http://www.Vermont.gov)**
- **Launched nine (9) new online services, websites, or service upgrades**, including 2 new widgets for the *MyVermont* portal & launch of the Proposed Rules Postings service (a Challenge project);
- **Signed Cavu Implementation SOW** for professional licensing with the Department of Health;
- **Received approval for eProcurement service from Joint Fiscal Committee of the Legislature;**
- **Added a new developer, Derek Devine, our 8<sup>th</sup> employee;**
- **Worked on over 25 additional service projects for the state**, including 8 for Challenges for Change

As evidenced above, the three months from June to September 2010 continued to establish e-government as a proven solution for Vermont state government and VIC. With our 2010 Best of the Web award, Vermont established itself - for the 2<sup>nd</sup> consecutive year - as one of the Top Ten states in the nation in e-government technologies, websites and services. This is a noteworthy achievement – in 2007, the state set a 3-year goal to be among the top 25 websites in the nation and has since rolled over that goal. Next year we plan to crack the Top 5.

The growing demand for online services throughout state government coupled with the Challenges for Change legislation made the 3<sup>rd</sup> quarter an extremely busy time for VIC. With the signing of two large projects with the Department of Health, the public announcement by the Governor of enterprise e-Procurement for the state by 2011 (to be built by VIC), and our sustained involvement on all web-related Challenges projects, we were fully engaged in e-government efforts. Indeed, during the quarter we began to deliver on several of the goals of the Challenges for Change legislation – through the three enterprise portals (human services, business, and permitting), the launch of the Proposed Rules Postings service for the SOS (estimated cost savings to Vermont = \$50K+), and new widget development for the myVermont service.

We also had several notable new projects begin development outside of CfC. These included the two Health projects (Cavu professional licensing and Ladies First cancer screening services), the IRP/IFTA service with the DMV, and three services with the Department of Taxes (W2's/1099s, Homestead Declaration rewrite, and Property Transfer Taxes, the last for which we began statewide trainings and will launch in January). We also signed an SOW for an enterprise licensing service for the Agency of Agriculture, and worked on a new courts e-filing payment service for the Judiciary,

In the third quarter I appeared twice before the Joint Fiscal Committee of the Legislature to discuss fee services and VIC overall, had meetings with candidates for Governor (Dubie-R) and Secretary of State (Condos-D), and led our first-ever office retreat at Groton State Park. On the revenue side, even with the continued decline (-10%+) of Motor Vehicle Retrievals we ended up nearly \$60K over budget in Operating Income for the quarter - and look to meet most of our budgetary goals for the calendar year.

In sum, the third quarter of 2010 was very productive for VIC, and continued to establish us as the go-to source for e-government in Vermont. We are very proud of this achievement, and expect our ability to help the state will continue to grow.

Respectfully Submitted,  
Jamie Gage, General Manager, Vermont Information Consortium

## **Q3 2010: DETAILS**

### **Service/Website Launches & Feature Upgrades (9)**

#### **July:**

<b>Proposed Rules Postings Service</b>	<a href="https://secure.vermont.gov/SOS/rules/">https://secure.vermont.gov/SOS/rules/</a>
<b>Highway Safety website</b>	<a href="http://highwaysafety.vermont.gov">http://highwaysafety.vermont.gov</a>
<b>Sex Offender Registry Service</b>	<a href="https://secure.vermont.gov/DPS/sor/agreement.php">https://secure.vermont.gov/DPS/sor/agreement.php</a>
<b>Criminal Convictions Subscribers</b>	<a href="https://secure.vermont.gov/DPS/criminalrecords/subscriber/">https://secure.vermont.gov/DPS/criminalrecords/subscriber/</a>

#### **August**

##### **New myVermont widgets:**

- **Cities and Towns** <https://secure.vermont.gov/myvermont>
- **Proposed Rules Postings** <https://secure.vermont.gov/myvermont>

#### **September:**

<b>Vermont Criminal Information Center</b>	<a href="http://vcic.vermont.gov">http://vcic.vermont.gov</a>
<b>Vermont Emergency Management</b>	<a href="http://vem.vermont.gov">http://vem.vermont.gov</a>
<b>Vermont Forensics Laboratory</b>	<a href="http://vfl.vermont.gov">http://vfl.vermont.gov</a>

### **Best of the Web Award/Press:**

#### **"Vermont Recognized for Websites and Web Portals for Second Year in a Row"**

<http://finance.yahoo.com/news/Vermont-Recognized-for-bw-3742307991.html?x=0&.v=1>

### **Additional Press:**

#### **"Governor Douglas Announces Implementation of eProcurement for the State of Vermont"**

<http://www.vermont.gov/portal/government/article.php?news=1971>

#### **"Vermont Mobile Home Parks Can Now Register Online with Housing Department"**

<http://finance.yahoo.com/news/Vermont-Mobile-Home-Parks-Can-bw-3566315068.html?x=0&.v=1>

### **2010 Projects in Development/Technical Analysis (11):**

- |  |                                    |
|--|------------------------------------|
| • Vital Records redesign (SOS/VSARA)                 | <i>PROPOSED LAUNCH: OCTOBER</i>    |
| • Lead Compliance (HEALTH)                           | <i>PROPOSED LAUNCH: OCTOBER</i>    |
| • IRP & IFTA Permitting (DMV)                        | <i>PROPOSED LAUNCH: OCTOBER</i>    |
| • eCabinet Checkout Portal (JUDICIARY)               | <i>PROPOSED LAUNCH: OCTOBER</i>    |
| • Agriculture Weight & Measures (AAFM)               | <i>PROPOSED LAUNCH: JAN 2011</i>   |
| • VTDrives project: Services Migration (DMV)         | <i>PROPOSED LAUNCH: JAN 2011</i>   |
| • Property Transfer Tax Returns (TAX)                | <i>PROPOSED LAUNCH: JAN 2011</i>   |
| • Homestead Declaration (TAX)                        | <i>PROPOSED LAUNCH: JAN 2011</i>   |
| • Ladies First health screening application (HEALTH) | <i>PROPOSED LAUNCH: APRIL 2011</i> |
| • Cavu professional licensing (HEALTH)               | <i>PROPOSED LAUNCH: JUNE 2011</i>  |
| • eProcurement (BGS)                                 | <i>PROPOSED LAUNCH: JULY 2011</i>  |

### **Additional Challenges for Change projects (8)**

- |  |                                  |
|--|----------------------------------|
| • Permitting and Compliance Portal (SOV)     | <i>PROPOSED LAUNCH: OCTOBER</i>  |
| • W2's/1099's/Recons (TAX)                   | <i>PROPOSED LAUNCH: JAN 2011</i> |
| • MyVermont portal: Widget Development (SOV) | <i>ONGOING/UPCOMING</i>          |
| • Unified Business Portal (SOV)              | <i>ONGOING/UPCOMING</i>          |
| • AHS myBenefits Portal (AHS)                | <i>ONGOING/UPCOMING</i>          |
| • Act 250 Forms online (SOV - ANR)           | <i>ONGOING/UPCOMING</i>          |
| • Creative Workforce website (ACCD)          | <i>ONGOING/UPCOMING</i>          |
| • DigSafe website (DPS)                      | <i>ONGOING/UPCOMING</i>          |

### **ECMS Sites Currently in Progress Toward Launch (5):**

The following is a listing of state agency websites that are in the active queue toward development. Please note this does not include the multitude of state websites which are in early resources/requirements gathering phase.

- Agency of Transportation/VTrans
- Office of Vocational Rehabilitation
- Voyages of Discovery
- Vermont Labor Relations Board
- Department of Children and Families (redesign)

### **Other potential 2011 online service projects (9):**

- |                         |   |
|-------------------------|---|
| • Health Premiums       | • VDH Food & Lodging Mobile Inspections           |
| • Fire Safety Licensing | • Municipal Payment Services                      |
| • Alarms                | • Vermont Health Exchange                         |
| • Hazmat                | • Lead Compliance testing service & fine payments |
| • Broadband service     |   |

## **Partner Relations**

**VDH partnership continues to grow** with the Lead Compliance application nearing launch, the Cavu implementation about to begin, and Ladies First moving forward. We are also in discussions with them regarding 2-3 additional projects over the next 18 months.

**DMV partnership** continues to be strong with the imminent launch of the IRP-IFTA service. We also are working over the next several months on the service migration to VTDrives, and hope to re-interest the credit card processing payment service in 2011.

**Tax partnership** also continues to be strong, with several statewide trainings in September on the Property Transfer Tax application (due in January) and two CfC projects – W2's/1099s and Homestead.

**DPS partnership** continues to grow and strengthen with the launch of the new Sex Offender Registry and Criminal Convictions Subscription Service. They also approached us about enterprise licensing for the entire Department.

**Judiciary partnership is strong** with the development of VIC's payment engine for filings and fees in conjunction with their new case management system.

## **Q3 2010: PORTAL STATISTICS**

1,295,203	Visits
575,997	Absolute Unique Visitors
3,399,796	Pageviews
2.62	Average Pageviews
00:01:57	Time On Site
42.36%	Bounce Rate
41.50%	New Visits

### ***July:***

Total Page Views (actual pages viewed): 331,330

Total Visits (visitors to the site – one visitor could have multiple page views): 127,420

### ***August:***

Total Page Views (actual pages viewed): 336,246

Total Visits (visitors to the site – one visitor could have multiple page views): 129,518

### ***September:***

Total Page Views (actual pages viewed): 340,097

Total Visits (visitors to the site – one visitor could have multiple page views): 131,909

***Most Popular Pages (page views given):***

	<b>Page</b>	<b>Pageviews</b>
1.	 <a href="#">portal/</a>	125,634
2.	 <a href="#">portal/government/atoz.php</a>	24,457
3.	 <a href="#">portal/government/</a>	20,955
4.	 <a href="#">portal/employment/</a>	10,761
5.	 <a href="#">portal/travel/</a>	10,543
6.	 <a href="#">portal/employment/index.php?id=98</a>	10,478
7.	 <a href="#">portal/vermont/</a>	7,990
8.	 <a href="#">portal/search.php</a>	5,476
9.	 <a href="#">portal/business/</a>	4,843
10.	 <a href="#">portal/index.php</a>	4,459

## **PORTAL HIGHLIGHTS 2009 - 2010**

<b>Staff</b>	VIC portal staff grows from 6 employees to 8
<b>Awards</b>	Six (6) awards, including two consecutive Best of the Web Top 10 awards

**Estimated Market Value of Services Provided by VIC to the State of Vermont 2007-2010**

	2007	2008	2009	2010
<b>Cost Savings - No-fee/ECMS services - VIC cost</b> *\$110/hour plus basic hosting (design & development)	\$ 365,770	\$ 727,820	\$ 1,300,160	\$ 1,814,380
<b>Cost Savings - No-fee/ECMS services - Est. Market Value</b> *40% markup - hourly difference	\$ 512,078	\$ 1,018,948	\$ 1,820,224	\$ 2,540,132
<b>Cost Savings - Fee services - VIC cost</b> *\$110/hour plus basic hosting (design & development)	\$ 171,540	\$ 290,800	\$ 391,670	\$ 527,190
<b>Cost Savings - Fee services - Estimated Market Value</b> *40% markup - hourly difference	\$ 240,156	\$ 407,120	\$ 548,338	\$ 738,066
<b>Total Additional Annual Costs - Estimated Market Value</b>	\$ 364,644	\$ 729,288	\$ 1,093,932	\$ 1,458,576
<b>Total Annual Cost Savings - Fee/No-Fee &amp; Additional</b>	\$ 1,116,878	\$ 2,155,356	\$ 3,462,494	
<b><u>Total Cost Avoidance @ Market Value by using VIC 2007-2010</u></b>				<b><u>\$ 4,736,774</u></b>



## Startup Business Competition Committee Update

November 12, 2010

The committee held a meeting on November 3<sup>rd</sup> to refine a draft competition concept paper. Specifics are still being discussed, but the major elements are as follows:

- The overarching stated objective of the competition is to create jobs and wealth in Vermont. The competition would have two parallel tracks - one for a business idea and one for a new emerging company. The feeling was that there are enough business plan competitions and that this approach was closer to the legislative charge to the committee.
- No restriction on what industry sectors will be made. However, a two-phase application process will screen applicants allowing those that meet the competition objectives to continue in the screening process.
- Although specific prizes weren't proposed, in general it was felt that the idea competition winner should receive a small cash prize with additional in-kind services including, but not limited to, accounting, legal, strategic consulting, and incubation space.

Two specific homework assignments were asked of the committee before the next meeting in early December.

1. Refine the two-phase application process specifics
2. Clarify prize structure and administrative plan for the competition

*Sent previous to members*

**DEPARTMENT OF HEALTH & HUMAN  
SERVICES**  
**Centers for Medicare & Medicaid Services**  
**7500 Security Boulevard, Mail Stop S2-01-16**  
**Baltimore, Maryland 21244-1850**



Center for Medicaid, CHIP and Survey & Certification

September 21, 2010

Mr. Robert D. Hofmann  
Secretary  
Agency for Human Services  
103 South Main Street  
Waterbury, VT 05671-0204

Dear Mr. Hofmann:

We are pleased to inform you that Vermont's Choices for Care section 1115 demonstration extension request has been approved. Choices for Care continues as project number 11-W-00191/6 for the period October 1, 2010, through September 30, 2015. This approval is under the authority of section 1115(a) of the Social Security Act.

The Centers for Medicare & Medicaid Services (CMS) finds that the Choices for Care demonstration:

- Promotes the objectives of the Medicaid program and the Americans with Disabilities Act by creating an entitlement to home and community-based services for a group with the highest need for care. Experience gained through this demonstration paves the way for other States seeking to reduce the institutional bias of Medicaid;
- Institutes a person-centered planning process by matching services to participants' needs and choices according to a person-centered assessment and options counseling process;
- Contains participant protections, incorporated into the Special Terms and Conditions of Approval, to ensure the health and welfare of program participants and continuous improvement of the demonstration program; and,
- Contains an evaluation component that continues to measure the demonstration's effectiveness in expanding comprehensive home and community-based services and preventing the need for nursing facility care.

Approval of this demonstration (and the Federal matching authority provided for thereunder) is contingent upon the State's agreement to the enclosed special terms and conditions (STCs). The STCs also set forth in detail the nature, character, and extent of Federal involvement in this project. The STCs are incorporated in their entirety into this approval letter and supersede all previous STCs.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived or identified as not applicable in this letter, shall apply to the demonstration. Subject to the approval of your protocol, as described in the special terms and conditions, the following waivers and costs not otherwise matchable are approved.

Under the authority of section 1115(a)(1) of the Act, waivers of the following provisions of the Act (and its regulations) are granted for a period of 5 years in order to carry out the demonstration consistent with the accompanying special terms and conditions:

1. Reasonable Promptness 1902(a)(8)

To allow the State to maintain a waiting list for high and moderate need individuals applying for nursing facility and home and community-based services. To allow the State to require applicants for nursing facility and home and community-based services to complete a person-centered assessment and options counseling process.

2. Comparability 1902(a)(10)(B)

To allow the State to provide nursing facility and home and community-based services based on relative need as part of the person-centered assessment and options counseling process for new applicants for such services; to permit the provision of services under the demonstration that will not otherwise be available under the State plan; to limit the amount, duration, and scope of services to those included in the participants' approved care plan.

3. Institutional Income and Resources 1902(a)(10)(C)(i)(III)

To allow the State to use institutional income and resource rules for the high and highest need groups of the medically needy in the same manner as it did for the terminated 1915(c) waiver programs subsumed under this demonstration. Additionally, this waiver permits the State to have a resource standard of \$10,000 for high and highest need medically needy individuals who are single and own and reside in their own homes and who select home and community based services (HCBS) in lieu of institutional services.

4. Freedom of Choice 1902(a)(23)

To enable the State to restrict freedom of choice of nursing facility providers.

5. Direct Payments to Providers 1902(a)(32)

To permit payments for incidental purchases to be made directly to beneficiaries or their representatives.

Under the authority of section 1115(a)(2) of the Act, expenditures made by the State under the demonstration for the items identified below (which are not otherwise included as expenditures under section 1903 of the Act) shall, for a period of 5 years, be regarded as expenditures under the State's title XIX plan:

1. Expenditures for HCBS for elderly and disabled adults, with income up to 300 percent of Supplemental Security Income payment level and resources up to \$10,000, who do not meet the demonstration's clinical criteria for long-term care services, but are at risk of institutionalization.

2. Expenditures for medical assistance furnished to individuals who are receiving home and community based services, are not otherwise eligible under the approved State plan, who are found to be in the highest and high need groups, and whose income and resources are within the level to qualify to eligibility under the standard for institutionalized individuals.

3. Expenditures for medical assistance furnished to highest and high need groups of categorically needy individuals in order to have a resource standard of \$10,000, but only for single individuals residing in their own homes and who select HCBS or other residential services over institutional care.
4. Expenditures for personal care services provided by participants' spouses.
5. Expenditures for cash allotments to provided to individuals, who are self-directing their services, for incidental purchases.

The following will not be applicable to individuals who are not otherwise eligible under the Medicaid State plan:

Cost-sharing and Premiums	1916
Retroactive Eligibility	1902(a)(34)

Your project officer is Ms. Jean Close, who can be reached at (410) 786-2804, or by e-mail at [Jean.Close@cms.hhs.gov](mailto:Jean.Close@cms.hhs.gov). Your project officer is available to answer any questions concerning the scope and implementation of the project described in your application. Communications regarding program matters and official correspondence concerning the project should be submitted to the project officer at the following address:

Centers for Medicare & Medicaid Services  
Center for Medicaid, CHIP and Survey & Certification  
Mail Stop S2-14-26  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

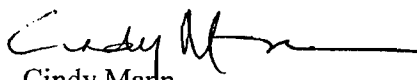
Communications regarding program matters should be submitted simultaneously to Ms. Close and to Mr. Richard McGreal, Associate Regional Administrator for the Division of Medicaid and Children's Health in our Boston Regional Office. Mr. McGreal's contact information is as follows:

Centers for Medicare & Medicaid Services  
Division of Medicaid and Children's Health Operations  
JFK Federal Building, Rm. 2275  
Boston, MA 02203

Should you have questions regarding this correspondence, please contact Ms. Barbara Coulter Edwards, Director, Disabled and Elderly Health Programs Group, at (410) 786-9493.

We extend our congratulations on this approval and look forward to working with you further during the course of the program.

Sincerely,

  
Cindy Marj  
Director

Enclosures

# **Special Terms and Conditions of Approval**

## **CENTERS FOR MEDICARE & MEDICAID SERVICES**

**NUMBER:** 11-W-00191/6

**TITLE:** Vermont Choices for Care Section 1115 Demonstration  
(formerly known as the Long-Term Care Plan)

**AWARDEE:** Vermont Agency of Human Services

The following are Special Terms and Conditions for the extension of the Choices for Care section 1115 demonstration (hereinafter “Demonstration”) submitted on June 17, 2010. The extension is for the period October 1, 2010 through September 30, 2015. The Special Terms and Conditions are arranged in eight subject areas: General Program Requirements, General Reporting Requirements, Legislation, Assurances, Operational Protocol, and Attachments regarding General Financial Requirements, Monitoring Budget Neutrality, and a Summary Schedule of Reporting Items.

Letters, documents, reports, or other materials that are submitted for review or approval will be sent to the Centers for Medicare and Medicaid Services (CMS) Central Office demonstration project officer and the State representative in the CMS Regional Office.

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## **I. GENERAL PROGRAM REQUIREMENTS**

**1. Extension of the Demonstration.** The head of the single State agency must submit to CMS a written request to extend the Demonstration at least 1 year prior to the expiration date of the current demonstration period. Without the submission of a request to extend, Vermont must begin phase down of the program 6 months prior to the end of the demonstration period.

**2. Demonstration Phase-Out.** The State may suspend or terminate this Demonstration in whole or in part at any time prior to the date of expiration. The State must promptly notify CMS in writing of the reason(s) for the suspension or termination, together with the effective date. In the event the State elects to phase out the Demonstration, the State must submit a phase-out plan to CMS at least 6 months prior to initiating phase-out activities. Nothing herein must be construed as preventing the State from submitting a phase-out plan with an implementation deadline shorter than 6 months when such action is necessitated by emergent circumstances. The phase-out plan and extension plan are subject to CMS approval. If the project is terminated or any relevant waivers suspended by the State, FFP must be available for only normal close-out costs associated with terminating the Demonstration, including services and administrative costs of disenrolling participants.

**3. Enrollment Limitation During Demonstration Phase-Out.** If the State elects to suspend, terminate, or not renew this Demonstration as described in paragraph 6, during the last 6 months of the Demonstration, the enrollment of individuals who would not be eligible for Medicaid under the current Medicaid State plan must not be permitted unless the Demonstration is extended by CMS. Enrollment may be suspended if CMS notifies the State in writing that the demonstration will not be renewed.

**4. State Right to Amend Demonstration.** The State may amend this Demonstration in whole or in part at any time before the date of expiration. Requests to amend the Demonstration must be submitted to CMS for approval no later than 120 days prior to the planned date of implementation of the change, and may not be implemented until approved. Amendment requests will be reviewed by the Federal Review Team and must include, but are not limited to, the following:

- a) An explanation of the public process used by the State to reach a decision regarding the requested amendment;
- b) A data analysis which identifies the specific “with waiver” impact of the proposed amendment on the current budget neutrality expenditure cap. Such analysis must include current total computable “with waiver” and “without waiver” status on both a summary and detailed level through the approval period, using the most recent actual expenditures, as well as summary and detailed projections of the change in the “with waiver” expenditure total as a result of the proposed amendment which isolates (by Eligibility Group) the impact of the amendment;
- c) A detailed description of the amendment, including impact on beneficiaries, with sufficient supporting documentation; and

- d) If applicable, a description of how the evaluation design must be modified to incorporate the amendment provisions.

**5. CMS Right to Suspend or Preclude the Demonstration Implementation.** CMS may suspend or preclude Federal Financial Participation (FFP) for State Demonstration implementation and/or service provision to demonstration enrollees whenever it determines that the State has materially failed to comply with the terms of the project, and/or if the implementation of the project does not further the goals of the Medicaid program.

**6. State Right to Terminate or Suspend Demonstration.** The State may suspend or terminate this Demonstration in whole or in part at any time before the date of expiration. The State will promptly notify CMS in writing of the reasons for suspension or termination, together with the effective date. If the Demonstration project is terminated by the State, CMS will be liable for only normal closeout costs. The State will submit a phase-out plan for CMS to review and consider for approval.

**7. CMS Right to Terminate or Suspend.** CMS may suspend or terminate the Demonstration in whole or in part at any time before the date of expiration whenever it determines, following a hearing, that the State materially failed to comply with the terms of the project. CMS must promptly notify the State in writing of the determination and the reasons for the suspension or termination, together with the effective date.

**8. Finding of Non-Compliance.** The State does not relinquish its rights to challenge CMS' finding that the State materially failed to comply.

**9. Withdrawal of Waiver Authority.** CMS reserves the right to withdraw waivers or expenditure authorities at any time it determines that continuing the waivers or expenditure authorities would no longer be in the public interest or would promote the objectives of title XIX. If a waiver or expenditure authority is withdrawn, FFP is limited to normal closeout costs associated with terminating the demonstration, including services and administrative costs of disenrolling participants.

**10. Federal Financial Participation (FFP).** No Federal matching for expenditures for this Demonstration will take effect until the effective date identified in the Demonstration approval letter.



## II. GENERAL REPORTING REQUIREMENTS

(Attachment C provides a summary of the frequency of required reporting items)

**11. Monthly Progress Calls.** During the first 6 months of operation, CMS and the State will hold monthly calls to discuss Demonstration progress. After 6 months of operation, CMS and the State will determine the appropriate frequency of progress calls.

**12. Quarterly & Annual Progress Reports.** The State will submit quarterly progress reports that are due 60 days after the end of each quarter. The fourth quarterly report of every calendar year will include an overview of the past year as well as the last quarter, and will serve as the annual progress report. The CMS reserves the right to request the annual report in draft. The reports will address, at a minimum:

- a discussion of events occurring during the quarter (including enrollment numbers, lessons learned, and a summary of expenditures);
- a discussion of the State's progress in completing Quality Assurance and Quality Improvement Plan activities;
- notable accomplishments; and
- problems/issues that were identified and how they were solved.

**13. Final Demonstration and Evaluation Report.** At the end of the Demonstration period, a draft final report will be submitted to CMS for comments. CMS' comments shall be taken into consideration by the State for incorporation into the final report. The final report with CMS' comments is due no later than 180 days after the termination of the project.

### III. LEGISLATION

**14. Compliance with Federal Non-Discrimination Statutes.** The State agrees that it must comply with all applicable Federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act of 1990, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

**15. Compliance with Medicaid Law, Regulation, and Policy.** All requirements of the Medicaid program expressed in law, regulation, and policy statement, unless specified otherwise in the STCs, waiver list, or expenditure authorities, or otherwise listed as non-applicable, must apply to the Demonstration.

**16. Changes in the Enforcement of Laws, Regulations, and Policy Statements.** All requirements of the Medicaid program expressed in Federal laws, regulations, and policy statements, not expressly waived or identified as not applicable in the award letter, will apply to the demonstration. To the extent that changes in the enforcement of such laws, regulations, and policy statements would have affected State spending in the absence of the Demonstration in ways not explicitly anticipated in this agreement, CMS will incorporate such effects into a modified budget limit for the demonstration. The modified budget limit would be effective upon enforcement of the law, regulation, or policy statement.

If the law, regulation, or policy statement cannot be linked specifically with program components that are or are not affected by the demonstration (e.g., all disallowances involving provider taxes or donations), the effect of enforcement on the State's budget limit will be proportional to the size of the demonstration in comparison to the State's entire Medicaid program (as measured in aggregate medical assistance payments).

**17. Impact on Demonstration of Changes in Federal Law, Regulation, and Policy.**

- a) To the extent that a change in Federal law, regulation, or policy requires either a reduction or an increase in Federal financial participation (FFP) for expenditures made under this Demonstration, the State must adopt, subject to CMS approval, a modified budget neutrality agreement for the Demonstration as necessary to comply with such change. The modified budget neutrality agreements would be effective upon the implementation of the change.
- b) If mandated changes in Federal law require State legislation, the changes must take effect on the day such State legislation becomes effective, or on the last day such legislation was required to be in effect under the law.

**18. Changes in Federal Law Affecting Medicaid.** The State will, within the time frame specified in law, come into compliance with any changes in Federal law affecting the Medicaid program that occur after the Demonstration award date. To the extent that a change in Federal law, which does not exempt State section 1115 demonstrations, would affect State Medicaid spending in the absence of the Demonstration, CMS will incorporate such changes into a

modified budget limit for the Demonstration. The modified budget limit will be effective upon implementation of the change in Federal law, as specified in law.

If the new law cannot be linked specifically with program components that are or are not affected by the demonstration (e.g., laws affecting sources of Medicaid funding), the State will submit its methodology to CMS for complying with the change in law. If the methodology is consistent with Federal law and in accordance with Federal projections of the budgetary effects of the new law in the State, CMS would approve the methodology. Should CMS and the State, working in good faith to ensure State flexibility, fail to develop within 90 days a methodology to revise the without-waiver baseline that is consistent with Federal law and in accordance with Federal budgetary projections, a reduction in Federal payments will be made according to the method applied in non-demonstration states.

**19. State Plan Amendments.** The State must not be required to submit title XIX State plan amendments for changes to demonstration-eligible populations covered solely through the Demonstration. If a population covered through the Medicaid State plan is affected by a change to the Demonstration, a conforming amendment to the appropriate State plan may be required, except as otherwise noted in these STCs.

**20. Amending the Demonstration.** The State must not implement changes to its program that require an amendment without prior approval by CMS. The State may submit an amendment for CMS consideration requesting exemption from changes in law occurring after the Demonstration award date. The cost to the Federal Government of such an amendment must be offset to ensure that total projected expenditures under a modified demonstration program do not exceed projected expenditures in the absence of the demonstration (assuming full compliance with the change in law).

**21. Transition Plan.** The State is required to prepare, and incrementally revise, a Transition Plan consistent with the provisions of the Affordable Care Act (ACA) for individuals enrolled in the Demonstration, including how the State plans to coordinate the transition of these individuals to a coverage option available under the ACA. The State must submit a draft to CMS by July 1, 2012, with progress updates included in each quarterly report. The State will revise the Transition Plan as needed.

#### IV. ASSURANCES

Acceptance of the Special Terms and Conditions of Approval constitutes the State's assurance of the following:

**22. Preparation and Approval of Operational Protocol.** Prior to service delivery under this demonstration, an Operational Protocol document, which represents all policies and operating procedures applicable to this Demonstration, will be prepared by the State and approved by CMS. The State acknowledges that CMS reserves the right not to approve an Operational Protocol in the event that it does not comply with the Special Terms and Conditions of Approval. *Requirements and required contents of the Operational Protocol are outlined in Section V of these Special Terms and Conditions.*

**23. Person-Centered Planning Process.** The State agrees to use a person-centered planning process to identify participants' and applicants' long term care needs and the resources available to meet these needs, and to provide access to additional care options, including the choice to use spouse caregivers, and to access a prospective monthly cash payment.

**24. Adequacy of Infrastructure.** Adequate resources for implementation, monitoring activities, and compliance to the Special Terms and Conditions of the Demonstration will be provided by the State. It is the goal of the Demonstration to serve more people, not fewer, by allowing and encouraging more home-based services, thus freeing up funds to serve more people. Through the State's 10 year plan, each year the State will add resources to the long term care system equivalent to a minimum of 100 additional Home and Community Based 'slots'. This indicates recognition would be required in order to accommodate a growing population.

**25. Changes Resulting from Implementation of the Affordable Care Act (ACA).** The State agrees to work with CMS to amend and implement, as necessary, any changes to the Demonstration that may result from implementation of ACA.

**26. Changes to Level of Care Criteria.** The State agrees to submit, for CMS review and approval, any current or proposed assessment instruments, policies, and procedures for determining the level of care for Demonstration participants and applicants.

**27. Maintenance of Effort.** The State agrees that annual expenditures for each year of the Demonstration shall be at least the same level of total combined Medicaid expenditures for nursing home services and for the two 1915(c) Waivers in place in Vermont during the base year for the demonstration, SFY 2003. This total figure is \$120,236,519 per year. The State also agrees that the number of individuals fully served under the demonstration shall not decrease from the base year for the demonstration, SFY 2003. This total figure is 3201 participants per year.

**28. Participant/Applicant Satisfaction and Waiting List Monitoring.** Participants and applicants on waiting lists will be included in Demonstration Beneficiary Surveys, Quality Assurance/Quality Improvement activities and evaluation activities. The State agrees to report on the status of the waiting list and the status of participant/applicant satisfaction surveys,

Quality Assurance/Quality Improvement activities and evaluation activities during monthly progress calls between CMS and the State and in quarterly/annual reports.

**29. Prioritization of Enrollment.** The State is reserving a minimum of \$1.7 million per year for provision of services to the Moderate Need group. Medicaid eligibles in the Moderate Need group must be served prior to expansion eligibles.

Should a waiting list for long-term care services develop, the State agrees that individuals entitled to long-term care services will be enrolled in the long-term care program before persons with lighter care needs, according to a prioritization process described in the Operational Protocol. Specifically, participants receiving services currently will continue to receive services before participants and applicants in the Highest Need group; participants and applicants in the Highest Need group will receive services before participants and applicants in the High Need group; and participants and applicants in the High Need group will receive services before participants and applicants in the Moderate Need group.

**30. Restricting Choice of Providers.** The State must provide access to nursing facility services to all Medicaid-eligible participants who meet the entitlement criteria established under the Demonstration and desire nursing facility placement. If the State pursues selective contracting, the State must submit, for CMS review and approval, a description of the process for selecting providers of nursing facility services and allocating nursing facility beds. The State must demonstrate that the process used to select providers of nursing facility services and to allocate Medicaid reimbursed, nursing facility beds is consistent with the requirements of section 1923 and is consistent with access, quality, and efficient and economic provision of care and services for all participants needing nursing facility services including special regard to access to services for individuals with complex long-term care needs.

CMS must review and approve readiness, before the State implements the selective contracting process. The CMS review will include, but is not limited to, a review of provider contracts, State legislative provisions, the public notice process, interviews with nursing facility providers, long-term care ombudsmen, Area Agencies on Aging, and participant advocates.

**31. Eligibility/Enrollment.** The State agrees to submit, for CMS review and approval, a revised and updated description of the eligibility groups included in for the demonstration (and eligibility exclusions).

The State agrees to continue to provide nursing facility services and Home and Community-Based Services (HCBS) to participants receiving these services prior to implementation of the Demonstration, in nursing facilities and through the 1915(c) Aged and Disabled and Enhanced Residential Care Home and Community-Based Services waiver programs. Participants will continue to maintain pre-demonstration service options if their level of care (using pre-demonstration criteria) remains the same or increases and their financial eligibility is maintained.

**32. Self-Directed Supports.** The State agrees to provide adequate resources to support participants in directing their own care. The support assures, but is not limited to, participants' compliance with laws pertaining to employer responsibilities and provision for back-up

attendants as needs arise. The State agrees to make background checks on employees available to participants, upon request, and provide guidance to participants on the results of checks

In addition, the State will provide adequate resources to support participants in securing and managing their personal care service providers and hours, including but not limited to the following self-directed supports:

A. Self-Directed Supports

1. A fiscal agent/intermediary is available to all participants;
2. Assistance in locating a provider;
3. An assurance of the right to hire, fire and supervise the work of their providers; and,
4. Consultants are available to participants to conduct assessments and annual reassessments, inform participants of their rights and responsibilities, monitor the quality of each participant's services, assist participants with learning their roles and responsibilities as "employer" and to understand the roles and responsibilities of their providers, act as points of contact if participants have questions or their care providers are unavailable, oversee the funds provided to participants, ensure that service allocations and services provided are consistent with the assessment and care plan, and make referrals to other community resources when participants' care needs exceed the scope of services or hours permitted under the demonstration program.

B. In addition to the above supports, the State agrees to the following:

1. **Assistance of a Proxy.** This demonstration is designed to assist individuals who are capable of directing their own care. Individuals who are not capable of directing their own care will not be deliberately excluded from participating in the demonstration. Specifically, persons who require the assistance of others for care planning, or for whom authorization for care must be obtained from a proxy (e.g., a parent or legal guardian/representative) will not be excluded from program participation.
2. **Supplant Services.** Cash payments provided under this demonstration program do not supplant informal care services that have routinely and previously been available to project participants. Such ongoing informal care services will be identified as a part of each participant's care plan.

**33. Independent Advocate.**

- An independent advocate or advocacy system is available to all participants and applicants in the demonstration program, including access to area agency on aging advocacy, legal services and the long-term care ombudsman.
- The Medicaid Fair Hearing process is available to all demonstration participants and applicants.

**34. Quality Assurance and Quality Improvement (QA/QI).** The Vermont Agency of Human Services will design and implement an overall QA/QI plan that effectively assures the health and welfare of program participants and applicants and continuous improvement in the

Demonstration program. The QA/QI plan will be consistent with the CMS Home and Community-Based Services Quality Framework and, at a minimum, include the following:

- A. A plan for discovery, remediation, and improvement; and
- B. A protocol for reviews, periodic home visits, and data collection; and plans to monitor implementation of the QA/QI plan.

**35. Cost sharing/Co-payments.** State agrees to maintain State Plan cost-sharing and co-payment provisions for the Highest Need and High Need groups. Should cost-sharing and co-payments be instituted for the Moderate Need (expansion group), the annual aggregate cost-sharing may not exceed five percent of annual household income.

**36. Notification to Program Participants.** The State agrees to notify Demonstration participants, including current eligibles receiving services through 1915(c) programs and nursing facility services, regarding eligibility changes to be implemented under the Demonstration, including, but not limited to, their enrollment into a section 1115 research and demonstration program. The notification to participants must meet the provisions of 42 CFR 431.210. Participants will be notified no later than 30 days prior to their transition to the Long Term Care Plan Demonstration. The State agrees to notify CMS 30 days in advance, before terminating the 1915(c) programs, in accordance with the requirements of 42 CFR 441.307.

**37. Presumptive Eligibility.** The State agrees to maintain current financial responsibility for the cost of services for participants found to be ineligible for Medicaid services and agrees not to request Federal financial participation for these expenditures.

**38. Room and Board.** The State agrees to submit only support services claims for Enhanced Residential Care and assures CMS that room and board will not be billed.

**39. Reporting on Participants Receiving Community Rehabilitation and Treatment (CRT) Services and Moderate Need Participants.** The State agrees to maintain systems to track and report expenditures for CRT Services to participants with severe and persistent mental illness and Moderate Need participants. Expenditures for CRT mental health services will be included under the budget neutrality agreement for Vermont's Global section 1115 demonstration. All other expenditures will be included under the budget neutrality agreement for the Choices for Care section 1115 Demonstration for participants who are also enrolled in the Choices for Care Demonstration. Expenditures for Moderate Need participants, eligible under the State plan, will be included under the budget neutrality agreement for the Global Demonstration except for certain home and community-based support services described under the Choices for Care Demonstration.

**40. Evaluation and Monitoring Design.** The State will conduct an evaluation of the impact of the Demonstration on participants and applicants. The State acknowledges the importance to CMS of an evaluation to the operation, quality improvement and possible modifications to innovative demonstration initiatives. The evaluation will, at a minimum:

- Identify a set of measures that may be the best predictors of individuals at risk for institutional placement;

- Determine the cost effectiveness of the overall long-term care program to furnish a comprehensive package of home and community-based services to individuals, based on their specific needs, as compared to the current system;
- Assess the effect of the Demonstration on delaying the need for nursing facility care;
- Determine the effect of the Demonstration and its policies on participant satisfaction;
- Determine the effect of the Demonstration and its policies on the array and amount of services available in the community;
- Determine the effect of the Demonstration and its policies on nursing facility census and acuity levels; and,
- Determine the effect of the Demonstration on the level of knowledge in the community with respect to long-term care resources, including Medicaid.

**41. Interim Evaluation Reports.** In the event the State requests to extend the Demonstration beyond the current approval period under the authority of section 1115(a), (e), or (f) of the Act, the State must submit an interim evaluation report as part of the State's request for each subsequent renewal.

**42. Cooperation with CMS Evaluators.** Should CMS conduct an independent evaluation of any component of the Demonstration, the State will cooperate fully with CMS or the independent evaluator selected by CMS. The State will submit the required data to the contractor or CMS as requested.

**43. Budget Neutrality.** The cost of services provided during the Demonstration will be no more than 100 percent of the cost to provide Medicaid services without the Demonstration.

**44. Public Notice and Consultation with Interested Parties.** The State must comply with the State Notice Procedures set forth in 59 FR 49249 (September 27, 1994) when any program changes to the Demonstration are proposed by the State.



## V. OPERATIONAL PROTOCOL

**45. Operational Protocol Timelines and Requirements.** The Operational Protocol will be submitted to CMS no later than 60 days prior to program implementation. CMS will respond within 30 days of receipt of the protocol regarding any issues or areas for which clarification is needed in order to fulfill the Special Terms and Conditions, those issues being necessary to approve the Operational Protocol.

Subsequent changes to the Demonstration program and the Operational Protocol that are the result of major changes in policy or operating procedures, including changes to cost-sharing amounts or subsidy amounts, including adjustments for inflation, will be submitted for review by CMS. The State will submit a request to CMS for these changes no later than 45 days prior to the date of implementation of the change(s).

**46. Required Contents of Operational Protocol:**

**a. Organization and Structural Administration.** A description of the organizational and structural administration that will be in place to implement, monitor, and operate the demonstration, and the tasks each organizational component will perform. Include details such as a timeline for initiating tasks prior to and post implementation, including steps, estimated time of completion, and who will be responsible for the tasks.

**b. Reporting Items.** A description of the content and frequency of each of the reporting items as listed in the Special Terms and Conditions Section II and Attachments A and C of this document.

**c. Implementation of the Patient Protection and Affordable Care Act (ACA).** A description of how participants will be impacted by implementation of the ACA and how participants will be informed about any resulting changes. In addition, the State agrees to provide a description and timeline for implementing any changes to the Demonstration.

**d. Reporting on Participants Receiving CRT Services or in the Moderate Need Group.** A description of the systems for tracking and reporting on expenditures for participants enrolled in both the Global and Choices for Care Demonstrations. These participants receive Community Rehabilitation and Treatment Services (CRT) or Moderate Need services. Describe how expenditures for CRT or the Moderate Need group will be included under the budget neutrality agreement for the Global section 1115 demonstration. All other expenditures will be included under the budget neutrality agreement for the Choices for Care section 1115 demonstration for participants who are also enrolled in the Choices for Care demonstration.

**e. Reporting on Participants Who Would be Included in PACE Vermont.** A description of the plan for implementing the Program of All-inclusive Care for the Elderly (PACE) including a description of how program expenditures would be reported within the Demonstration.

**f. Medicaid Fair Hearing.** The State agrees to submit, for CMS review and approval, a protocol for resolving disagreements between the State and participants and applicants regarding eligibility for demonstration services. In addition, the State agrees to inform all Demonstration participants and applicants about the Medicaid Fair Hearing process. If Fair Hearing policies differ from non-demonstration Medicaid, then provide a description of the policies that will be in place in the demonstration and how the process will be monitored. Include a plan for informing participants and applicants about the steps of the Medicaid Fair Hearing policy.

**g. Outreach/Marketing/Education.** A description of the State's outreach, marketing, education, staff training strategy/schedule. NOTE: *All marketing materials must be reviewed and approved by CMS prior to use.* Include in the description:

- information that will be communicated to enrollees, participating providers, and State outreach/education/intake staff (such as social services workers and caseworkers, or contracted parties) regarding changes to clinical and financial eligibility standards;
- types of media to be used;
- specific geographical areas to be targeted for the Cash & Counseling Pilot and Adult Family Care program including the schedules for the public and participant information campaigns associated with the launching and continued program publicity;
- locations where such information will be disseminated;
- staff training schedules, schedules for State forums or seminars to educate the public;
- training materials for intake and eligibility staff regarding changes in determining eligibility for demonstration groups that include but is not limited to changes in resource limits;
- training materials, curriculum, and training schedule for State staff, case management agencies and Area Agencies on Aging regarding recruiting, identifying, and enrolling individuals, with special consideration to individuals who may qualify for the Moderate and High Need groups;
- policies and procedures regarding ongoing training for current and new staff following the initiation of the program;
- the availability of bilingual materials/interpretation services and services for individuals with special needs;
- training of consumers, advocates and the members of the public on the concepts of the Demonstration.

**h. Notification to Program Participants.** A plan that includes a timeline for notifying Demonstration participants, including current eligibles receiving services through 1915(c) programs and nursing facility services, regarding eligibility changes to be implemented under the Long-Term Care Plan demonstration, including, but not limited to, their enrollment into a section 1115 research and demonstration program.

**i. Eligibility/Enrollment.** A description of the population of individuals eligible for the Demonstration (and eligibility exclusions), including plans for population phase-in and 1915(c) program termination. A description of the population of individuals excluded from the Demonstration and served under the Global Demonstration. Describe the processes for the following and include the organization responsible for each of the processes:

- determining eligibility including methods for applying income and resource rules for the categorically and medically needy with limits up to \$10,000, for individuals who are single and own their own home, and who select home-based services in lieu of institutional services or other residential care services;
- phasing-in changes in resource limits over the course of the demonstration and parameters for determining when the limits would increase, e.g., from \$2,000 to \$3,000, from \$3,000 to \$5,000 and from \$5,000 to \$10,000;
- determining income and resource disregards for the Moderate Need, expansion population;
- determining the clinical eligibility of individuals applying for services in the Moderate Need Group;
- determining participants' and applicants' level of care including assessment instruments, policies, and procedures;
- including mental status information in developing and carrying out service/treatment plans;
- conducting intake, assessment, enrollment, and disenrollment;
- conducting annual re-determinations of eligibility;
- determining the existence and scope of a Demonstration applicant's existing third party liability;
- implementing consumer-directed services including the number of participants to be served, service area, and expansion projections; and
- allocating a cash allotment to participants for self-directing services should this benefit prove feasible as a result of a pilot-program.

**j. Enrollment Limit.** Description of the enrollment limit and any process for revising the limit. Detailed description of how a waiting list will operate. Include any pertinent documentation or instructions for the waiting list as an attachment to the Protocol document. Include how individuals are selected from the waiting list to enter the program, how the list is maintained, the periodicity for assessing the changing needs of individuals on the waiting list, how the potential participants and applicants will be informed of their placement and standing on the list, how often they will be informed of their standing, and how the intake workers will be able to access and verify an individual's standing on the waiting list.

**k. Restricting Providers.** A description of the process for selecting providers of nursing facility services and allocating nursing facility beds. Describe how the process and criteria used to select providers of nursing facility services and to allocate Medicaid- reimbursed, nursing facility beds is consistent with the requirements of section 1923 and is consistent with access, quality, and efficient and economic provision of care and services. Provide a timeline for implementing the selection process including pre- and post-implementation activities.

**l. Benefits.** A complete description of Medicaid services covered under the Demonstration which includes general service categories and the specific services included therein.

- Description of the amount, duration and scope of services for which each Demonstration group will be eligible. Describe any interface with services provided through the State's Older American Act funds, Community Rehabilitation and Treatment (CRT), PACE Vermont, grant or State-only funds. Describe the services for which caregiver spouses or parents will be compensated and the mechanism for doing so. Include the criteria for determining who would receive services from caregiver spouses or parents.
- Descriptions of the person-centered planning process used in the developing of the plan of care and the individual budget; methodology for establishing the budget for plans of care; how purchasing plans are developed; procedures and mechanisms to be used to review and adjust payments for plans of care; services which will be cashed out; and, procedures for amending the description of services.

**m. Quality.** Description of an overall quality assurance monitoring plan that includes but is not limited to the following:

- quality indicators to be employed to monitor service delivery under the Demonstration and the system to be put in place so that feedback from quality monitoring will be incorporated into the program;
- roles and responsibilities of agencies charged with implementing the quality assurance monitoring plan;
- the mechanisms the State will utilize to assure that the care needs of vulnerable populations participating in this demonstration (i.e., the elderly and disabled) are satisfied, and that funds provided to these beneficiaries are used appropriately;
- the system the State will operate by which it receives, reviews and acts upon critical events or incidents and communicates with licensing and surveying entities, with a description of the critical events or incidents;
- supervision of case management staff related to monitoring participant health and welfare;
- quality monitoring surveys to be conducted, and the monitoring and corrective action plans to be triggered by the surveys;
- plans to report survey results, service utilization, and general quality assurance findings to CMS as part of the quarterly and annual reports;
- procedures for assuring quality of care and participant safeguards;
- procedures for insuring against duplication of payment between the demonstration; fee for service; Home and Community-Based Services waiver programs; the Global 1115 Demonstration; PACE Vermont, Older Americans Act Programs; grant programs; including fraud control provisions and monitoring;
- description of the State's Utilization Review (UR) process – nursing homes or other designated entity – to ensure objectivity/control of conflict of interest; and,
- plans for monitoring the administering of the Independent Living Assessment and procedures for addressing inconsistencies in administration, should these occur.

**n. Self-Directed Supports: Education, Counseling, Fiscal Intermediary and Support Services.** Descriptions of the following topics:

- the State's relationships and arrangements with organizations providing enrollment/assessment, counseling, training, and fiscal/employer agent services;
- the procurement mechanism, standards, scope of work and payment process for the fiscal/employer agent;
- procedures for ensuring sufficient availability of fiscal/employer agent services for participants who do not pass the mandatory test on employer responsibilities;
- procedures for mandatory testing of participants related to fiscal and legal responsibilities and training opportunities and support services available for participants of the demonstration who require assistance with their fiscal and legal responsibilities; and,
- the procedures that will govern how criminal background checks will be conducted on potential providers and how participants will be informed of the results of the criminal background checks.

**o. Participant Protections for Self-Direction:** A description of the State procedures and processes to assure that participant protections are in place. The description will include the following:

- procedures to assure that families have the requisite information and/or tools to direct and manage their care, including but not limited to employer agent services such as training in managing the caregivers, assistance in locating caregivers, as well as completing and submitting paperwork associated with billing, payment and taxation;
- provisions for emergency back-up and emergency response capability in the event those providers of services and supports essential to the individual's health and welfare are not available. While emergencies are defined and planned for on an individual basis, the State also has system procedures in place;
- procedures for how the State will work with individuals in the Flexible Choices option who expend their individualized budget in advance of the re-determination date to assure that services needed to avoid out-of-home placement and the continuation of the health and welfare of the individual are available; and,
- procedures for how decisions will be made regarding unexpended resources at the time of budget re-determination for Flexible Choices participants.

**p. Financial Incentives.** Plan for encouraging individuals to plan for their future long-term care needs via financial incentives for purchasing long-term care insurance. Description of the activities and timeline for accomplishing this objective.

**q. Evaluation Design.** A description of the State's evaluation design and a timeframe for implementing the design. The description will include the following (Attachment D provides an Evaluation Framework for submitting the Evaluation Design):

- discussion of the demonstration hypotheses that will be tested;
- outcome measures that will be included to evaluate the impact of the demonstration;
- financial impact data, including the number of people affected, the dollar value of services and other pertinent data.
- description of data to be utilized;
- description of methods of data collection;

- how the effects of the demonstration will be isolated from those of other initiatives occurring in the State;
- any other information pertinent to the State's evaluative or formative research via the demonstration operations; and
- plans to include interim evaluation findings in the quarterly and annual progress reports.

## **ATTACHMENT A**

### **GENERAL FINANCIAL REQUIREMENTS**

- 1.** The State must provide quarterly expenditure reports using the Form CMS-64 to report total expenditures for services provided under the Medicaid program, including those provided through the Demonstration under section 1115 authority. This project is approved for expenditures applicable to services rendered during the demonstration period. CMS will provide FFP for allowable Demonstration expenditures only so long as they do not exceed the pre-defined limits as specified in Attachment B (Monitoring Budget Neutrality for the demonstration).
- 2a.** In order to track expenditures under this Demonstration, the State -must report Demonstration expenditures through the Medicaid and State Children's Health Insurance Program Budget and Expenditure System (MBES/CBES), following routine CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual. All Demonstration expenditures subject to the budget neutrality cap must be reported on separate Forms CMS-64.9 WAIVER and/or 64.9P WAIVER, identified by the Demonstration project number assigned by CMS (including the project number extension, which indicates the demonstration year in which services were rendered or for which payments were made).The term, "expenditures subject to the budget neutrality cap," is defined below in item 2.c.
- b.** For each Demonstration year five separate Form CMS-64.9 WAIVER and/or 64.9P WAIVER reports must be submitted reporting expenditures subject to the budget neutrality cap. On the first form report the expenditures for the Highest Need Group. On the second form report the expenditures for the High Need Group. On the third form, report expenditures for the Moderate Need Group. On the fourth form, report expenditures for Demonstration eligibles also receiving CRT services under the VHAP 1115. On the fifth form, report Medicaid expenditures for PACE participants. All expenditures subject to the budget neutrality ceiling for demonstration eligibles must be reported. The sum of the expenditures, for all Demonstration years reported during the quarter, will represent the expenditures subject to the budget neutrality cap (as defined in 2. c.). The Demonstration Medicaid eligibility groups (MEGs), for reporting purposes, include the following names: Highest Need Group, High Need Group, Moderate Need Group, CRT Group, and PACE Group.
- c.** For the purpose of this section, the term "expenditures subject to the budget neutrality cap" must include all Medicaid expenditures on behalf of Demonstration eligibles. CRT for participants with severe, persistent mental illness would continue to be included in the Global 1115 demonstration and excluded from the Choices for Care 1115 demonstration. Services for the expansion group include case management, homemaker, adult day services and additional services as identified over the lifetime of the demonstration.

All expenditures that are subject to the budget neutrality cap are considered Demonstration expenditures and will be reported on Form CMS 64.9 WAIVER and/or 64.9P WAIVER.

The demonstration eligibles include the aged (age 65 years and older) and adults with physical disabilities (age 18 and through 64) who are in need of long-term care services (nursing facility, home and community-based services, PACE) or at risk of requiring nursing facility services. Services subject to budget neutrality would include State Plan services, home and community-based services, including Enhanced Residential Care, as defined under Vermont's 1915(c) programs which were subsumed into the Demonstration, PACE and nursing facility services. Services and eligibility groups are listed in Attachments E and F.

- d. Administrative costs will not be included in the budget neutrality limit, but the State must separately track and report additional administrative costs that are directly attributable to the Demonstration, such as additional staff, equipment for those staff, space costs associated with those staff and contracts for technical assistance. All administrative costs will be identified on the Forms CMS-64.10 WAIVER and/or 64.10P WAIVER.
  - e. All claims for expenditures subject to the budget neutrality cap (including any cost settlements) must be made within 2 years after the calendar quarter in which the State made the expenditures. Furthermore, all claims for services during the Demonstration period (including any cost settlements) must be made within 2 years after the conclusion or termination of the Demonstration. During the latter 2 year period, the State must continue to identify separately net expenditures related to dates of service during the operation of the 1115 demonstration on the Form CMS-64 in order to properly account for these expenditures in determining budget neutrality.
  - f. The procedures related to this reporting process, report contents, and frequency will be discussed by the State in the Operational Protocol, to be included in the description in item 19.b. of Section V of this document.
- 3.a. For the purpose of monitoring the budget neutrality expenditure cap described in Attachment B, the State must provide to CMS on a quarterly basis the actual number of eligible member/months for the Demonstration eligibles as defined below. This information should be provided to CMS in conjunction with the quarterly progress report referred to in number 10 of Section III. If a quarter overlaps the end of one Demonstration year (DY) and the beginning of another, member/months pertaining to the first DY must be distinguished from those pertaining to the second. (Demonstration years are defined as the years beginning on the first day of the demonstration, or the anniversary of that day.) Procedures for reporting eligible member/months must be defined in the Operational Protocol (see Section V.).
- b. The term, "eligible member/months" refers to the number of months in which persons are eligible to receive services. For example, a person who is eligible for 3 months contributes 3 eligible member/months to the total. Two individuals who are eligible for 2 months each contribute 2 eligible member months to the total, for a total of 4 eligible member/months.
  - c. The term "Demonstration eligibles" excludes unqualified aliens, and refers to adults (age 65 years and older) and adults with physical disabilities (age 18 and older) who meet



criteria for long-term care services in the community or in a nursing facility or who are at-risk of needing long-term care services. Specifically, demonstration eligibles include 1) participants in the 1915(c) Home and Community-Based Services Program for the Elderly and Disabled and the 1915(c) Enhanced Residential Care Program; 2) participants receiving long-term care services in a nursing facility; 3) participants meeting the demonstration's financial eligibility and long-term care clinical eligibility criteria for the Highest, High, and Moderate Need Groups; 4) participants meeting demonstration financial and clinical eligibility criteria and receiving CRT services under the Global section 1115 demonstration; and, 5) PACE participants.

4. The standard Medicaid funding process must be used during the Demonstration. Vermont must estimate matchable Medicaid expenditures on the quarterly Form CMS-37. In addition, the estimate of matchable Demonstration expenditures (total computable/Federal share) subject to the budget neutrality cap must be separately reported by quarter for each Federal fiscal year on the Form CMS-37.12 for both the Medical Assistance Program (MAP) and Administrative Costs (ADM). As a supplement to the Form CMS-37, the State will provide updated estimates of expenditures subject to the budget neutrality cap as defined in 2.c. of this Attachment. CMS will make Federal funds available based upon the State's estimate, as approved by CMS. Within 30 days after the end of each quarter, the State will submit the Form CMS-64 Quarterly Medicaid Expenditure Report, showing Medicaid expenditures made in the quarter just ended. CMS will reconcile expenditures reported on the Form CMS-64 with Federal funding previously made available to the State, and include the reconciling adjustment in the finalization of the grant award to the State.
5. The CMS will provide FFP at the applicable Federal matching rate for the following, subject to the limits described in Attachment B:
  - a. Administrative costs, including those associated with the administration of the Demonstration.
  - b. Net expenditures and prior period adjustments of the Medicaid program that are paid in accordance with the approved State Plan.
  - c. Net medical assistance expenditures made under section 1115 demonstration authority, including those made in conjunction with the Demonstration.
6. The State certifies that matching the non-Federal share of funds for the Demonstration are State/local monies. The State further certifies that such funds must not be used to match for any other Federal grant or contract, except as permitted by law. All sources of non-Federal funding must be compliant with section 1903(w) of the Act and applicable regulations. In addition, all sources of non-Federal share of funding are subject to CMS approval.
  - a. CMS will review the sources of the non-Federal share of funding for the Demonstration at any time. The State agrees that all funding sources deemed unacceptable by CMS must be addressed within the time frames set by CMS.
  - b. Any amendments that impact the financial status of the program must require the State to provide information to CMS regarding all sources of the non-Federal share of funding.

7. Nothing in these STCs concerning certification of public expenditures relieves the State of its responsibility to comply with Federal laws and regulations, and to ensure that claims for Federal funding are consistent with all applicable requirements. The State must certify that the following conditions for non-Federal share of the Demonstration expenditures are met:
- a. Units of government, including governmentally operated health care providers, may certify that State or local tax dollars have been expended as the non-Federal share of funds under the Demonstration.
  - b. To the extent that the State utilizes certified public expenditures (CPEs) as the funding mechanism for title XIX (or under section 1115 authority) payments, CMS must approve a cost reimbursement methodology. This methodology must include a detailed explanation of the process by which the State would identify those costs eligible under title XIX (or under section 1115 authority) for purposes of certifying public expenditures.
  - c. To the extent the State utilizes CPEs as the funding mechanism to claim Federal match for payments under the Demonstration, governmental entities to which general revenue funds are appropriated must certify to the State the amount of such tax revenue (State or local) used to satisfy Demonstration expenditures. The entities that incurred the cost must also provide cost documentation to support the State's claim for Federal match.
  - d. The State may use intergovernmental transfers to the extent that such funds are derived from State or local tax revenues and are transferred by units of government within the State. Any transfers from governmentally operated health care providers must be made in an amount not to exceed the non-Federal share of title XIX payments. Under all circumstances, health care providers must retain 100 percent of the claimed expenditure. Moreover, no pre-arranged agreements (contractual or otherwise) exist between health care providers and State and/or local government to return and/or redirect any portion of the Medicaid payments. This confirmation of Medicaid payment retention is made with the understanding that payments that are the normal operating expenses of conducting business, such as payments related to taxes, (including health care provider-related taxes), fees, business relationships with governments that are unrelated to Medicaid and in which there is no connection to Medicaid payments, are not considered returning and/or redirecting a Medicaid payment.
8. The State will provide CMS with information to effectively monitor the Demonstration, upon request, in a reasonable time frame.
9. MSIS Data Submission. The State must submit its MSIS data electronically to CMS in accordance with CMS requirements and timeliness standards.

## **ATTACHMENT B**

### **MONITORING BUDGET NEUTRALITY**

The following describes the method by which budget neutrality will be assured under the Demonstration. The Demonstration will be subject to a limit on the amount of Federal Title XIX funding that the State may receive on selected Medicaid expenditures during the Demonstration period. The Special Terms and Conditions specify the aggregate financial cap on the amount of Federal Title XIX funding that the State may receive on expenditures subject to the budget neutrality cap as defined in 2.c. of Attachment A of this document. The budget neutrality cap will be the Federal share of the total computable cost of \$1,801,126,948 for the 5-year renewal period of the Demonstration. The cap places the State at risk for enrollment and for Per Participant Per Month (PPPM) cost trends.

#### **Impermissible DSH, Taxes or Donations**

CMS reserves the right to adjust the budget neutrality ceiling in order to be consistent with enforcement of impermissible provider payments, health care related taxes, new Federal statutes, or policy interpretations implemented through letters, memoranda or regulations. The CMS reserves the right to make adjustments to the budget neutrality cap if any health care related tax that was in effect during the base year, or provider related donation that occurred during the base year, is determined by CMS to be in violation of the provider donation and health care related tax provisions of 1903(w) of the Social Security Act. Adjustments to annual budget targets will reflect the phase out of impermissible provider payments by law or regulation, where applicable.

#### **Changes Resulting from Implementation of the Medicare Modernization Act (MMA)**

The State and CMS will develop a modified budget limit to respond to the implementation of the MMA. The modified budget limit would be effective upon enforcement of the law, regulation, or policy statement.

#### **How the Limit will be Applied**

The limit calculated above will apply to actual expenditures for demonstration, as reported by the State under Attachment A. If at the end of the demonstration period the budget neutrality provision has been exceeded, the excess Federal funds will be returned to CMS. There will be no new limit placed on the FFP that the State can claim for expenditures for recipients and program categories not listed. If the Demonstration is terminated prior to the 5-year period, the budget neutrality test will be based on the time period through the termination date.

**Expenditure Review**

CMS will enforce budget neutrality over the life of the Demonstration, rather than on an annual basis. However, no later than 6 months after the end of each demonstration year, CMS will calculate an annual expenditure target for the completed year. This amount will be compared with the actual FFP claimed by the State under budget neutrality. Using the schedule below as a guide, if the State exceeds the cumulative target, they must submit a corrective action plan to CMS for approval. The State will subsequently implement the approved corrective action plan.

<u>Year</u>	<u>Cumulative Target (Total Computable Cost)</u>	<u>Cumulative Target Definition</u>	<u>Percentage</u>
Year 6	\$331,150,864	Year -6 budget estimate plus	8 percent
Year 7	\$657,107,837	Years 6 and 7 combined budget estimate plus	3 percent
Year 8	\$1,005,997,160	Years -6 through 8 combined budget estimate plus	1 percent
Year 9	\$1,389,894,902	Years 6 through 9 combined budget estimate plus	0.5 percent
Year 10	\$1,801,126,948	Years 6 through 10 combined budget estimate plus	0 percent

## ATTACHMENT C

### SUMMARY SCHEDULE OF REPORTING ITEMS

Item	Timeframe for Item	Frequency of Item
<b>Monthly Conference Calls</b>	Prior to demonstration implementation and Post-implementation.	Monthly progress calls with CMS and the State.
<b>Operational Protocol</b>	Due to CMS 30 days after program approval, CMS comments 30 days after receipt, and State completion/CMS approval thereafter.	One Operational Protocol. Changes to the Operational Protocol must be submitted and approved by CMS.
<b>Quarterly/Annual Progress Reports</b>	Due to CMS 60 days after the end of a quarter.	One quarterly report per Federal Fiscal Year quarter during operation of the demonstration; the report for the fourth quarter of each year will serve as the annual progress report.
<b>Final Report</b>	Due to CMS 180 days after the end of the demonstration.	One final report.

## **ATTACHMENT D**

### **EVALUATION FRAMEWORK**

Section 1115 demonstrations are valued for information on health services, health services delivery, health care delivery for uninsured populations and other innovations that would not otherwise be part of Medicaid programs. CMS encourages States with demonstration programs to conduct or arrange for evaluations of the design, implementation and/or outcomes of their demonstrations. CMS also conducts evaluation activities.

CMS believes that all parties to demonstrations; States, Federal government, and individuals benefit from State conducted self-evaluations that include process and case-study evaluations – these would include, but not be limited to: 1) studies that document the design, development, implementation and operational features of the demonstration, and 2) studies that document participant and applicant experiences that are gathered through surveys, quality assurance activities, grievances and appeals, and in depth investigations of groups of participants and applicants and/or providers (focus groups, interviews, other). These are generally studies of short-term experiences and they provide value for quality assurance and quality improvements programs (QA/QI) that are part of quality assurance activities and/or demonstration refinements and enhancements.

Benefit also derives from studies of intermediate and longer-term investigations of the impact of the demonstration on health outcomes, self-assessments of health status and/or quality of life. Studies such as these contribute to State and Federal formation and refinements of policies, statutes and regulations.

States are encouraged to conduct short-term studies that are useful for QA/QI that contribute to operating quality demonstration programs. Should states have resources available after conducting these studies, they are encouraged to conduct outcome studies.

The following are criteria and content areas to be considered for inclusion in Evaluation Design Reports.

- Evaluation Plan Development - Describe how plan was or will be developed and maintained:
  - Use of experts through technical contracts or advisory bodies;
  - Use of techniques for determining interest and concerns of stakeholders (funding entities, administrators, providers, clients);
  - Selection of existing indicators or development of innovative indicators;
  - Types of studies to be included, such as Process Evaluations, Case-Studies and Outcome investigations;
  - Types of data collection and tools that will be used – for instance participant and provider surveys and focus groups; collection of health service utilization; employment data; or, participant purchases of other sources of health care coverage; and whether the data collection instruments will be existing or newly developed tools;

- Incorporation of results through QA/QI activities into improving health service delivery; and
  - Plans for implementation and consideration of ongoing refinement to the evaluation plan.
- Study Questions – Discuss:
  - Hypothesis or research questions to be investigated;
  - Goals, such as:
    - Increase Access
    - Cost Effectiveness
    - Improve Care Coordination
    - Increase Family Satisfaction and Stability
  - Outcome Measures, Indicators, and Data Sources
- Control Group and/or Sample Selection Discussion:
  - The type of research design(s) to be included -
    - Pre/Post Methodology
    - Quasi-Experimental
    - Experimental
  - Plans for Base-line Measures and Documentation – time period, outcome measures, indicators and data sources that were used or will be used
- Data Collection Methods – Discuss the use of data sources such as:
  - Enrollment and outreach records;
  - Medicaid claims data;
  - Vital statistics data;
  - Provide record reviews;
  - School record reviews; and
  - Existing or custom surveys
- Relationship of Evaluation to Quality Assessment and Quality Improvement Activities– Discuss:
  - How evaluation activities and findings are shared with program designers, administrators, providers, outreach workers, etc., in order to refine or redesign operations;
  - How findings will be incorporated into outreach, enrollment and education activities;
  - How findings will be incorporated into provider relations such as provider standards, retention, recruitment and education; and
  - How findings will be incorporated into grievance and appeal proceedings.
- Discuss additional points as merited by interest of the State and/or relevance to nuances of the demonstration intervention.

## ATTACHMENT E

### Medicaid Eligibility Groups Covered Under Vermont Choices for Care Section 1115 Demonstration (Not An Exhaustive List)

#### **Categorically Needy Medicaid Eligibility Groups** **Mandatory Categorically Needy Coverage Groups**

<i><b>Medicaid Eligibility Groups</b></i>	<i><b>Income and Resource Standards and/or Other Qualifying Criteria</b></i>	<i><b>Form CMS 64.9 or 64.9P Demonstration Group Reporting</b></i>
Individuals under age 21 eligible for Medicaid in the month they apply for SSI §1902(a)(10)(A)(i)(II)(cc)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 Age 18 up to age 21 Meet Demonstration clinical requirements	Highest, High, Moderate, or CRT
Individuals receiving SSI cash benefits §1902(a)(10)(A)(i)(II)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Disabled individuals whose earnings exceed SSI substantial gainful activity level §1619(a)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Disabled individuals whose earnings are too high to receive SSI cash benefits §1902(a)(10)(A)(i)(II)(bb); §1905(q); 1619(b)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Pickle: individuals who would be eligible for SSI if Title II COLAs were deducted from income §503 of P.L. 94-566; §1939(a)(5)(E)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Disabled widows and widowers §1634(b); §1939(a)(2)(C)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Early widows/widowers §1634(d); §1939(a)(2)(E)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Individuals ineligible for SSI/SSP because of requirements prohibited under	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple	Highest, High, Moderate,



<b><i>Medicaid Eligibility Groups</i></b>	<b><i>Income and Resource Standards and/or Other Qualifying Criteria</i></b>	<b><i>Form CMS 64.9 or 64.9P Demonstration Group Reporting</i></b>
Medicaid 42 CFR 435.122	Meet Demonstration clinical requirements	PACE, or CRT
Individuals receiving mandatory State supplements 42 CFR 435.130	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Individuals eligible as essential spouses in December 1973 42 CFR 435.131	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Institutionalized individuals who were eligible in December 1973 42 CFR 435.132	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Blind and disabled individuals eligible in December 1973 42 CFR 435.133	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Individuals who would be eligible except for the increased in OASDI benefits under P.L. 92-336 42 CFR 435.134	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Disabled adult children §1634(c); §1939(a)(2)(D)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Qualified Medicare Beneficiaries §1902(a)(10)(E)(i); §1905(p)(1)	<i>Income:</i> 100 percent of FPL <i>Resource:</i> \$6,000 single \$9,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT
Specified Low-Income Medicare Beneficiaries §1902(a)(10)(E)(iii)	<i>Income:</i> >100 percent but ≤120 percent of FPL <i>Resource:</i> \$6,000 single \$9,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE, or CRT

**Optional Categorically Needy Coverage Groups**

<b><i>Medicaid Eligibility Groups</i></b>	<b><i>Income and Resource Standards and/or Other Qualifying Criteria</i></b>	<b><i>Expenditure and CMS 64 Eligibility Group Reporting</i></b>
Children under 21, (or at State option, 20, 19, or 18) who are under State adoption agreements §1902(a)(10)(A)(ii)(VIII)	<i>Income:</i> Title IV-E (§1931 Standard) <i>Resource:</i> Title IV-E (§1931 Standard; no resource test) Age 18 up to age 21 Meet Demonstration clinical requirements	Highest, High, Moderate, or CRT
Individuals who are eligible for but not receiving SSI or State supplement cash assistance §1902(a)(10)(A)(ii)(I)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT
Individuals who would have been eligible for SSI or State supplement if not in a medical institution §1902(a)(10)(A)(ii)(IV)	<i>Income:</i> 100 percent of SSI <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT
<i>Special income level group:</i> individuals who are in a medical institution for at least 30 consecutive days with gross income that does not exceed 300% of SSI income standard §1902(a)(10)(A)(ii)(V)	<i>Income:</i> 300 percent of SSI Federal benefit level <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT
Individuals receiving only an optional State supplement payment which may be more restrictive than the criteria for an optional State supplement under Title XVI §1902(a)(10)(A)(ii)(XI)	<i>Income:</i> based on living arrangement <i>Resource:</i> \$2,000 individual \$3,000 couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT
BBA working disabled group: Working disabled individuals who buy in to Medicaid §1902(a)(10)(A)(ii)(XIII)	<i>Income:</i> Up to 250 percent FPL <i>Resource:</i> In addition to SSI, disregard additional \$3,000 for an individual and \$4,000 for a couple Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT

### Medically Needy Medicaid Eligibility Groups

<i>Medicaid Eligibility Groups</i>	<i>Income and Resource Standards and/or Other Qualifying Criteria</i>	<i>Expenditure and CMS 64 Eligibility Group Reporting</i>
Aged individuals who are ineligible as categorically needy §1902(a)(10)(C); §1905(a)(iii)	<i>Income:</i> 133 $\frac{1}{3}$ percent of §1931 income standard <i>Resource:</i> Family size 1: \$2,000 Family size 2: \$3,000 Each additional person: \$150 Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT
Blind individuals who are ineligible as categorically needy §1902(a)(10)(C); §1905(a)(iv)	<i>Income:</i> 133 $\frac{1}{3}$ percent of §1931 income standard <i>Resource:</i> Family size 1: \$2,000 Family size 2: \$3,000 Each additional person: \$150 Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT
Disabled individuals who are ineligible as categorically needy §1902(a)(10)(C); §1902(v)	<i>Income:</i> 133 $\frac{1}{3}$ percent of §1931 income standard <i>Resource:</i> Family size 1: \$2,000 Family size 2: \$3,000 Each additional person: \$150 Meet Demonstration clinical requirements	Highest, High, Moderate, PACE or CRT

### Expansion Groups Under §1115 Demonstration

<i>Medicaid Eligibility Groups</i>	<i>Income and Resource Standards and/or Other Qualifying Criteria</i>	<i>Expenditure and CMS 64 Eligibility Group Reporting</i>
Aged individuals over 65 and individuals over age 18 with physical disabilities who are not eligible as any State plan group but are at risk of institutionalization	At risk for LTC and in need of home and community-based services <i>Income:</i> up to 300% of the SSI/FBR. <i>Resources:</i> \$10,000 (people with income below the limit and with excess resources may apply excess resources to income, up to the income limit) Meet Demonstration clinical requirements	Moderate Need
Categorically Needy Individuals receiving home and community-based services (HCBS) and residing in the community	Use institutional eligibility and post eligibility rules for individuals who would only be eligible in the institution in the same manner as specified under	Highest Need High Need

<b><i>Medicaid Eligibility Groups</i></b>	<b><i>Income and Resource Standards and/or Other Qualifying Criteria</i></b>	<b><i>Expenditure and CMS 64 Eligibility Group Reporting</i></b>
	<p>42 CFR 435.217 and 435.726 and §1924 of the Social Security Act (the Act), if the State had 1915(c) waiver programs.</p> <p>Have a resource standard of \$10,000, but only for single individuals residing in their own homes and select HCBS or other residential services over institutional care.</p> <p>Meet nursing facility level of care requirements.</p>	
Medically needy receiving HCBS in the community	<p>Use institutional eligibility rules for individuals who would not be eligible in the community because of community deeming rules in the same manner as if the State had §1915(c) waiver programs by waiving 1902(a)(10)(C)(i)(III).</p> <p>Additionally, this waiver permits the State to have a resource standard of \$10,000 for the highest need medically needy individuals who are single and own and reside in their own homes and who select home and community based services in lieu of institutional services</p> <p>Meet nursing facility level of care requirements.</p>	Highest Need High Need
Categorically needy individuals receiving HCBS and residing in enhanced residential care facility	<p>Use institutional eligibility and post eligibility rules for individuals who would not be eligible in the community because of community deeming rules in the same manner as specified under 42 CFR 435.217 and 435.726; and §1924 of the Act, if the State had §1915(c) waiver programs.</p> <p>Have a resource standard of \$10,000, but only for single individuals residing in their</p>	Highest Need High Need

<b><i>Medicaid Eligibility Groups</i></b>	<b><i>Income and Resource Standards and/or Other Qualifying Criteria</i></b>	<b><i>Expenditure and CMS 64 Eligibility Group Reporting</i></b>
	own homes and select HCBS or other residential services over institutional care. Meet nursing facility level of care requirements.	
Medically needy receiving HCBS in enhanced residential facilities.	Use institutional eligibility rules for individuals who would not be eligible in the community because of community deeming rules in the same manner as if the State had §1915(c) waiver programs by waiving the requirements specified at 1902(a)(10)(C)(i)(III). Additionally, this waiver permits the State to have a resource standard of \$10,000 for the high need medically needy individuals who are single and own and reside in their own homes and who select home and community based services in lieu of institutional services. Meet nursing facility level of care requirements.	Highest Need High Need
Categorically Needy PACE participants	Use institutional eligibility and post eligibility rules for individuals who would not be eligible in the community because of community deeming rules in the same manner as specified under 42 CFR 435.217 and 435.726; and §1924 of the Act, if the State had §1915(c) waiver programs. Have a resource standard of \$10,000, but only for single individuals residing in their own homes and select HCBS or other residential services over institutional care. Meet nursing facility level of care requirements.	PACE

*Notes:*

1. SSI: Supplemental Security Income
2. SSP: State Supplementary Payment

3. COLAs: cost of living adjustments
4. FPL: Federal poverty levels
5. LTC: long-term care
6. PACE: Program of All-Inclusive Care for the Elderly
7. CRT: Community Rehabilitation Treatment
8. HCBS: home and community-based waiver
  - #0163 Aged and Disabled 18 and Older
  - #4186 Aged and Disabled Residing in Residential Care for Individuals 18 and Older

**ATTACHMENT F**  
**Services by Demonstration Group**

All covered services are subject to medical necessity review. A complete description of covered services and limitations is contained in the Vermont approved title XIX State plan, the Choices for Care Operational Protocol, Vermont statutes, regulations, and policies and procedures.

State Plan Services	Highest Need	High Need	Moderate Need	CRT	PACE	Limitations
Inpatient Hospital Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Outpatient Hospital Services	X	X		X		Any limitations on this service are described in the approved Title XIX
FQHC/RHC including ambulatory services offered by FQHCs	X	X		X		Any limitations on this service are described in the approved Title XIX
Laboratory/X-ray Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Nursing Facilities Services for Individuals 21 Years or Older	X	X		X		Any limitations on this service are described in the approved Title XIX
EPSDT for Individuals Under 21						Not covered under Choices for Care
Family Planning Services and Supplies	X	X		X		Any limitations on this service are described in the approved Title XIX
Physician Services and Medical and Surgical Services of a Dentist	X	X		X		Any limitations on this service are described in the approved Title XIX
Home Health Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Nurse Midwife Services	X	X		X		Any limitations on this service are described in the approved Title XIX

Pediatric/Family Nurse Practitioner	X	X		X		Any limitations on this service are described in the approved Title XIX
Other Medical/Remedial Care Provided by Licensed Practitioners and Recognized under State Law (podiatrist, optometrist, chiropractor, licensed clinical social worker, licensed mental counselor or licensed marriage and family therapist, psychologist, optician, hi-tech nursing, nurse practitioner, licensed lay midwife, chiropractor)	X	X		X		Any limitations on this service are described in the approved Title XIX
Clinic Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Prescribed Drugs	X	X		X		Any limitations on this service are described in the approved Title XIX
Diagnostic, Screening, Preventive, and Rehabilitative Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Private Duty Nursing Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Eyeglasses						Not covered under the State Plan.
Dental Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Prosthetic Devices	X	X		X		Any limitations on this service are described in the approved Title XIX
Physical and Occupational Therapies, and Services for Individuals with Speech, Hearing, and Language Disorders	X	X		X		Any limitations on this service are described in the approved Title XIX
Inpatient Hospital/Nursing Facility/ ICF Services for Individuals 65 and Older in IMD	X	X		X		Any limitations on this service are described in the approved Title XIX



ICF/MR Services						Not covered under Choices for Care
Inpatient Psychiatric Services for Individuals Under 21						Not covered under Choices for Care
Personal Care Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Case Management	X	X		X		Any limitations on this service are described in the approved Title XIX
Respiratory Care for Ventilator Dependent Individuals	X	X		X		Any limitations on this service are described in the approved Title XIX
Primary Care Case Management	X	X		X		Any limitations on this service are described in the approved Title XIX
Program of All-inclusive Care for the Elderly (PACE)	X	X		X	X	Any limitations on this service are described in the approved Title XIX
Hospice	X	X		X		Any limitations on this service are described in the approved Title XIX
Transportation Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Services Provided in a Religious Non-Medical Health Care Institution						Not covered under Choices for Care
Nursing Facility Services for Individuals Under Age 21						Not covered under Choices for Care
Emergency Hospital Services	X	X		X		Any limitations on this service are described in the approved Title XIX
Critical Access Hospital	X	X		X		Any limitations on this service are described in the approved Title XIX
Medicare Part A	X	X		X		For individuals enrolled in Choices for Care.

Medicare Part B	X	X		X		For individuals enrolled in Choices for Care.
Home and Community-Based Services						
Adult Day Services	X	X	X	X		Any limitation on this service are defined by Vermont rules and policies
Assistive Devices and Home Modifications	X	X		X		
Case Management	X	X	X	X		
Companion	X	X		X		Limited in combination with Respite Service
Homemaker	X	X	X	X		Excluded if participant receives Personal Care services since homemaker activities are included among Personal Care services
Incidental purchases paid out of cash allotments to participants who are self-directing their services	X	X				Limited to Flexible Choices participants who are self-directing their services
Nursing Overview	X	X				Limited to participants residing in Enhanced Residential Care
Personal Care	X	X		X		Includes assistance with ADLs and limited IADLs; laundry, meal preparation; medication management and non-medical transportation.
Personal Emergency Response System	X	X		X		
Respite Care	X	X		X		Limited in combination with Companion Service for individuals residing at home.
Social & Recreational Activities	X	X				Limited to participants residing in Enhanced Residential Care

Supervision	X	X				Limited to participants residing in Enhanced Residential Care
Transportation Services	X	X		X		Non-medical transportation. Limited to participants residing in Enhanced Residential Care. Included in Personal Care for individuals residing at home.

## 2011 Session Issues Packet

Healthcare (1.) mentioned  
in fiscal officer's  
report, should be  
included.

Issue  
Briefs  
given to  
members.

On Web  
for others.  
For new member  
orientation

# Vermont Legislative Joint Fiscal Office

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

## ISSUE BRIEF

### Transportation Issues for 2011 Session

- ▶ **Increased spending:** Transportation spending has increased substantially over the past few years due to:
  - (1) the new Transportation Infrastructure Bond (TIB) fund revenue and related bonding as well as revenue from DMV fee increases;
  - (2) ARRA federal stimulus funds; and
  - (3) favorable annual federal formula funding under temporary continuing resolutions.
- ▶ **Transportation Fund Revenue:** After declining from \$225 million in February 2008 to \$203 million July 2009, 12 month rolling Transportation Fund revenues have recovered to \$213 million as of September 2010 but that is only \$3 million above the level on June 2006 prior to increases in DMV fees in July 2006 and again in July 2009.

The bulk of TF revenue is fee-for-gallon or transaction based (DMV fees), neither of which over the past 10 years has kept pace with either cost inflation or vehicle-miles-traveled. The only price sensitive component of TF revenue is the Motor Vehicle Purchase & Use tax which peaked at \$88 million in April 2004 on a rolling 12 month basis and then declined \$23 million over the next 5 years before bottoming out at \$65 million in July 2009. Since then P&U revenue has recovered to \$70 million as of September 2010.

In short, the TFund's per gallon taxes and DMV fees are stable and reliable but basically flat to very slow growing with P&U tax revenue being the wild card.

- ▶ **TIB Fund revenue:** The TIB fund was launched in FY10 and raised \$14.7 million (with the diesel assessment being phased in). With all the assessments now effective, FY11 revenue is projected at \$18 million. The 2% TIB assessment on the retail price of gasoline is obviously sensitive to gasoline prices. TIB revenue is dedicated to the debt service of TIB bonds and to the extent not needed to cover debt service, to long lived transportation infrastructure projects. To date, a total of \$13.3 million of TIB bonds have been authorized and issued. The total amount of TIB bonds which could be issued depends on market conditions but is estimated to be in the range of \$70-\$80 million.
- ▶ **Federal Reauthorization:** The most important transportation issue for Vermont is how Congress deals with the long overdue, multi-year transportation reauthorization bill. The last federal bill was guided through Congress by Senator Jeffords and Vermont did very well (Vermont receives around \$1.30 in federal funds for every \$1 in federal fuel taxes paid by Vermonters). There are 3 reasons to be less confident about how Vermont will be treated in the next federal reauthorization: (1) based on past experience, states losing a key conference committee member have experienced lower funding levels even when overall funding has increased, (2) big "payor" states (those receiving less than \$1 in funding for every \$1 sent to

Washington) have ramped up the pressure to narrow the differential between payor and payee states and (3) the federal transportation trust fund is not at all healthy.

- **Conclusion:** The recent increase in transportation spending has certainly helped but as with the rest of the country, Vermont still faces long term transportation infrastructure problems. The problem with state revenues, apart from the volatile P&U tax, is that the sources are slow growing and tend to lag both inflation and growth in vehicle miles travelled. On the federal front, any increase in funding requires new tax revenue; and even if funding is increased, it is possible that Vermont's share may not change or even decline.

# Vermont Legislative Joint Fiscal Office

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## *ISSUE BRIEF*

### **Education Finance Issues for 2011 Session DRAFT**

#### Setting FY2012 Education Tax Rates

By December 1<sup>st</sup>, the commissioner of taxation will recommend to the legislature adjustments to the education tax rates for FY2012. This recommendation will be based on a consensus projection of the Education Fund stabilization reserve. Setting education tax rates for next year will be complicated by several factors including the availability of \$19 million in federal aid, \$23 million in voluntary school spending reduction targets, and the restoration of up to \$57 million to the General Fund transfer to the Education Fund.

#### Federal Jobs Fund Program Aid

The recently enacted Education Jobs Fund Program awarded Vermont \$19 million in federal aid to save or create elementary and secondary education jobs. This aid was awarded to Vermont school districts in proportion to their FY2011 education spending.

Under federal law, these funds must be available to school districts for use in FY2011; however, under the Tydings Amendment, school districts may use these funds through September 2012.

The commissioner of education has recommended that school districts use these funds to meet the spending reduction targets required by the education challenges set forth in Act 146 of 2010. Since the federal aid was distributed in proportion to education spending, the aid will exceed the targeted reduction amount in some school districts and fall short of the targeted reduction in other school districts.

#### Challenges for Change – Education Spending (Act 146 of 2010)

On August 1<sup>st</sup>, the commissioner of education notified supervisory unions and regional technical center districts of \$23 million in voluntary school spending reduction targets for FY2012. By December 15<sup>th</sup>, each supervisory union and technical center district must notify the commissioner whether it will be able to meet its spending reduction target. By January 15<sup>th</sup>, the commissioner must report to the legislature the total projected amount by which FY2012 budgets will fail to meet spending reduction targets and submit a detailed proposal by which the legislature can ensure that the targets will be met in FY2012.

#### Restoration of General Fund Transfer to the Education Fund

Under current law, an additional \$57 million must be transferred from the General Fund to the Education Fund in FY2012. This amount includes \$38.6 million in federal ARRA funds that will no longer be available in FY2012 and \$18.4 million in General Funds that were diverted from the Education Fund in FY2011. This current-law obligation to the Education Fund represents a

significant portion of the projected \$112 million General Fund deficit in FY2012. To the extent that less than \$57 million is restored to the Education Fund, the education tax rates recommended on December 1<sup>st</sup> will need to be increased.

## **Other Related Issues**

### Funding for School Construction

Except for emergency and approved school consolidation projects, there is a moratorium on state aid for new school construction projects. However, there is an existing outstanding obligation of \$28 million in school construction aid that is owed to school districts for projects approved prior to the moratorium.

### Funding for Teachers' Pensions

There are three issues involving teachers' pensions:

1. The base rate of growth of the state share: the actuarial request for FY2012 is \$51,241,932 and is expected to grow to \$53,751,159 in FY2012 or a growth rate of 4.9% a year. Major steps were taken last year to slow the rate of growth.
2. The rapid growth of the system's health care obligation that is paid out of the pension payment:

FY 2011	\$19,264,521 - projected
FY 2012	\$21,784,174 - 13.1% growth projected
FY 2013	\$23,467,565 - 7.7% growth projected

As this amount grows as a share of the teachers' retirement payment, some IRS and fiscal concerns arise. That this money is being used to pay health care obligations means that the actual money being used to meet retirement obligations is less. We should pay current retiree health costs directly, rather than from pension funding proceeds. That is the practice in most pension systems. The state treasurer points out that this method of funding places additional pressure on an already underfunded (66.5%) system.

3. Our post-retirement benefits for teachers – primarily health care - is a long-term unfunded liability. The state treasurer estimates that the annual pre-funding amount we should be paying is \$26.8 million a year.

### Use Value Appraisal Program

H.485 of 2010, which was vetoed by the governor, was intended to strengthen the effectiveness, efficiency, and fairness of the use value appraisal program by enacting several proposals of the use value appraisal task force. These proposals included a one-time assessment on enrollees and modification of the land use change tax. The legislature is likely to revisit this issue again next session.



# Vermont Legislative Joint Fiscal Office

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## *ISSUE BRIEF*

November 5, 2010

Prepared by Catherine Benham

### **Capital Bill Issues for 2011 Legislative Session**

1. One or Two Year Budget Process: The Capital Debt Affordability Committee offered two capital debt recommendations this year:
  - a. The typical one-year limit of \$76.6 million
  - b. Two-year limit of \$153.2 million.

In the past, the capital bill has always appropriated funds one year at a time. Moving to a two-year appropriations process would provide opportunities to fully fund larger projects and start more projects in the first year. Moving to a two-year process will also involve new processes including: a possible budget adjustment process and trying to figure out how to allocate the funds across two years.

2. Funding of Information Technology (IT) Projects: There are currently several major IT projects currently underway in state government and several more anticipated projects. Two major projects undertaken last year were VISION (financial and human resource system) and VIEWS (agency of human services eligibility system) which are expected to need approximately \$10 million in funding in FY12 and more in FY13.

The state does not have a well defined strategy for how to finance such projects. Therefore, the FY11 Big Bill called for “the secretary of administration, working in collaboration with the state treasurer, shall study long term options for financing information technology infrastructure needs.” (Act 156 of 2010 § E.100.3) This report is due December 1, 2010. The legislature may want to adopt a financing structure for undertaking such projects.

3. Health Lab: The state and UVM have been working together to create a joint health lab. A building was bought but will now require renovation/construction. The estimated cost of such work is approximately \$25 million.
4. School Construction: There is \$28 million in state obligations for school construction projects. Over the last few years the capital bill has funded this obligation at \$7-\$10 million per year. The moratorium on state aid for school construction is still in effect so that the only new projects that will qualify for state aid are emergencies and consolidations.
5. State Hospital in Waterbury: The legislature set aside \$10 million last year for this project. Completing this project will require an additional \$4-5 million. On December 3, The Public

Oversight Commission will vote on their recommendation for the Certificate of Need.  
(Note: there are other elements to the overall state mental health care plan that are separate from this specific project.)

6. Judiciary: The judicial restructuring bill asked for a review of the Americans with Disabilities Act (ADA) compliance of county courthouses. This review is likely to find many ADA deficiencies.
7. Westminster Police Barracks: The land for this barracks is being bought. The building will cost \$5 million.
8. Shaftsbury police barracks: The legislature may want to discuss the option of consolidating the Shaftsbury and Rutland police barracks. If so, such a consolidation will have some capital costs depending on the options chosen.
9. Montpelier Heating Plant: The state boilers and woodchip system are currently in the floodplain. The capital bill has acknowledged this problem over the last few years and different solutions are being explored. One possible solution is capacity expansion in partnership with the city of Montpelier to support the \$8 million federal grant that was awarded to the city in January 2010 (note: requires a 50% match).
10. Redstone: The Secretary of State is currently housed in the Redstone building, but will be moving to 128 State Street in the spring after renovations are completed. The commissioner of Buildings and General Services has the authority to sell Redstone. The legislature may want to investigate alternative uses and the costs of keeping and renovating this building.
11. Unspent \$: Over the past years, there have been funds allocated to capital projects that have not been spent because of various issues including: delayed construction projects, partial funding of major projects which could not move forward without full funding. The legislature should keep an eye on funds that were allocated but not spent over the last several years and reevaluate future funding.

# Vermont Legislative Joint Fiscal Office

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## *ISSUE BRIEF*

November 5, 2010  
Prepared by Catherine Benham

### **Entergy Nuclear Vermont Yankee Issues for 2011 Legislative Session**

1. Shut Down – March 2012 or later?

Currently the plant does not have approval to operate past March 2012. If the legislature wants to let the plant operate beyond this date, it will have to take legislative action. In either case, the legislature may want a review of:

- a. electricity options and
- b. revenue/tax implications post-closure.

2. Follow up on public oversight panel recommendations

The Public Oversight Panel prepared two reports and developed a list of issues and recommendations for ENVY. Fairewinds Associates, under contract with the legislature, is preparing a report reviewing the response to these recommendations. This report will be delivered late November.

3. Decommissioning Fund

- a. Costs and Financing: There are various estimates of the costs of decommissioning ENVY. There have also been various studies of the financial status of the decommissioning fund. The legislature may want to investigate anticipated costs as well as the financial health of the decommissioning fund.
- b. Physical Process: The Nuclear Regulatory Commission (NRC) deals with radiological issues. Once the radiological emissions are below a certain level, then the NRC terminates the license and they have no more authority over the plant. The legislature may want to review the state authority and oversight options on work that would happen after NRC authority expires, perhaps converting the land back to a greenfield.

Fairewinds Associates is preparing a report on these issues. This report will be delivered early December.

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## **Tax Policy / Revenue Issues**

### **Typical Legislation Reviewed**

In the tax policy and revenue area, there are three pieces of legislation that come before the House Ways & Means and the Senate Finance Committees annually. These include; a miscellaneous tax bill, fee bill, and recently a tax expenditures bill. The miscellaneous tax bill is usually prepared initially by the Department of Taxes and contains a mixture of technical corrections to tax laws and various types of administration tax policy proposals. The executive fee bill is submitted to the legislature by the Department of Finance and Management as a consolidated annual request for changes according to function of government on a rotating three-year cycle. This session the general government, labor, general education, development and community affairs, and transportation areas of government are up for review. A recent development is the submission of a tax expenditure budget along with the regular budget proposals to make explicit the spending decisions made in the tax code as well as “on-budget” expenditures. This bill lists, along with an estimate of the value, each tax deduction credit or other tax expenditure and is organized by tax type. Many other pieces of legislation contain changes to the taxes or revenues of the state and are reviewed by the revenue committees, but the above legislation usually contains the core tax policy and revenue initiatives each session.

### **Blue Ribbon Tax Structure Commission**

The Legislature created the Tax Structure Commission, in 2009, and the results and recommendations of their work will be presented no later than February 1, 2011. The Commissioners have spent the past year-and-a-half reviewing the entire state tax system and developing recommendations. While there have been no final decisions, the Commission has been exploring four primary areas: 1) using federal AGI (adjusted gross income), instead of TI (taxable income), as the starting point for the personal income tax, limiting deductions, flattening and perhaps reducing the number of brackets and lowering the marginal income tax rates; 2) expanding the sales tax base to include services, with a business-to-business exemption and significantly lowering the tax rate; 3) considering a flatter corporate income tax; 4) exploring education finance options.

### **Upcoming Tax Changes**

The “Bush” tax cuts are scheduled to expire at the end of 2010. Congress has yet to act to preserve, allow to expire, or modify the tax changes made 10 years ago. While the Vermont personal income tax is insulated from federal tax rate changes, some of the potential personal income tax changes may have a state revenue impact. In addition, changes made to the federal estate tax, to which the state estate tax is closely linked, may influence the direction of the Vermont estate tax. The Legislature will need to be kept abreast of federal tax legislation and its potential impact on state revenue. Finally, the ENVY Nuclear Power Plant pays several taxes to the state that would expire if the plant were to cease operations that the tax committees may review.

JTOC

Vermont Agency of Transportation  
Contract Bid Awards as Compared to FY2011 Budget Project Estimates  
Joint Transportation Oversight Committee  
November, 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 SPECIAL	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	\$201,896	\$1,980,939	\$2,452,254	(\$471,315)	-19.2%
	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 BRIDGE	BENNINGTON STP 2626(1) & BENNINGTON STP 2622(1)	COLD PLANING, RESURFACING, GUARDRAIL, NEW PAVEMENT MARKINGS, SIGNS ON VT 67A AND VT 67	6/2/2010	\$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	5/7/2010	\$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	GLOVER-BARTON STP 2318(1)	RESURFACING, NEW PAVEMENT MARKINGS, SIGNS, GUARD RAIL ON VT 16	10/6/2010	\$2,545,011	\$355,514	\$2,900,525	\$2,915,000	(\$14,475)	-0.5%
PAVING	GUILDHALL-MAIDSTONE STP 2708(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	HARTFORD(WILDER) STP 1444(35)	REPLACE BRIDGE 36 ON TH 81 AND REHABILITATE BRIDGE 38 ON TH 29	9/7/2010	\$2,112,579	\$714,291	\$2,826,869	\$1,521,000	\$1,305,869	85.9%
PAVING	IRASBURG-DERBY AC IM 091-3(47)	COLD PLANING, RESURFACING, GUARDRAIL, SIGNS, RUMBLE STRIPS ON I-91	10/26/2010	\$6,133,289	\$777,965	\$7,011,233	\$7,790,000	(\$778,767)	-10.0%
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-DERBY 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	NEWFAIR-TOWNSHEND STP 2401(1)	COLD PLANING, RESURFACING, NEW PAVEMENT MARKINGS, SIGNS ON VT 30	4/13/2010	\$3,857,943	\$590,109	\$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%
PAVING	NEWPORT CITY STP 2720(1)	COLD PLANING, RESURFACING, NEW PAVEMENT MARKINGS, SIGNS ON VT 105	10/22/2010	\$1,161,121	\$227,746	\$1,388,867	\$1,300,000	\$88,867	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	PUTNEY IM 091-1(60)	REPLACEMENT OF MEMBRANES & PAVEMENT ON BR 14, 15&16 (N&S) ON I-91	10/12/2010	\$1,873,650	\$334,448	\$2,208,098	\$320,000	\$1,888,098	590.0%
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	\$849,898	\$241,155	\$1,090,853	\$2,615,000	(\$1,524,147)	-58.3%
BRIDGE	RICHMOND-WILISTON 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	\$6,332,549	\$813,671	\$7,146,220	\$7,368,513	(\$222,293)	-16.6%
ROADWAY	ROCKINGHAM IM 091-1(57)	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	6/2/2010	\$1,336,494	\$153,649	\$1,490,143	\$1,565,000	(\$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	\$84,671	\$3,138,743	\$4,675,139	(\$1,536,396)	-37.4%
BRIDGE	STOWE BHO 1448(30)	REPLACE BRIDGE 3 SUPERSTRUCTURE ON TH 1	4/15/2010	\$482,167	\$270,482	\$752,649	\$1,223,380	(\$470,731)	-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	\$915,046	(\$223,589)	-15.2%
LTF	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-WINOOSKI 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	6/13/2010	\$3,711,008	\$680,271	\$4,391,279	\$5,552,500	(\$1,161,221)	-20.9%
ROADWAY	WINOOSKI NH 089-3(65)	WIDENING CURB, SIDEWALK MARKINGS, SIGNALS SIGNAGE ON VT 15 & I-89 RAMP	6/2/2010	\$1,283,428	\$629,266	\$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%
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)									

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INTERSTATE BRIDGES	BARNET IM MEMB(17)	\$1,399,265	\$900,000	\$427,811	\$472,189	\$499,265
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	\$4,925,500	\$2,526,500	\$2,399,000	\$11,766,979
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)	\$2,205,170	\$665,600	\$300,000	\$365,600	\$1,539,570
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	\$491,000	\$1,200,000	(\$709,000)	\$73,919
INTERSTATE BRIDGES	SHARON IM CULV(18)	\$1,625,674	\$559,000	\$1,390,000	(\$831,000)	\$1,066,674
INTERSTATE BRIDGES	SOUTH BURLINGTON-COLCHESTER IM CULV(23)	\$2,625,000	\$135,000	\$1,140,000	(\$1,005,000)	\$2,490,000
INTERSTATE BRIDGES	SOUTH BURLINGTON-WINOSKI IM BPNT(5)	\$4,989,629	\$4,100,000	\$3,943,989	\$156,011	\$889,629
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-HARTLAND IM MEMB(14)	\$2,263,961	\$2,238,460	\$1,100,000	\$1,138,460	\$25,501
<b>INTERSTATE BRIDGES TOTAL</b>					<b>\$2,309,872</b>	
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	\$447,936	\$200,000	\$247,936	\$22,064
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	\$830,000	\$50,000	\$780,000	\$2,961,114
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	\$643,024	\$300,000	\$343,024	\$11,976
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	\$405,425	\$215,000	\$190,425	\$9,575
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	\$900,000	\$1,700,000	(\$800,000)	\$5,391,743
PAVING	BURLINGTON STP 2721(1)	\$2,792,780	\$250,000	\$75,000	\$175,000	\$2,542,780

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PAVING	BURLINGTON STP 2722(1)	\$2,371,891	\$2,371,891	\$2,025,750	\$346,141	\$0
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
PAVING	HARDWICK ARPV(5)	\$510,000	\$486,478	\$260,000	\$226,478	\$23,522
PAVING	HARTFORD-SHARON IM 089-1(57)	\$5,601,858	\$1,070,753	\$500,250	\$570,503	\$4,531,105
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	\$306,211	\$175,000	\$131,211	\$38,789
PAVING	MILTON ARPV(7)	\$425,000	\$338,097	\$200,000	\$138,097	\$86,903
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	\$395,295	\$215,000	\$180,295	\$19,705
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	\$772,044	\$400,000	\$372,044	\$72,956
PAVING	THETFORD-FAIRLEE STP 2710(1)	\$4,722,934	\$467,500	\$50,000	\$417,500	\$4,255,434
PAVING	TOPSHAM ARPV(10)	\$760,000	\$532,165	\$360,000	\$172,165	\$227,835
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)	\$1,584,561	\$251,000	\$33,750	\$217,250	\$1,333,561
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

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PAVING	WORCESTER-ELMORE STP 2209(1)S	\$5,624,975	\$4,690,297	\$6,000,000	(\$1,309,703)	\$934,678
<b>PAVING TOTAL</b>					<b>\$5,160,168</b>	
ROADWAY PROJECTS	BARRE CITY FEGC F 026-1(34)	\$15,766,326	\$1,245,000	\$2,000,000	(\$755,000)	\$14,521,326
ROADWAY PROJECTS	BARRE CITY FEGC F 026-1(34)C/1	\$1,381,533	\$1,300,000	\$1,000,000	\$300,000	\$81,533
ROADWAY PROJECTS	BRANDON NH 019-3(495)	\$13,687,496	\$6,010,000	\$8,000,000	(\$1,990,000)	\$7,677,496
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(16)	\$6,196,533	\$378,000	\$2,173,052	(\$1,795,052)	\$5,818,533
ROADWAY PROJECTS	BURLINGTON STP 5000( )	\$974,000	\$102,000	\$0	\$102,000	\$872,000
ROADWAY PROJECTS	BURLINGTON STP 5000(16)C/4	\$1,941,308	\$200,000	\$0	\$200,000	\$1,741,308
ROADWAY PROJECTS	BURLINGTON STG I MEGC M 5000(1)C/1	\$11,222,276	\$350,000	\$0	\$350,000	\$10,872,276
ROADWAY PROJECTS	COLCHESTER TCSP TCSE(7)	\$3,648,567	\$564,431	\$1,396,000	(\$831,569)	\$3,084,136
ROADWAY PROJECTS	CONNECTICUT RIVER VALLEY SB VT04(002)	\$642,958	\$106,000	\$0	\$106,000	\$536,958
ROADWAY PROJECTS	DANVILLE FEGC 028-3(32)	\$12,208,914	\$2,200,000	\$3,500,000	(\$1,300,000)	\$10,008,914
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	\$500,000	\$0	\$500,000	\$7,500,000
ROADWAY PROJECTS	ESSEX-WILLISTON NH 033-1(25)	\$900,000	\$900,000	\$0	\$900,000	\$0
ROADWAY PROJECTS	HARTFORD RS 0113(40)	\$17,332,547	\$450,500	\$0	\$450,500	\$16,882,047
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	\$2,400,000	\$1,950,000	\$450,000	\$27,370,921
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	SOUTH BURLINGTON STP 5200(18)	\$3,337,500	\$300,000	\$450,000	(\$150,000)	\$3,037,500
ROADWAY PROJECTS	SOUTH BURLINGTON NH 121-1(1)	\$15,448,312	\$200,000	\$0	\$200,000	\$15,248,312
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	\$238,000	\$127,375	\$110,625	\$232,375
ROADWAY PROJECTS	WEATHERSFIELD PLH TSDP(1)	\$204,168	\$204,168	\$0	\$204,168	\$0
<b>ROADWAY PROJECTS TOTAL</b>					<b>(\$3,110,353)</b>	
STATE HIGHWAY BRIDGES	ALBURG-SWANTON BRF 036-1(13) TURTLE MONITORING	\$110,000	\$110,000	\$0	\$110,000	\$0



**Vermont Agency of Transportation**  
**All Programs**  
**FY2011 Project Status Report**  
**Joint Transportation Oversight Committee**  
**Tuesday, November 09, 2010**

Program	Project Name And Number	Project Total	Projected FY2011 Costs	FY2011 Budget	FY2011 Over/(Under)	Non-FY2011 Budget
STATE HIGHWAY BRIDGES	BERKSHIRE BHF 0283(9)S	\$2,169,019	\$1,282,060	\$1,450,000	(\$167,940)	\$886,959
STATE HIGHWAY BRIDGES	BETHEL BHF 0241(30)	\$2,968,163	\$340,000	\$190,000	\$150,000	\$2,628,163
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	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	\$390,000	\$100,000	\$290,000	\$487,080
STATE HIGHWAY BRIDGES	IRASBURG STP CULV(20)	\$300,000	\$218,500	\$368,500	(\$150,000)	\$81,500
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	\$4,210,000	\$7,000,000	(\$2,790,000)	\$12,090,000
STATE HIGHWAY BRIDGES	RYEGATE STP CULV(10)	\$6,050,000	\$432,000	\$11,000	\$421,000	\$5,618,000
STATE HIGHWAY BRIDGES	STRATTON STP CULV(12)	\$195,372	\$133,000	\$350,000	(\$217,000)	\$62,372
STATE HIGHWAY BRIDGES	WINHALL STP CULV(22)	\$397,696	\$234,050	\$34,050	\$200,000	\$163,646
<b>STATE HIGHWAY BRIDGES TOTAL</b>					<b>(\$7,117,745)</b>	
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
TOWN HIGHWAY BRIDGES	CLARENDON BHO 1443(39)	\$534,271	\$135,000	\$264,300	(\$129,300)	\$399,271
TOWN HIGHWAY BRIDGES	DUMMERSTON BHO 1442(28)	\$2,538,699	\$820,000	\$360,000	\$460,000	\$1,718,699
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	MIDDLEBURY-WEYBRIDGE BHO 1445(33)	\$3,688,867	\$354,459	\$504,459	(\$150,000)	\$3,334,408
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	\$540,101	\$262,571	\$277,530	\$992,384
TOWN HIGHWAY BRIDGES	NEWFANE BRF 0106(3)S	\$2,315,000	\$139,000	\$451,354	(\$312,354)	\$2,176,000
TOWN HIGHWAY BRIDGES	RANDOLPH BHO 1444(53)	\$794,576	\$400,000	\$709,576	(\$309,576)	\$394,576
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	\$1,422,232	\$746,611	\$675,621	\$113,338
TOWN HIGHWAY BRIDGES	ROCKINGHAM BHO 1442(34)	\$786,765	\$245,000	\$100,000	\$145,000	\$541,765
TOWN HIGHWAY BRIDGES	RUTLAND CITY BRF 3000(16)	\$5,221,050	\$99,613	\$257,305	(\$157,692)	\$5,121,437

Vermont Agency of Transportation  
All Programs  
FY2011 Project Status Report  
Joint Transportation Oversight Committee  
Tuesday, November 09, 2010

Program	Project Name And Number	Project Total	Projected FY2011 Costs	FY2011 Budget	FY2011 Over/(Under)	Non-FY2011 Budget
TOWN HIGHWAY BRIDGES	SPRINGFIELD BRO 1442(26)	\$2,255,000	\$45,000	\$267,715	(\$222,715)	\$2,210,000
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
<b>TOWN HIGHWAY BRIDGES TOTAL</b>					<b>\$1,513,579</b>	
<b>TOTAL</b>					<b>(\$1,244,479)</b>	

**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 (mult 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.

ONE BALDWIN STREET  
MONTPELIER, VT 05633-5701

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**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL COMMITTEE

November 29, 2010

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

Dear Vermont Congressional Delegation:

The Joint Fiscal Committee sent you a letter on September 20, 2010 expressing concern over the level of federal funding for the Low Income Home Energy Assistance Program (LIHEAP.) Vermont has received a block grant of \$16.2 million under the continuing resolution that is in place, compared to a funding level of \$25.6 million last heating season. Last heating season, in addition to the block grant, Vermont received \$1.8 million in contingent funds for a total funding level of \$27.4 million. This season's reduction in funds for heating assistance will have a dramatic impact on the people we serve and we urge you to work to increase the funding level.

Last heating season the average seasonal benefit per household was \$1,136. Due to programmatic changes and the reduction in federal funding this same household is slated to receive an average benefit of \$660 this heating season. This benefit is for an "average" household but when taking a closer look at specific individual cases it is more apparent how the benefit change will impact our clients. The Department of Children and Families has collected some examples of specific cases that we would like to share with you.

Last heating season the LIHEAP program provided an annual benefit of \$1,167 to a single disabled male residing in Brattleboro who heats with propane. This year that same client will receive an annual benefit of \$605.

A second example is a working husband and wife with two young children residing in Rutland who heat with oil. This family received an annual LIHEAP benefit of \$1,014 last heating season and is going to receive a benefit of \$651 this season.

The third example is an elderly husband and wife residing in St. Albans who heat with kerosene and are newly eligible this year due to the expansion in program eligibility. This couple is going to receive an annual fuel benefit of \$298.

A final example is a single disabled mother with two young children living in Middlebury who heats with propane. Last heating season this family received an annual fuel benefit of \$677. This heating season the family will receive an annual benefit of \$232.

As you can see, the funding for the LIHEAP program is going to cause great hardship for our most vulnerable citizens. We urge you to do whatever you can to increase the LIHEAP funding beyond the \$3.3 billion included in the continuing resolution. Last year's block grant appropriation of \$5.1 billion would go a long way towards addressing this season's heating needs. Thank you for your attention to this very important and pressing issue.

Sincerely,

A handwritten signature in blue ink that reads "Representative Obuchowski". To the right of the signature is a small circular stamp with the word "Hug" inside.

Rep. Michael Obuchowski  
Chair, Joint Fiscal Committee