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**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Room 11, State House

**Monday, September 26, 2011**

- 9:30 a.m. Call to order and approve minutes of July 21, 2011
- 9:35 a.m. A. Fiscal Update/Issues
1. Fiscal Officer's Report – Stephen Klein, Chief Fiscal Officer
    - a. Education Financing Study
    - b. Transportation Study
    - c. Health Care Reform Study
  2. Updates
    - a. Education Fund - Mark Perrault
    - b. FY 2013 Gap Analysis – Stephanie Barrett/Stephen Klein
    - c. LIHEAP – Richard Moffi, Department for Children & Families
- 10:15 a.m. B. Administration's Updates/Issues
1. Disaster Recovery Update – Report from the Agency of Transportation  
Jeb Spaulding, Secretary, Agency of Administration  
Brian Searles, Secretary, Sue Minter, Deputy Secretary, Leonard LeBlanc,  
Director of Finance and Administration, and Alec Portalupi, State Public  
Assistance Officer, FEMA
  - 11:45 a.m. 2. Report of Proposed Distribution of Justice Reinvestment Funds  
Andrew Pallito, Commissioner, Department of Corrections
  - 11:00 a.m. 3. Fiscal Updates – James Reardon, Commissioner, Dept. of Finance & Manage.
    - a. Revenue Shortfall Reserve Report [32 V.S.A. § 308d(d)]
    - b. Funds Status Closeout Report
      - (A) Education; (B) Transportation; (C) General
    - c. Report on FY 2012 Budget Adjustment Pressures
    - d. Report on FY 2013 Budget Development Process
  - 11:30 a.m. 4. High Risk Pregnant Women Assessment of Programs and Services  
Doug Racine, Secretary, and Melissa Bailey, Director of Integrated Family  
Services, Agency of Human Services  
Breena W. Holmes, M.D. Maternal and Child Health Director, Vermont  
Department of Health  
Vicki Loner, Deputy Commissioner, Division of Health Services and  
Managed Care, Department of Vermont Health Access  
[Act 63, Sec. E.300(d) of 2011]
- 12:15 p.m. Adjourn [Next Meeting: Tuesday, November 8, 2011]

Other Reports/Information available upon request:

- I. Annual Report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission [30 V.S.A. § 20(a)(2)(C)] [Agency of Natural Resources]
- II. Joint annual report on Vermont Economic Growth Incentives (VEGI) [32 V.S.A. § 5930b(e)] [Department of Taxes and VT Economic Progress Council] {DRAFT}
- III. Health IT Fund Annual Report [32 V.S.A. §10301 (g)] [Department of Vermont Health Access]
- IV. Global commitment fund estimated fiscal year end report of managed care investments. [33 V.S.A. § 1901e(c)] [Agency of Human Services]
- V. Catamount Fund Annual Report [33 V.S.A. § 1986 (e)] [Department of Vermont Health Access]
- VI. VISION Errors Report [Act 66 § 12(a) of 2003] [Department of Finance & Management]
- VII. Global Commitment Appropriations, Transfer, Year-End Report [Act 3, Sec. 47 of 2011] [Agency of Human Services]

Joint Transportation Oversight Committee Reports

- 1. Report from Agency of Transportation [19 V.S.A. Sec. 12b(d)(1) and (2)]
- 2. Transportation – Supplemental Paving Spending [Act 62, Sec. 7a of 2011]



**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL COMMITTEE

Monday, September 26, 2011

Minutes

Members present: Representatives Ancel, Branagan, Heath, and Johnson (conference call), and Senators Campbell, Cummings, and Kitchel.

Other Attendees: Administration, Legislative Joint Fiscal Office, and Legislative Council staff, and various media, lobbyists, advocacy groups, and members of the public.

The Chair, Senator Ann Cummings, called the meeting to order at 9:36 a.m. Representative Heath moved to accept the July 21, 2011 minutes as written, and Senator Kitchel seconded the motion. The Committee approved the motion.

**A.1. Fiscal Update/Issues – Fiscal Officer’s Report**

Stephen Klein, Chief Fiscal Officer, Legislative Joint Fiscal Office, highlighted areas of the fiscal officer’s report. The Education Finance Study has identified its case study schools: Montgomery Center Elementary, Colchester High School, and Brewster Pierce in Huntington. Additional schools may be added within the next month. A study on the transportation road conditions was on hold due to the storm-related damage to infrastructure. An analysis of Act 48 of 2011 on the single payer cost estimate was being reviewed, and a draft would be released before the November meeting.

**2.a. Education Finance Study**

Mark Perrault, Fiscal Analyst, Legislative Joint Fiscal Office, handed out two documents and provided the committee with an updated education fund outlook for FY 2012 and FY 2013. The preliminary analysis indicated that it would likely be necessary to increase base education tax rates by \$0.03 under current law. *[An updated projection based on final estimates of the education grand list value indicates that the current-law increase may be only \$0.02 or less.]* The Tax Commissioner will make a recommendation to the Legislature on December 1<sup>st</sup>.

Mr. Perrault explained the flood-related property tax abatement issue. Due to flood-related damage, homeowners hit by flood damage are seeking abatements of property taxes at the state and local level. Since the abatement process was developed pre-Act 60, municipalities have the authority to forgive both local and state property taxes; however, municipalities remain obligated to the state for the full amount of the education tax. The issue for the legislature is whether to reimburse municipalities for the education taxes municipalities abate.

Mr. Perrault estimated that the abatements could result in a \$2 to \$4 million loss of revenue to the education fund if the full cost of abatements was covered. In answering Senator Cummings’ question on property tax abatements, Mr. Perrault suggested that the legislature create guidelines that would limit the state’s exposure. Representative Ancel queried if there were other states with similar

education tax systems, and Mr. Perrault replied that Minnesota had a statewide property tax but it did not raise the amount of revenue that Vermont's system collected. Representative Ancel requested the JFO to research whether other states had local abatement boards and inquired what officials were members of Vermont's boards. Mr. Perrault stated they included the town treasurer, the town clerk, the selectboard, the town listers, and the Justices of the Peace.

Representative Branagan queried how much time the legislature had to make the decision on whether to abate the education tax; and would it cover property, such as seasonal camps. Mr. Perrault stated it was at the board's discretion on what would be abated, and that there was time. Senator Cummings asked whether the Committee had the authority to approve guidelines for the abatement process. Mr. Perrault replied that it would require the action of the legislature as a whole. Representative Heath commented that the guidelines should be very specific because of the ramifications to the education fund.

**b. FY 2013 Gap Analysis**

Stephanie Barrett, Associate Fiscal Analyst, and Stephen Klein, Legislative Joint Fiscal Office, provided a handout and explained the FY 2013 budget gap analysis and explained the key assumptions used to determine the draft budget gap analysis. Mr. Klein cautioned that the gap analysis was very preliminary and subject to change. The analysis will not be published online until a consensus analysis was agreed upon with the Administration. Mr. Klein explained that the gap analysis takes into account the immediate budget pressures, plus additional funding for ongoing expenses for Irene-related issues. It was updated from an earlier version. It was not a final version, nor a consensus estimate.

Ms. Barrett explained how the JFO came to its preliminary FY 2013 gap analysis estimate of \$57.4 million. She highlighted areas of adjustments to the FY 2012 General Fund base budget, including \$3.3 million for the state hospital certification; \$2 million unachieved savings in labor; and an ongoing baseline reduction in Medicaid of \$10 million to be added back into the baseline budget. In the FY 2013 estimates, two expenditures will have a \$10 million negative impact on the budget, an increase in the base Federal Medicaid Assistance Program (FMAP) and a federal Autism mandate. Some of the other areas that would require additional funding were the tobacco fund overspending and teacher retirement costs.

**c. LIHEAP Update**

Richard Moffi, Fuel Assistance Program Chief, Economic Services Division, Department for Children & Families (DCF), provided a handout showing the FY 2011 season summary, the FY 2012 projections for seasonal fuel assistance, and 2010-2011 fuel assistance statistics. He stated that the Low Income Home Energy Assistance Program (LIHEAP) would be substantially impacted by the levels of funding being proposed by the President as well as the House and Senate. The President's proposal reduces the overall national federal funding from the FY 2011 level of \$5.1 billion to \$2.6 billion. The House budget contains \$3.4 billion and the Senate contains \$3.6 billion. Under the President's proposal, Vermont would receive an estimated \$11.6 million, compared to a combined block grant and contingency payment last heating season of \$27.6 million. The Senate's proposed formula would result in an estimated \$20.1 million for Vermont. The House proposal would result in an estimated \$18.7 million for Vermont. We need to wait and see what the outcome of budget negotiations will be at the federal level.

Senator Cummings asked what the anticipated fuel costs will be for the season. Mr. Moffi responded that DCF was estimating that fuel oil number 2 would cost \$4.00 a gallon, an increase of 8%



over last heating season. Mr. Moffi noted that DCF was requiring fuel dealers participating in the LIHEAP program to offer a 10 cents per-gallon discount to qualified families. Representative Heath confirmed with Mr. Moffi that the benefit reduction also reflects a legislative change enacted in Act 88 of 2010 that broadened eligibility for the program and, by doing so, reduced benefits for some. Senator Campbell inquired whether DCF had lost any data from the Irene-related flood damage. Mr. Moffi confirmed that some tracking data were lost but that the department had worked with fuel dealers to re-establish contracts, which were double checked for accuracy.

In responding to Senator Kitchel, Mr. Moffi explained that DCF would need a congressional decision by November 1 to set its benefit level and send payments by the second week of November to the 23,000 fuel liability households. If Congress does not finalize its deliberations before November 15, then many LIHEAP clients will be forced to go to their community action agencies for crisis fuel assistance in order to pay their fuel dealer contracts. Representative Heath inquired whether the legislature had authority to adjust the benefit level even though it did not know what the prevailing federal benefit would be. Mr. Moffi responded that the legislature could grant additional benefits that allowed for a relatively easy process of giving bonus benefits from borrowed weatherization trust funds or some other source of funds. He offered to keep the committee updated as the department nears the end of October. Representative Heath requested that the department give the JFC or Emergency Board enough lead time to react to funding challenges, and for the JFO to create a fiscal picture of the weatherization fund if it were necessary to transfer funds.

#### **B.1. Administration's Updates/Issues – Disaster Recovery Update**

Jeb Spaulding, Secretary, Agency of Administration, provided a handout of photographs of the state Waterbury Complex with the Irene-related flood damage. He explained that there were many staff from the Agency of Transportation attempting to document the damage at the local level, and there were many fiscal unknowns. It would take another week before the Federal Emergency Management Assistance (FEMA) necessary paperwork was completed to declare Vermont's disaster status. Senator Leahy has included language in a transportation bill that would allow the secretary to increase the cap for funding and the time-frame.

Secretary Spaulding explained that the former Waterbury Complex state employees were being relocated quickly but the issue of connectivity to computers and e-mail was an issue. Out of the 1,500 to 1,600 state employees that were displaced from the flooded Waterbury Complex, most of them had at least desks to work from, and 1,100 were actually connected and working as normal. An assessment was ongoing of the Waterbury Complex for options of the future of the site and its displaced workers.

Secretary Spaulding offered that the Vermont National Guard had spent roughly \$10 million in its efforts to assist in the Irene-related flood, and anticipated a 75/25 split of funds from the federal government. The Emergency Board approved \$5 million for the Emergency Relief Assistance Fund (ERAF) that has covered some of the military over-budget expenses. The Administration has also expedited the timing of payments out to municipalities, such as education, current use, and PILOT payments, in order to address their cash flow issues. It could be a matter of months before the outcome of funding for FEMA is resolved through congressional debate.

Brian Searles, Secretary, Agency of Transportation, distributed a handout from the September 13<sup>th</sup> JFC briefing on flood-related damage to transportation infrastructure. He acknowledged and thanked the organizations, the Vermont Leagues of Cities & Towns, the Vermont Planning

Commissioners, and the Associated General Contractors, who have helped at the local level in assessing the damage. The agency was transitioning from emergency mode into winter preparation.

Senator Kitchel asked if there was a preliminary estimate of the town costs related to flood damage. Secretary Searles stated the local costs were hard to quantify; those numbers should be available soon. Representative Heath asked that when there was a sense of the costs, the information be sent to the committee.

Secretary Searles responded to Representative Ancel's question that there was a threshold of \$79 million of total damage to FEMA-related infrastructure that had to be reached in order to increase the funding match to 90/10. Secretary Spaulding added that it was an annual cost that would include the Spring flood damage after insurance estimates.

Secretary Spaulding offered that concerns have been raised that reallocation of budget funding and redirection to flood-related areas was possible but most budget items were necessary and could not be redirected. There were capital funding areas that could be slowed to free up funds now. He added that if there were ideas of funding for the flood-related costs, the Administration would look at those as long as it was within its authority. Senator Campbell stated that although the legislature was committed to the efforts of the Vermont Housing & Conservation Board (VHCB), affordable housing seemed the appropriate investment at this time and not additional land conservation investments. Secretary Spaulding responded that the Administration recently requested that VHCB review and consider any possible reallocation of funds to flood-related projects. There were some VHCB projects that have moved forward that were preapproved affordable housing projects, and others for the preservation of farms that would otherwise have been lost to the agricultural community. Representative Branagan agreed that the collaboration between VHCB and the agricultural community has been important.

Representative Branagan queried whether the Administration would be proposing an additional gas tax to offset flood-related infrastructure. Secretary Spaulding responded that the Administration had not planned such a proposal at this time but was not opposed to the concept or any other proposals to fill the budget gap if necessary. Since the vast majority of flood-related damage had occurred to the state's transportation sector, those funding areas would be considered if the need arose but the costs were still unknown. A potential special legislative session was not out of the question but the Governor would not consider it until all the fiscal information from the impacts of tropical storm Irene was collected.

Representative Ancel asked what the committee should expect for a time line on a decision for the Waterbury complex fiscal situation. Secretary Spaulding responded that the administration was scheduled to update the Committees on Institutions in late Fall and then come up with a consensus plan to propose to the legislature. It was possible that stand-alone legislation would be proposed at the start of the session to facilitate legislative consideration. Senator Snelling inquired about the pros and cons being considered for the state hospital patients moving back into the Waterbury complex. Secretary Spaulding stated that the Governor did not like the concept of sending any patients back to the state hospital building but it was not out of the question at this time. It could be up to a year or two before a facility was established. Representative Heath thanked the Administration and all the state employees for their efforts that were made to deal with the Irene disaster, and with the quick and positive response to the emergency situations.

Senator Cummings queried who was monitoring the public infrastructure response at the local level. Secretary Spaulding explained that the Irene recovery officer, Neale Lunderville, was overseeing most of the areas, but the United States Department of Agriculture was working with Vermont's Agency of Agriculture, Food and Markets on things under its purview. The Administration's recovery office has entered into a short time-limited contract with a firm to help with the debris issues in disaster recovery efforts.

**2. Report of Proposed Distribution of Justice Reinvestment Funds**

Andrew Pallito, Commissioner, Department of Corrections, provided a handout of the distribution of reinvestment funds over two years, and explained that due to flood-related issues, he would have to return at the next scheduled JFC meeting to give complete data.

**3.a. Fiscal Updates – Revenue Shortfall Reserve Report**

James Reardon, Commissioner, Department of Finance & Management, provided several documents, and explained that the Revenue Shortfall Reserve shown on handout B.3. had a balance of \$3.9 million, the source was the estate tax revenue beyond expectation specified for this fund in Sec. 600.1 of Act 63 of 2011.

Commissioner Reardon pointed to a memorandum on the activity of the Human Services Caseload Reserve, and stated that the fund closed in FY 2011 with a balance of \$60 million of which \$29.5 million had been targeted for use in the FY 2012 budget. An additional \$1.34 million would be transferred to the caseload reserve in FY 2012, per legislation in Act 63 of 2011.

**b. Funds Status Closeout Report – Education, Transportation, and General Fund**

Commissioner Reardon stated that there were few changes since the July JFC meeting and consensus forecast. The General Fund closed out in FY 2011 at \$40 million above expectation from general revenues and direct applications from other funds. Contingent appropriations earmarked \$10.6 million; \$3.6 million for the Unemployment Insurance Fund interest payment to the federal government and \$7 million for potential federal funding impacts. Transportation and Education funds closed out relatively on target of the July consensus forecast.

**c. Report on FY 2012 Budget Adjustment Pressures**

Commissioner Reardon explained that some of the FY 2011 server consolidation savings were not realized, therefore, funds from the Unemployment Insurance (UI) set-aside were used to balance the budget. Language in the FY 2012 Budget Adjustment Act (BAA) will need to be added in order to codify this transfer of funds from the UI set-aside.

Commissioner Reardon reviewed the list of other preliminary funding needs anticipated in the BAA on a handout. Global Commitment/Medicaid ended FY 2011 ahead of budget due to lower utilization translating into an expected budget reduction of \$10 million. The BAA proposal anticipates at least a \$2-million need from unmet savings in the \$12 million target included in the budget. The Department of Corrections budget shortfall was due to more detainees than anticipated. The Transportation Fund shortfall was related to storm-related damage. There would be a shortfall to departments in recovery fees for space that were originally designated within the Waterbury complex. The Commissioner raised the possible issue of the state's inability to charge the federal participation program for federally paid employees that were not working or partially working due to a loss of office space. The Commissioner stated he would try to get more clarity on this issue for the December BAA meetings with the House Committee on Appropriations.

**d. Report on FY 2013 Budget Development Process**

Commissioner Reardon offered that the Governor's proposed FY 2013 budget would be available to the legislature on time but there would be substantial disclosures added for future federal financial audits in relation to Spring flood and tropical storm Irene damage.

**4. High Risk Pregnant Women Assessment of Programs and Services.**

Doug Racine, Secretary, and Melissa Bailey, Director of Integrated Family Services, Agency of Human Services; Breena W. Holmes, M.D., Maternal and Child Health Director, Department of Health; and Vicki Loner, Deputy Commissioner, Division of Health Services and Managed Care, Department of Health Access provided a report to the committee and summarized its contents. Ms. Loner stated that initial analysis showed a preliminary cost savings opportunity of up to \$1.2 million but a more conservative amount of \$400k would be recommended for budget savings, if enacted, since the program was new. The potential savings would come from coordinated care areas. Another area for future potential savings was costs associated with premature births.

Dr. Holmes explained that the study committee used a very broad definition of high-risk for cost and potential savings. The study committee found that within the behavior of pregnant women, there was a high population of smokers, especially within the Women, Infants and Children program (WIC). Smaller populations, but growing, are pregnant women with addictions.

Ms. Bailey stated that she was charged with integrating all the programs in Vermont that focused on treatment, intervention, and prevention for families with children that were prenatal through 22 years of age. There were 12 teams in each district administered across Vermont to develop Children Integrated Services (CIS). Senator Kitchel showed concern for the lack of progress in the rate of pregnant women smoking (36%), and asked how the new program and additional two positions integrate into the current delivery system of programs. Secretary Racine responded that the report was a list of recommendations and the additional positions would need the approval of the administration. Ms. Loner pointed to the last page of the report showing the integration of the different Medicaid divisions that deal in children services.

The committee adjourned at 11:59 a.m. on a motion from Representative Heath and seconded by Ancel.

Respectfully Submitted,



Theresa Utton-Jerman, Legislative Joint Fiscal Office

# Joint Fiscal Office

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## MEMORANDUM

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

From: Stephen Klein, Chief Fiscal Officer

Date: September 14, 2011

Subject: September 2011 – Fiscal Officers' Report

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

1. **FY 2012 Revenues:** After the first two months of the fiscal year, revenue collections in the general fund have been strong. Revenues are tracking fairly close to targets through August.

General Fund (GF) – Through August, GF revenues are about \$6 million ahead of target. This is largely due to strength in the income tax and to a lesser extent rooms and meals revenue. Both income tax and rooms and meals tax are tracking about 6 percent over estimates with other tax sources on or near targets. The Transportation Fund revenues and Education Fund revenues are also on target. With the impact of hurricane Irene likely to have an impact on September revenues, we will need to continue to watch receipts closely. A number of payment dates have been postponed which will also impact collections timing. By mid November we should be able to see if there is enough deviance from forecast to merit revisiting revenues.

2. **Gap analysis:** In August we released a gap analysis for FY 2013. We estimated a shortfall between expected revenues and our spending trend of \$45 million or 3.7 percent of our FY 2012 Budget. This amount would have to be addressed through changes in government operations, revenues, or spending reductions. The analysis is available at:  
[http://www.leg.state.vt.us/JFO/appropriations/fy\\_2013/FY13\\_Gap - JFO Aug 11 update 1.pdf](http://www.leg.state.vt.us/JFO/appropriations/fy_2013/FY13_Gap_-_JFO_Aug_11_update_1.pdf).

With the flood damage raising expenditure needs and possibly impacting revenues, and the uncertainty of federal participation and federal resources, there is much uncertainty surrounding FY 2013.

Our August analysis was done with the administration but is not a consensus as they have chosen to not publish a shortfall at this time. They plan on adjusting

spending to meet any shortfall. Similar concerns were raised by the House Minority leader who expressed a preference for no projection of a budget gap. Most states and the federal government do out-year projections as a planning tool for budget consideration. Some states have resolved their FY 2013 issues through their two-year budgets while other states have not made projections. In August, NCSL published a survey of states with total budget gap projections for FY 2012 of \$89 billion and for FY 2013 of \$32 billion. Of the 21 states reporting budget gaps for FY 2013, Vermont's estimate was the fourth lowest. , We think this type of projection is worthwhile. However we agree with the concern to move away from a base growth estimate assumption to a more program-specific estimate. We would appreciate any guidance that the committee has to offer on this.

3. **The FY 2012 Budget Adjustment:** The FY 2012 budget adjustment will contain a number of challenges. The flood relief costs are the largest source of uncertainty. At present we will need to address emergency board approvals of \$6.8 million between May and September actions. As the full extent of the financial need becomes clearer, this is likely to grow. Further, as mentioned above, we may experience some changes in revenue availability with revenues stronger than anticipated but with potential flood losses.

On the plus side our Medicaid costs are running below budgeted amounts which may give us up to \$10 million to offset other budget pressures. On the downside, there are several areas where there is budget pressure. Corrections costs are exceeding estimates. We are unable to collect the new 0.80 percent assessment on dental claims due to an issue in the language as drafted. This represents a one-time revenue loss of at least \$300,000 assuming a correction in the budget adjustment and \$600,000 of base impact if this revenue is forgone. The Vermont State Hospital was not recertified which will require \$3.3 million. We also expect a shortfall in the \$12 million labor and retirement savings target, and an increase of \$1.2 million in renter rebates. Other costs include funding needs for the Sarcoidosis Fund and funding for the State troopers contract. Commissioner Reardon will go over other issues with the committee as they arise.

4. **Education Finance Study** Larry Picus and Associates have made their first two visits to Vermont and are in the process of identifying case study schools. Allen Odden will be coming to Vermont in the middle of October to visit with the chosen schools for case study research work. The schools they are focusing on for this research are "improving schools." Once they have been identified we will forward the names to you. The next date for public hearings and public input is November 15<sup>th</sup>.
5. **Transportation and capital bill needs analysis:** the Joint Fiscal Office had begun work on an assessment of transportation infrastructure needs and had been exploring a similar assessment of capital needs. With the hurricane and



flooding, this project is on hold as the state infrastructure has been substantially changed, and AOT staffs assigned to this project are all on the flood remedial efforts.

6. **Federal Jobs Act:** As you are aware President Obama has proposed a Jobs Act which would provide a series of benefits to Vermonters. We have attached a short summary of its key provisions and estimated impacts on Vermont.
7. **Act 48 Health Cost Study:** Act 48, the health care bill, requires BISHCA and the Legislative Joint Fiscal Office to issue a second report on cost estimates of the health care reform/single payer initiative in November. We are meeting regularly on that and hope to produce an estimate, a preliminary model for making such an estimate, and a review of the issues and variables that are at play. We hope this will provide a platform for further analysis of the health care reform effort.

As an offshoot from this work, Nolan Langweil has prepared an issue brief on Medicaid “churn” which is now up on our website at [http://www.leg.state.vt.us/JFO/issue\\_briefs\\_and\\_memos/2011-09%20Coverage%20Instability%20and%20Churn.pdf](http://www.leg.state.vt.us/JFO/issue_briefs_and_memos/2011-09%20Coverage%20Instability%20and%20Churn.pdf)

8. **Basic Needs:** Sara Teachout will be convening a meeting in October on potential changes to the basic needs/livable wage analysis. If any changes become recommendations, they will be brought to the committee at its November meeting.
9. **Capital Debt:** We are entering the second year of a two-year Capital Debt authorization. The capital debt affordability committee is not recommending a significant change for FY 2013. The Committee’s recommendation is maintaining the two-year authorization of \$153,160,000 for FY 2012 and FY2013. Subsequent years are likely to be about \$88 million a year. This is subject to change as the committee work is finalized. There may be some capacity in the Transportation Infrastructure Bond revenues to do a bond issue to help with the flooding-related work.
10. **Flood-related work/legislative briefings:** We had planned a major legislative briefing for November 10<sup>th</sup> on a variety of issues. With the advent of the flooding this briefing time may be used for flood-related information. We are awaiting leadership decisions on how this will play out.
11. **Joint Fiscal Office Updates:**
  - a. Jeremy Fonte who handles computer-related work and some of our office billing is on medical leave. If this leave extends, we may need to fill his position on a consultant basis.

- b. Maria, Stephanie, and Nathan of our staff are working with the fifth floor staff on the development of the new budget system. The hope is that we can integrate budget documents for both branches and have it be more useful to departments. We are also working on developing a program budget for the Joint Fiscal Office as a test case to provide a sense of what they might look like and how they impact budget review.
- c. Staff recognitions:
  - i. Stephanie Barrett has been named to a NCSL Task Force on Deficit Reduction which will be meeting in Washington with the Congressional staff working on the federal deficit reduction plan. She was also named to be staff Vice Chair of the NCSL standing committees.
  - ii. Maria Belliveau has been coordinating a meeting of staff from Eastern States Legislative Fiscal Offices which will happen in Burlington the week of September 20<sup>th</sup>. Ten states from Maine to North Carolina are sending a total of eighteen staff.
  - iii. Stephen Klein was reappointed for a third term on the Advisory Board of the Federal Reserve Bank of Boston Advisory Board New England Public Policy Center.
  - iv. Nolan Langweil was selected for one of two Legislative Staff Achievement awards by the Legislative Health Staff Network.
- d. As was the case last year, we will be preparing pre-session briefing materials in November on session issues. The flood-related issues will be a large part of this.



**Summary of Jobs Act**  
**Prepared by Stephanie Barrett**  
**Legislative Joint Fiscal Office**  
**September, 2011**  
**[Estimates are White House Impact Estimates]**

On September 8, the President proposed the American Jobs Act which would impact the state, businesses, and individuals. The plan would be paid for by increasing the total target for deficit reduction to be determined by the joint “super” committee. The American Jobs Act has several components summarized below.

**Tax Cuts For Workers and Businesses**

- The plan will expand the payroll tax cut passed last December by cutting workers’ payroll taxes in half next year. A typical household in Vermont, with a median income of around \$52,000, would receive a tax cut of \$1,610.
- The plan would cut the payroll tax in half to 3.1% for employers on the first \$5 million in wages, providing tax relief to all businesses but targeting it to the 98 percent of firms with wages below this level. The White House estimates that in Vermont, 20,000 firms will receive a payroll tax cut under the American Jobs Act.

**Direct Investment Rebuilding and Modernizing America**

- Infrastructure: The plan would provide \$50 billion in immediate investments for highways, transit, rail and aviation. The White House estimates \$136,000,000 in Vermont impact.
- Teachers and First Responders: The plan would provide \$35 billion to prevent layoffs. The White House estimates \$55,500,000 in funds to Vermont to support educator and first responder jobs. There is a Maintenance of Effort requirement on the education piece requiring states to maintain FY11 levels of support.
- School Construction: The plan proposes \$25 billion investment creating jobs by upgrading schools to meet 21<sup>st</sup> century needs. The White House estimates Vermont will receive \$57,500,000.
- Housing and Community: The plan would fund \$15 billion creating jobs rehabilitating and refurbishing vacant, foreclosed homes and businesses. The White House estimates Vermont could receive about \$20,000,000 to revitalize and refurbish local communities, in addition to funds that would be available through a competitive application.
- Community Colleges: The plan would provide \$5 billion to modernize community colleges. The White House estimates Vermont could receive \$5,300,000 in funding.

**Unemployment Extension, Reform, and “Pathways Back to Work”**

- The plans would combine an extension of unemployment benefits with reforms to unemployment insurance to help the long-term unemployed transition to work and establishing a new “Pathways Back to Work Fund” to provide low-income youths and adults with opportunities to work and to achieve needed training in growth industries. There are 1,100 unemployed Vermonters whose unemployment benefits would expire in the next six weeks, and there are currently 7,000 long-term unemployed Vermonters.



To: Joint Fiscal Committee  
From: Mark Perrault, JFO  
Peter Griffin, LC  
Date: September 20, 2011  
Subject: Flood-related property tax abatements

We have been asked to look at the issues raised with education tax abatements for taxpayers who suffered flood-related property damage during Tropical Storm Irene. It is likely that some of these taxpayers will be asking local boards to abate their education taxes for FY2012. Under current law, although local boards have the authority to abate education taxes, towns remain obligated to the state for the full amount due. Other property taxpayers in town must make up the difference.

We do not yet know the total value of taxable property that has been lost to the flood, but some hard-hit towns may have difficulty absorbing the cost of abating their municipal tax let alone the education tax. The question is likely to arise that towns will be asking the state to forgive all or a portion of the education tax due on flood-damaged property.

Once the statutory criteria are met, local boards are largely free to use their own discretion as to whether abating the education tax is warranted. In addition, it appears a town could choose to abate education taxes without abating municipal taxes. Decision-making by local boards raises several issues that policy-makers should consider before committing to cover the cost of flood-related education tax abatements:

- Local boards would be granted power to abate state education tax without any consequences for other town taxpayers. This also moves decision making about the imposition of a state tax to local officials.
- Since the cost of the state tax abatements would be borne statewide if the education tax abatement was fully covered by the state, local boards might be too generous in granting abatements. Under current law, boards could abate the education tax and not the municipal property tax which increases this concern. In addition, local decision-making would inevitably result in different outcomes for similarly-situated taxpayers living in different towns. To the extent that some sort of legislation was developed, establishing uniform guidelines could minimize some of these issues.
- Unless a source of non-property tax revenue is indentified, the cost of abating the education tax on flood-damaged property would ultimately result in higher base education tax rates for other taxpayers.
- There are equity issues in several respects:
  - No such practice was in place for the spring floods or other more limited disasters.

- There is no similar abatement process for taxpayers paying on the basis of income when their income falls.
- There is likelihood that such events will be more frequent given global warming. A legislature initiative would be setting a precedent for future disasters.

If the legislature does choose to move forward with some full or partial abatement, the cost estimates are as follows: The cost of flood-related abatement of education taxes may range between \$2 and \$4 million. There are several factors mitigating the cost:

- For most Vermonters, the abatement would be only the difference between the income-sensitized tax and the education tax on the diminished value of their housesite.
- Most of the flood-related property damage is likely to be residential.
- The education tax does not apply to the value of machinery & equipment or inventory.

Property damage due to Irene will result in the ongoing loss of some education tax revenues, but otherwise, this is a one-year issue. Next April 1<sup>st</sup>, the grand list will be revised to account for losses towns will be liable to the state only for the education tax actually assessed.

# **State Funding of Education Property Tax Abatements**

## ***Draft 1.0***

**Prepared by Rep. Oliver Olsen  
September 25, 2011**

### **Introduction**

Tropical Storm Irene caused substantial destruction to hundreds of Vermont homes, businesses, and other structures. As a consequence, many Vermont municipalities will be confronted with requests for property tax abatements.

Under current law, the lost revenue associated with an abated property tax payment is absorbed by the property taxpayers within that municipality, which increases the municipal property tax rate (all other things being equal). However, the impact is magnified by the abated education tax, which is not absorbed into the statewide education grand lists, but is instead absorbed into the municipal budget – an expense that is shifted onto the municipal tax rate.

The Joint Fiscal Office and Legislative Council have drafted a memo (dated September 20, 2011) that explores this issue in some detail, and raises a number of policy questions that the Legislature will need to consider if statutory changes are contemplated.

The purpose of this paper is to build on the JFO/LC memo, by offering additional perspective and some ideas that could be incorporated into a potential solution.

### **Equity in Relation to the State's Education Finance System**

Vermont's education finance system is designed to equalize access to funding for primary and secondary education. In theory, if two towns have the same per pupil costs to educate their children, the tax rate in each town should be identical, even if one town has substantially greater property wealth (i.e. a larger tax base). For the purpose of education taxation, there is one statewide grand list. And although local municipalities are required to collect the tax, it is, by definition, a state tax.

So, if we accept the fact that this is fundamentally a state tax, and we apply the associated principles of equity to the question of education tax abatements, logic would dictate that the state should shoulder the financial burden of education tax abatement. In essence, for the education finance system to truly be equitable, we should equalize the cost of education tax abatements across the statewide grand list, just as we equalize access to property wealth for tax collection purposes. Otherwise, we end up obfuscating an inequitable education tax burden by shifting it into the municipal budget.

What clouds the abatement issue is the fact that local municipalities are entrusted with the authority to abate property taxes, including the education tax. So even though the education tax is a state tax, the state has no control over these abatement decisions. The JFO/LC memo raises a valid concern that some municipalities could be overly generous with abatements, since they can choose to abate the education tax, but not the municipal tax, under current law. This risk would be mitigated if municipal and education taxes were linked for abatement purposes (i.e. the municipality would have to abate the municipal taxes proportionately to the education tax).

### **Proportionality of Impact**

The proportionality of fiscal impact on municipalities is another consideration when developing a sustainable and equitable policy for state funding of education tax abatements.

Most towns can absorb a few of abatements annually with minimal impact to the municipal tax rate. However, in the aftermath of a major disaster, some municipalities will be faced with an elevated number of abatement requests. When coupled with the cost of repairing damaged municipal infrastructure, the added cost of state education tax abatements becomes disproportionately burdensome.

The use of a damage threshold could provide a sustainable approach to determining whether the state will absorb the cost of tax abatements. For example, if damage and tax abatements related to an officially declared disaster exceed certain a percentage of the municipal budget, the state would cover the cost of any education tax abatements granted by the municipality.

### **Equity of Abatement Process**

One of the problems with the abatement process today is that there is no common standard that municipalities use – if the broad eligibility criteria are met, the board of abatement has wide discretion to grant a full or partial abatement. In the best of times, some municipalities may be more generous than other municipalities with their abatements, even when presented with similar circumstances.

The inequity of the abatement process becomes more problematic in a community that is financially distressed. There is a risk that a municipality (due to infrastructure repair costs, volume of abatements, etc.) could deny justifiable abatement requests out of financial concern for the municipality. As a result, some of the hardest hit property owners in devastated communities could be denied much needed tax relief that they otherwise would have received if their town were in a stronger financial position.

Greater equity in the abatement process would be afforded by having the state absorb the cost of education tax abatements in the worst affected disaster areas. Additionally, along with funding, the state could provide more specific (and uniform) criteria for abatement of the education tax.

### **Abatement as an Investment in Recovery**

For property owners who are unable to use their property and face substantial reconstruction costs, a property tax bill is one more financial obstacle on the road to recovery. In these cases, for every tax dollar we abate, we free up one more dollar for reconstruction.

The greater the financial burden left on the property owner, the greater the risk that he or she will not rebuild – reducing the property value and long term tax revenues. Freeing up money now will help accelerate the rebuilding process, which will help ensure that these properties stay on the grand list at full value, and remain taxable in future years.

### **State Funding of Abatements as Leverage to Encourage Best Practices**

State funding for tax abatements could be used as an incentive to encourage best practice disaster mitigation planning and implementation at the municipal level. For example, as a condition of receiving state funding towards tax abatement, a municipality could be required to:

- become a participant (in good standing) of the National Flood Insurance Program (NFIP), if it is not already;
- avail themselves of the FEMA Disaster Mitigation Grant program to purchase and remove structures within the floodway (the riskiest sub-section of any FEMA mapped flood hazard area) where an abatement is to be granted;
- implement an emergency management plan, if it does not already have one.

### **Potential Sources of Funding**

- **Existing Property Transfer Tax** – reduce the allocation to the housing and conservation trust fund from 50% to 30% and make the remaining 20% available to fund abatement grants. This would leave enough money to continue funding affordable housing programs, but would require VHCB to *temporarily* scale back and/or defer land conservation programs that are not already *contractually obligated* in FY12.
- **Savings from Non-Essential GF Spending Reductions** – a reduction of non-essential spending in FY12 should yield millions of dollars that can be reallocated to a tax abatement program for disaster areas.





A.2.b.

**Working Draft "Consensus" FY13 Budget Gap Projection****Preliminary -- Subject to change**estimate as of **September 26, 2011**

These are preliminary estimates, revisions ongoing

		Consensus FY13
<b>REVENUE</b>		
	July 2011 Forecast	1267.2
	Dir Apps/Reversions	20.0
	VEDA	(0.2)
<b>TOTAL AVAILABLE REVENUE/RESOURCES</b>		<b>1287.0</b>
<b>APPROPRIATION/USES</b>		
	<b>FY12</b>	<b>FY13</b>
<b>Base GF Budget</b>	1235.9	1258.2
<b>Plus base transfer (Next Gen/VTa program costs)</b>	5.8	5.8
<b>Stablization Reserve requirement</b>	0.8	2.0
<b>Additional Base Ups/Downs</b>		
VT State Hospital - non recertification	3.3	
Base \$12m savings not achieved	2.0	
Renter Rebate	1.2	
Unemployment Insurance	2.1	
Base needs in other funds(sarcoid/DOC/etc)	2.0	
FFY11 Fed funds impact	7.0	
Medicaid Base Adjustment	(10.0)	
Onetime funds in FY12 not available in FY13	n/a	7.6
Troopers Contract (ratified)	0.6	1.0
JTOC/Rest Areas	n/a	4.0
Base FMAP Loss	n/a	10.0
Autism mandate	n/a	10.0
Tobacco Funds - base spend > revenue	n/a	12.0
Teacher retirement - health care costs	n/a	3.0
GF Transfer to EF		1.6
Retirement pension funding		10.0
Labor current contract end level 3%		9.2
Corrections	2.5	
Irene base cost	5.0	
Employee - Healthcare base		3.0
Technology replacement		7.0
<b>FFY12/13 Fed funds impact (eg.LIHEAP unknown)</b>	<b>??</b>	<b>??</b>
<b>GF BASE APPROPS and USES</b>	<b>1258.2</b>	<b>1344.4</b>
<b>(Gap) / Surplus Estimate</b>		<b>(57.4)</b>

*[to be resolved through spending adjustments or revenue changes]***ASSUMPTIONS**

Labor contract costs - under negotiation.

Other federal cost shifts - Medicare impact on Medicaid etc - very preliminary

Federal Fiscal Year 12 &amp; 13 Budget impacts unknown - could be substantial negative

No provision for LIHEAP

\$15- \$17 million in one time FY 2012 costs for Irene uses carryforward

Irene related ongoing estimates - very preliminary

Technology replacement - very preliminary

Revision Forthcoming  
NOT FINAL


**State of Vermont**
**AGENCY OF HUMAN SERVICES**

**Department for Children and Families**  
**Economic Services Division**  
**OFFICE of HOME HEATING FUEL ASSISTANCE**  
 103 South Main Street  
 Waterbury, VT 05671-1201  
 1-800-479-6151  
 (802) 241-1165  
 FAX: (802) 241-1394

## MEMORANDUM

**To:** State of Vermont Joint Fiscal Committee  
**From:** Richard Moffi, Fuel Assistance Program Chief  
**Subject:** LIHEAP Seasonal Fuel Assistance Statistics summary for FFY2011  
 And Projections for FFY2012  
**Date:** September 26, 2011

### Summary for Federal Fiscal Year 2011

Carryover from FFY 2010	\$6,687,000
LIHEAP Block Grant Funding	\$25,675,000
Contingency Awards (2)	\$1,882,000
<b>TOTAL LIHEAP</b>	<b>\$34,244,000</b>
 Total "Fuel Liability" Households Assisted	 26,500
Average "Full Season" Benefit	\$866

### Projections for Federal Fiscal Year 2012

#### **Scenario #1** – Proposed Obama and House of Representatives **\$2.6 Billion** nationwide

Carryover from FFY 2011	\$4,005,000
LIHEAP Block Grant Funding	<b>\$11,598,000</b>
Contingency Award	\$ - 0 -
<b>TOTAL LIHEAP</b>	<b>\$15,603,000</b>
 Total "Fuel Liability" Households Assisted	 27,800
Average "Full Season" Benefit	<b>\$400</b>

#### **Scenario #2** – Proposed Senate **\$3.6 Billion** nationwide

Carryover from FFY 2011	\$4,005,000
LIHEAP Block Grant Funding	<b>\$20,037,000</b>
Contingency Award	\$ - 0 -
<b>TOTAL LIHEAP</b>	<b>\$24,042,000</b>
 Total "Fuel Liability" Households	 27,800
Average "Full Season" Benefit	<b>\$765</b>



## State of Vermont

## AGENCY OF HUMAN SERVICES

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FAX: (802) 241-1394

# MEMORANDUM

**To:** HEAT Force and Other Interested Parties  
**From:** Richard Moffi, Fuel Assistance Program Chief  
**Subject:** Seasonal Fuel Assistance Statistics 2010-2011  
**Date:** May 12, 2011

Here are the statistics for the **Seasonal Fuel Assistance Program 2010-2011**

On-Time Applications Received: 40,484  
Plus 3,379 \$5 auto-apps: **43,863 Total Applications Processed**

Compared to Last Year: 39,428 Total Includes 3,308 \$5 auto-apps

<b>Benefit Group</b>	<b>Households</b>	<b>Average Benefit</b>	<b>Total Benefits</b>
Fuel Liability	26,546	\$ 866 full season	\$22,053,672
Notes: The above totals include all "fuel liability" households. 23,966 households received a full season benefit (90% of total hhs)			
Heated Renter	3,160	\$ 222 full season	\$ 676,392
Roomer	1,622	\$ 50 fixed benefit	\$ 81,100
Public Housing	5,210	\$ 5 fixed benefit	\$ 26,050
\$3 for 3SVT		benefits not yet issued	\$ -0-

**Total Households Eligible to Date: 36,538 New Record!**  
**Total Seasonal Benefits Issued or Scheduled: \$22,837,214**

<b>2009-2010</b>	<b>Households</b>	<b>Average Benefit</b>	<b>Total Issued</b>
Fuel Liability	20,399	\$1,064 full season	\$20,834,362
Notes: The above totals include all "fuel liability" households. 16,639 households received a full season benefit (82% of total hhs)			
Heated Renter	2,095	\$ 321 full season	\$ 640,778
Roomer	930	\$ 50 fixed benefit	\$ 46,500
Public Housing	4,413	\$ 5 fixed benefit	\$ 22,065

**Total Households Assisted: 27,837**  
**Total Seasonal Benefits Issued: \$21,543,705**

Please ..... If you have questions or desire additional information, call Richard at 241-1097.

**DATE:** September 14, 2011  
**TO:** House and Senate Committees on Institutions  
**RE:** Status of Waterbury State Office Complex  
**FROM:** Jeb Spaulding, Secretary, Agency of Administration

---

Following up on our recent telephone conference call on the status of the Waterbury State Office Complex, I have outlined the current situation as of Tuesday, September 13, 2011.

### **Stabilization of Complex**

Current estimates to "stabilize" all of the buildings in the complex are approximately \$20 to \$25 million dollars. "Stabilize" is defined as only completing the following and does not include any rebuilding or restoration work:

1. Clearing of contaminants
2. Demucking/demolishing
3. Removing equipment and furniture
4. Flush washing and removal of sheetrock as necessary
5. Drying
6. Cleaning and ready for build back
7. Applying fungicide
8. Bringing basic electrical, heating and sewage systems back on line.
9. Bringing building protective systems, alarms, sprinkler systems back on line.

The current estimated time frame for completing this work is mid October.

### **Relocation of State Employees**

Office space for approximately 1,200 Agency of Human Service and Agency of Natural Resources' staff has been identified in both Chittenden and Washington Counties. Currently in the process of negotiating leases and fitting up the spaces with workstations and phone and internet connectivity. Approximately 250 staff will have been moved by the end of this week with the goal of having all staff relocated by mid-October. We are currently assessing the feasibility of returning the Department of Public Safety to Waterbury as their building suffered the least amount of flood damage. Also awaiting cost and time estimates for rebuilding Brooks Building (State Hospital) to have as information when considering long term options.

### **Funding**

We are currently analyzing the State's insurance coverage for the complex and assessing how insurance funds can be used in conjunction with potential FEMA funding. The standard FEMA cost sharing would be 75/25% of approved expenses. There is a pretty high likelihood that the cost sharing split will be increased to 90/10%. BGS, Finance & Management, and the Treasurers' Office are looking into whether some currently approved capital projects should be delayed temporarily to provide additional capacity to deal with issues resulting from the closing of Waterbury.

### **Long Term Options**

As discussed there are a number of options to consider including restoring/rebuilding the existing site, selling the property and relocating all offices to a new site, saving some of the existing buildings and replacing others, or a combination of the above. The Legislature will be included in decisions regarding the long-term options associated with the Waterbury State Office Complex.



Department of Buildings & General Services  
Engineering & Construction Division  
2 Governor Aiken Avenue, Drawer 33  
Montpelier, Vermont 05633-5801  
www.bgs.state.vt.us

[phone] 802-828-3314  
[fax] 802-828-3533

Agency of Administration

## MEMORANDUM

TO: Michael Obuchowski, Commissioner  
FROM: Michael Kuhn, Buildings Engineer/Architect III *MKuhn*  
DATE: September 15, 2011  
Subject: Waterbury State Office Complex - VSH Re-Build

As requested, we have developed a detailed estimate of the potential costs to re-occupy the Vermont State Hospital (VSH) in Waterbury, Vermont. Below is a summary of the estimate along with a proposed timeline for construction. The first summary is for the full re-build to re-open VSH including all three levels of Brooks Building, all two levels of the Storehouse, and the first floor of Dale and 4 South. This will be followed by some options that consider not re-occupying the Ground Floor of Brooks Building and the Storehouse.

Full Re-Build: (3 levels Brooks, 2 levels Storehouse, Dale 1, and 4 South 1)  
(Assumes a September 19, 2011 start date)

Construction cost: \$1,830,000; Estimated completion: January 20, 2012; 54-Beds

Option 1 Re-Build: (Eliminates Brooks Ground except Activities and Egress requirements)  
(Assumes a September 19, 2011 start date)

Construction cost: \$1,220,000; Estimated completion: November 22, 2011; 40-Beds

Option 2 Re-Build: (Eliminates Ground Floor Storehouse but requires displacement of DOC Training from Dale 1 and requires New VSH Admissions and routing) (Assumes a September 19, 2011 start date)

Construction cost \$1,220,000; Estimated completion: November 22, 2011; 40-Beds

Note: Option 2 work to relocate VSH Admissions to Dale 1 was not included in the detailed estimate, but was discussed and felt it could be accomplished for the same amount and schedule as that of Option 1.

C: Tom Sandretto  
Wanda Minoli  
David Burley





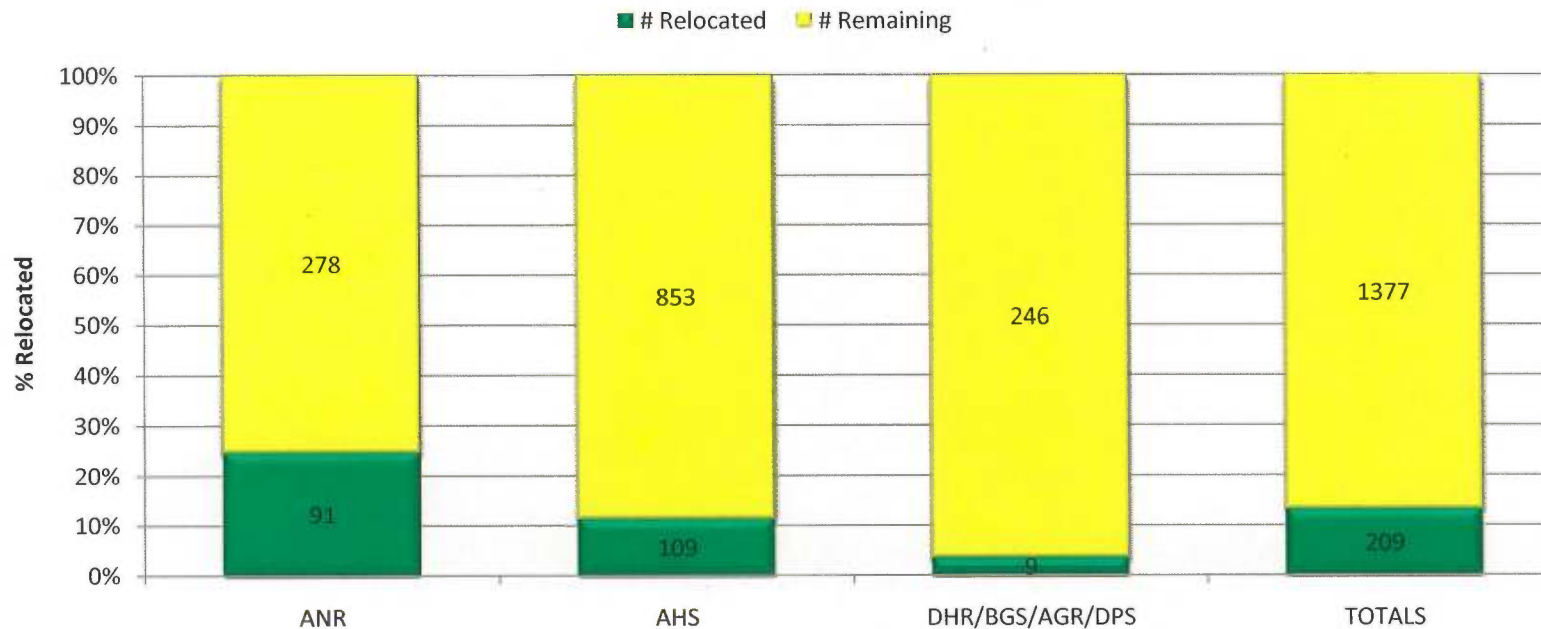
## Relocation of Waterbury Employees

	# Employees	# Relocated	Remaining	Estimate Self Assign
DHR	24	0	24	24
BGS	58	8	50	
AGR	12	1	11	5
DPS	161	0	161	
ANR	369	91	278	50
AHS	962	109	853	192
DHR/BGS/AGR/ DPS	255	9	246	29
<b>TOTALS</b>	<b>1586</b>	<b>209</b>	<b>1377</b>	<b>300</b>

as of 9/15/2011

based on new work location data

### Waterbury Employee Relocations by Agency



## Minoli, Wanda

---

**From:** Burley, Dave  
**Sent:** Friday, September 16, 2011 3:19 PM  
**To:** Obuchowski, Mike  
**Cc:** Sandretto, Tom; Minoli, Wanda; Lively, Jeff; Cadorette, Wendy; Ostrum, John; Jennison, David; Rogers, Kevin; Grochowik, Keith; 'Chris Crothers (chris@crothersiaq.com)'; Metayer, Andrew; 'Tyler Savage'; Gallagher, Sue; Ferrell, Deb; Laferriere, Bill; Norwood, Guy; Blanchet, Mike; Damore, Deborah; McArdle, Mike; 'ethierr@vsc.edu'  
**Subject:** WSC - Flood Status Update - 09-16-2011

### Updates:

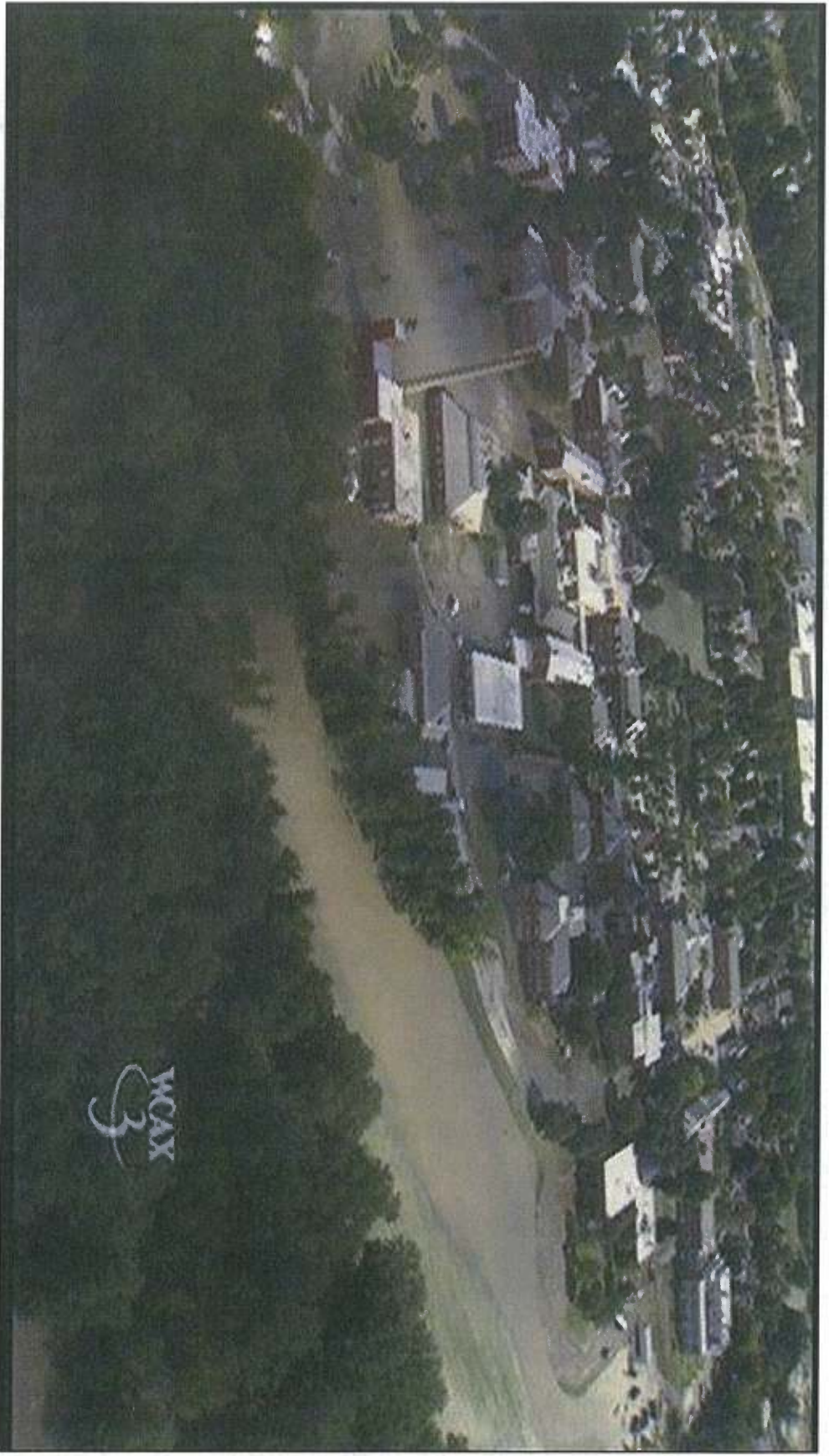
1. Progress of work:
  - 1.1. Cleared for work: 99% (barring any asbestos containment areas at this time)
  - 1.2. Demucked: 98% +/-
  - 1.3. Cleaned: 75% to 80%
  - 1.4. Dried: 70% +/- of buildings have drying operations in progress.
2. The complex will really look 200% better for the legislative walk through on Monday.
3. Mike McArdle reports that:
  - 3.1. Insulation of steam lines may take about 3 weeks,
  - 3.2. Repairing the condensate system - replacing motors etc. - is also about a 3 week project.
4. David Jennison and crew is busy extracting a trailer from our property containing valuable construction material that floated downstream and is hung up in the wood buffer strip along the Winooski. I hope he's able to get the trailer extracted safely and that he'll have some interesting photos for us.
5. Cleaning protocol still under review by Chris Crothers and Mike Blanchet. GW Savage has not done the test building yet.
6. Safety: OSHA inspector under FEMA auspices will be on site Monday to review work practices.
7. Insurance adjustor - Tom Eaton: Tom Eaton, the adjustor, has arrived on site and making his rounds, some confusion about flow of paper work. When BGS receives invoices copies will be sent to Mr. Eaton.
8. John Ostrum is confident that secure phone lines will be restored to DPS within a couple of days.
9. John has also met with the asbestos abatement crew working near 4 North and has showed them which lines not to touch - the fiber optic going to DPS...
10. Maintenance continues to make a lot of progress too:
  - 10.1. Pressure washing roads and sidewalks,
  - 10.2. Salvaging obsolete motors - metal recycling,
  - 10.3. Helping contractors wherever they can.....
11. **All available staff working on setting up contracts with Deb Damore....This is still URGENT!!** Jodie is working with Deb Damore and setting up about 25 the contracts for entry into VISION. Made good progress today; ENPRO, GW Savage, Crothers Environmental Group, Gristmill, Aardvark, Central Vermont Flooring, and a few others are finally over with Deb - I think.
12. Activities are definitely winding down - I'll try to create a critical path summary next week for reoccupy DPS, Forensics Lab and stabilizing the buildings...
13. Everyone could use a break at this point - we really pushed hard - but it shows too.

That's today's highlights...

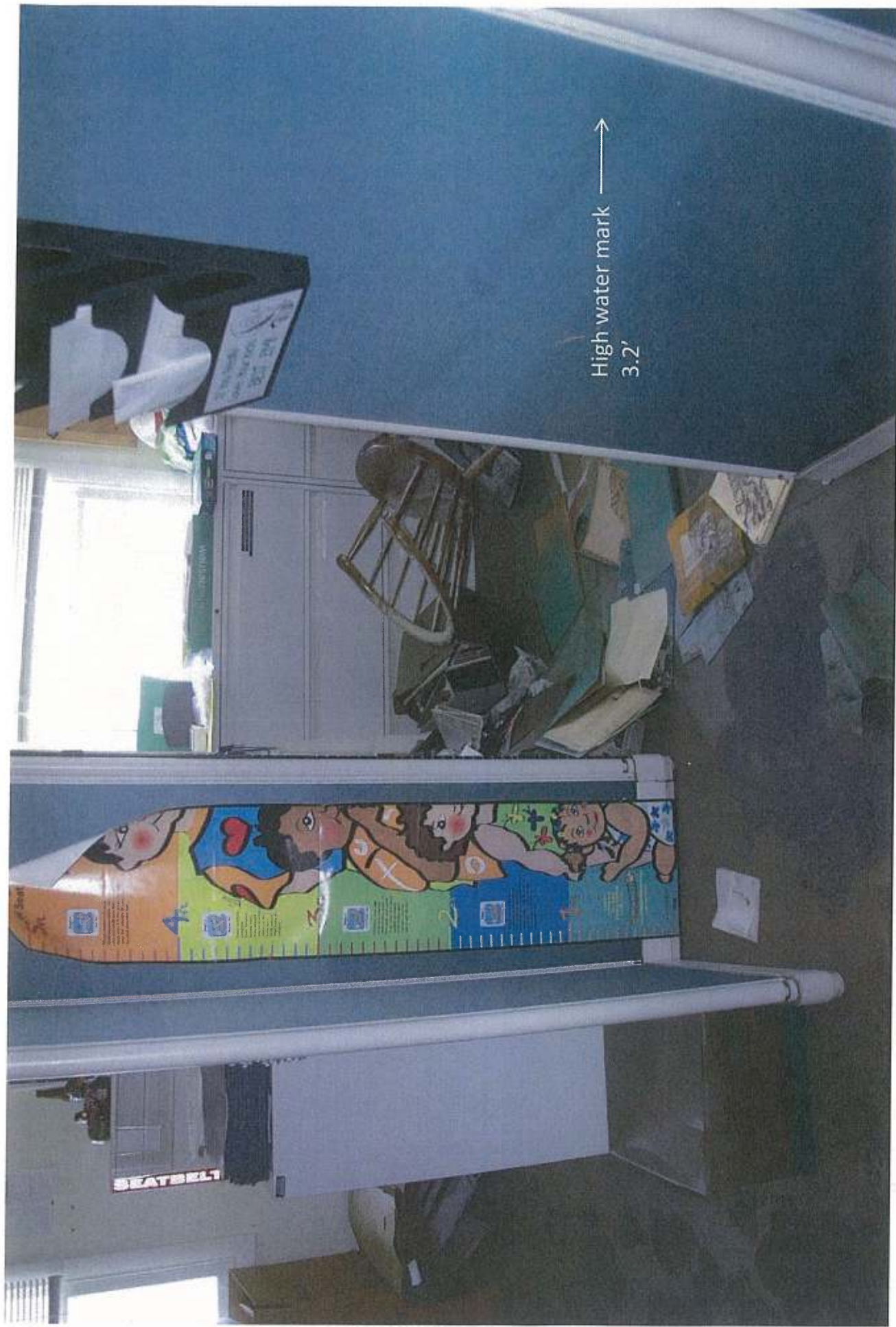








**Complex After**



5 Park Row





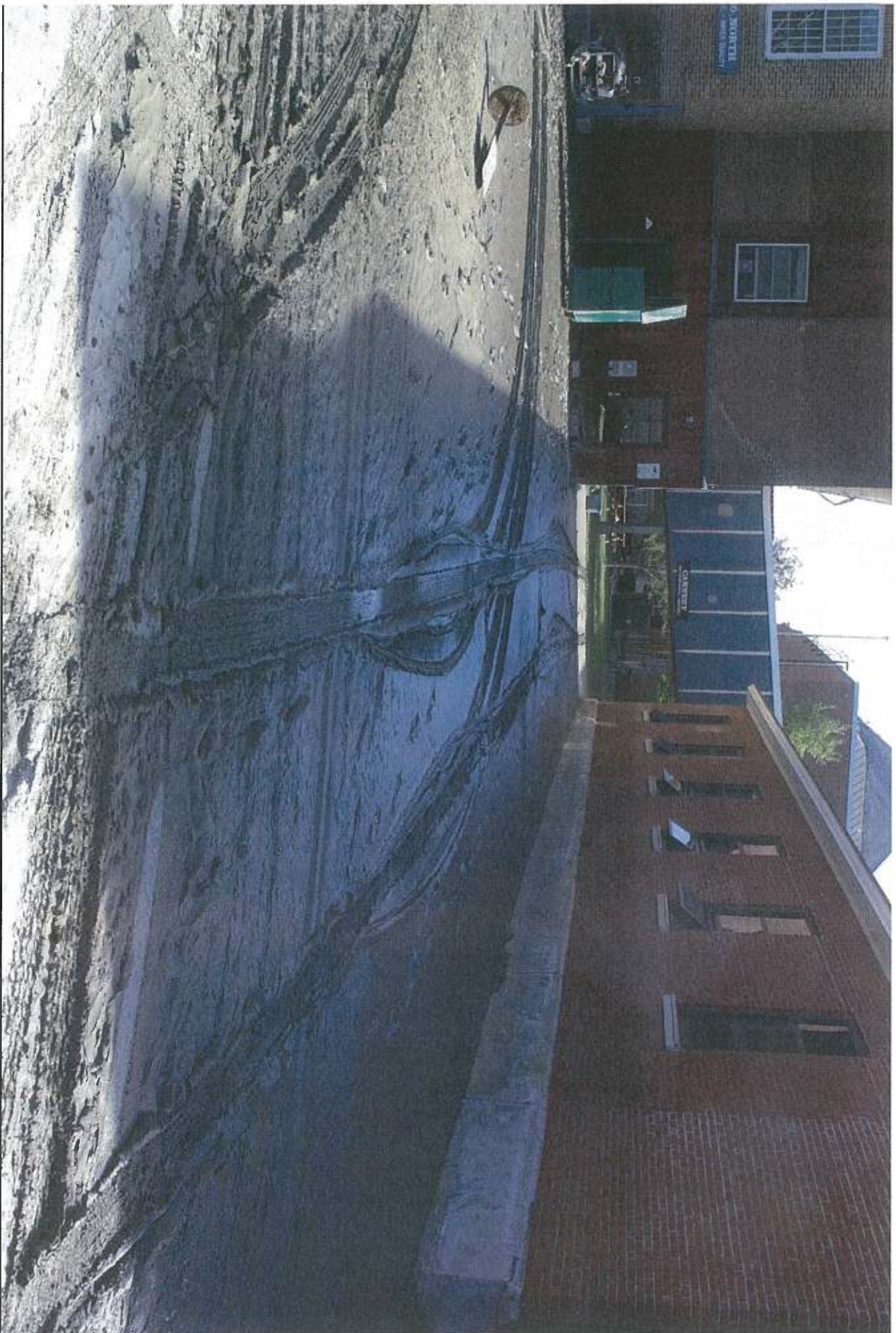
1,2,3 North





**Water Resources & Agricultural Lab**





10 North





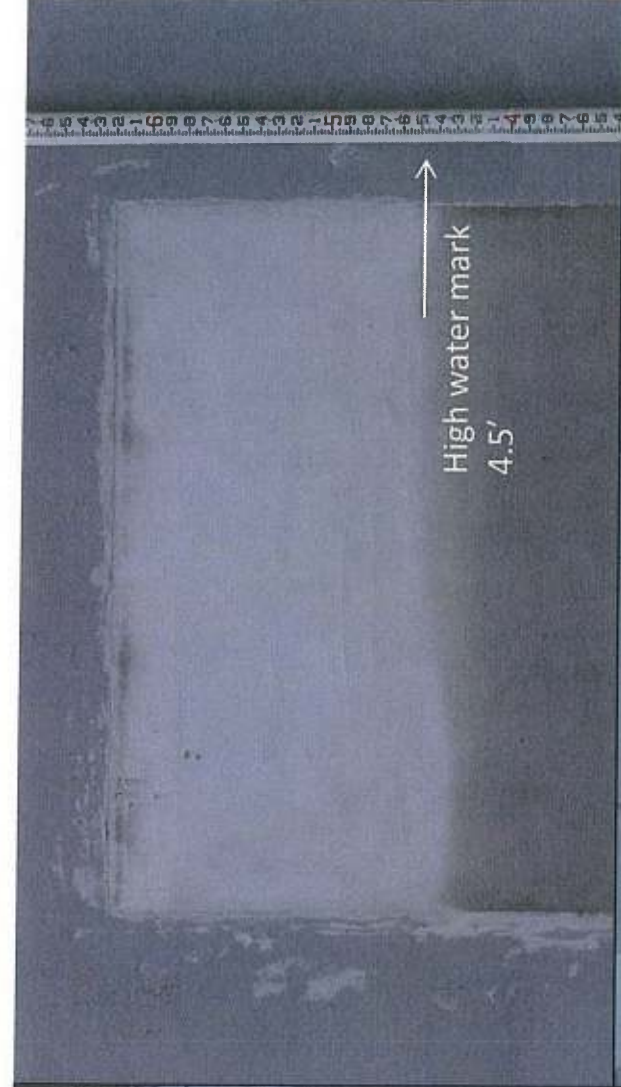
**Behind Water Resources & Agricultural Lab**





**Water Resources  
& Agricultural Lab**





**Dale Building**

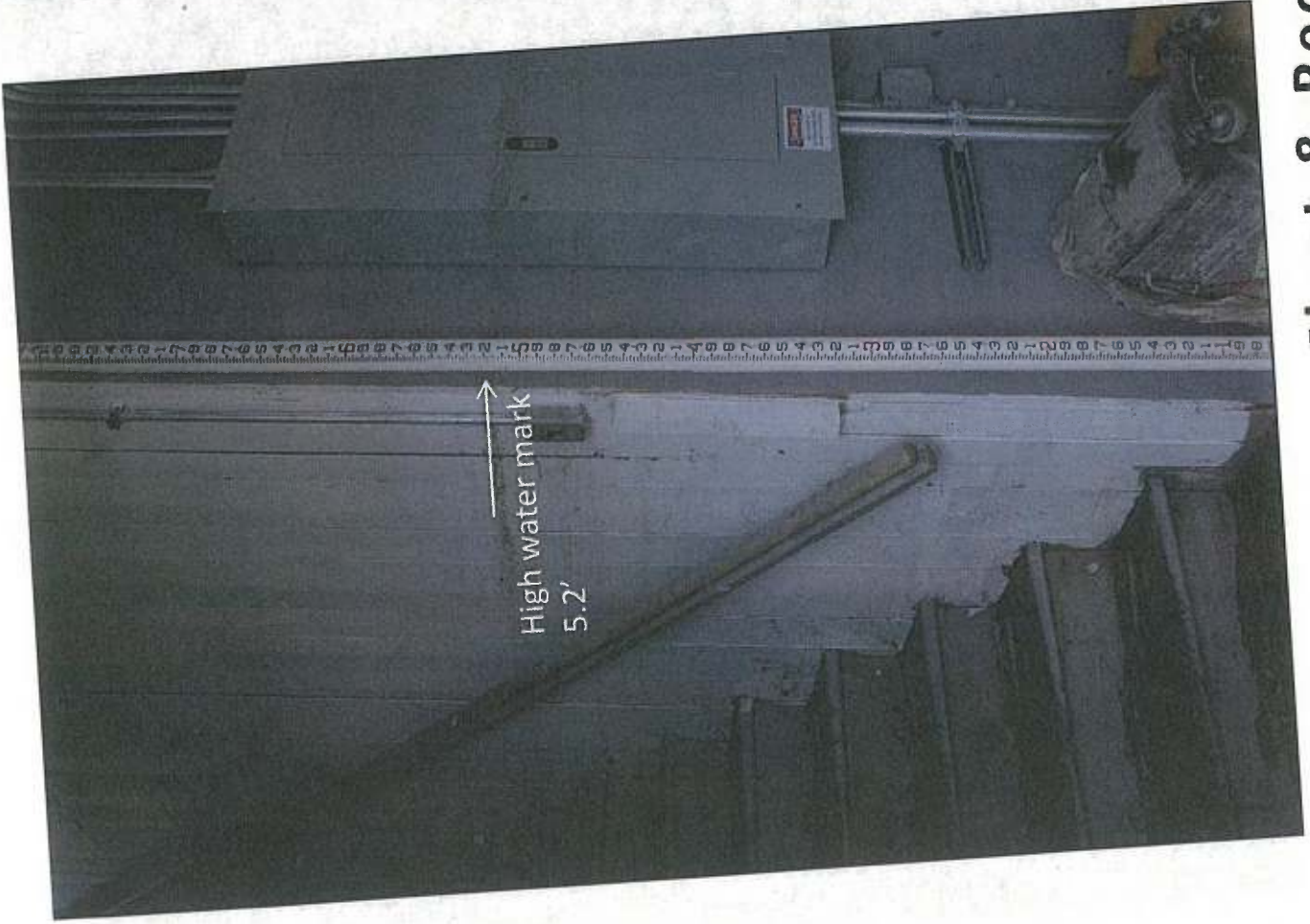




## Court Yard Entrance & Wall







**Fleet & Recycle Building**





**Fleet & Recycle Building**

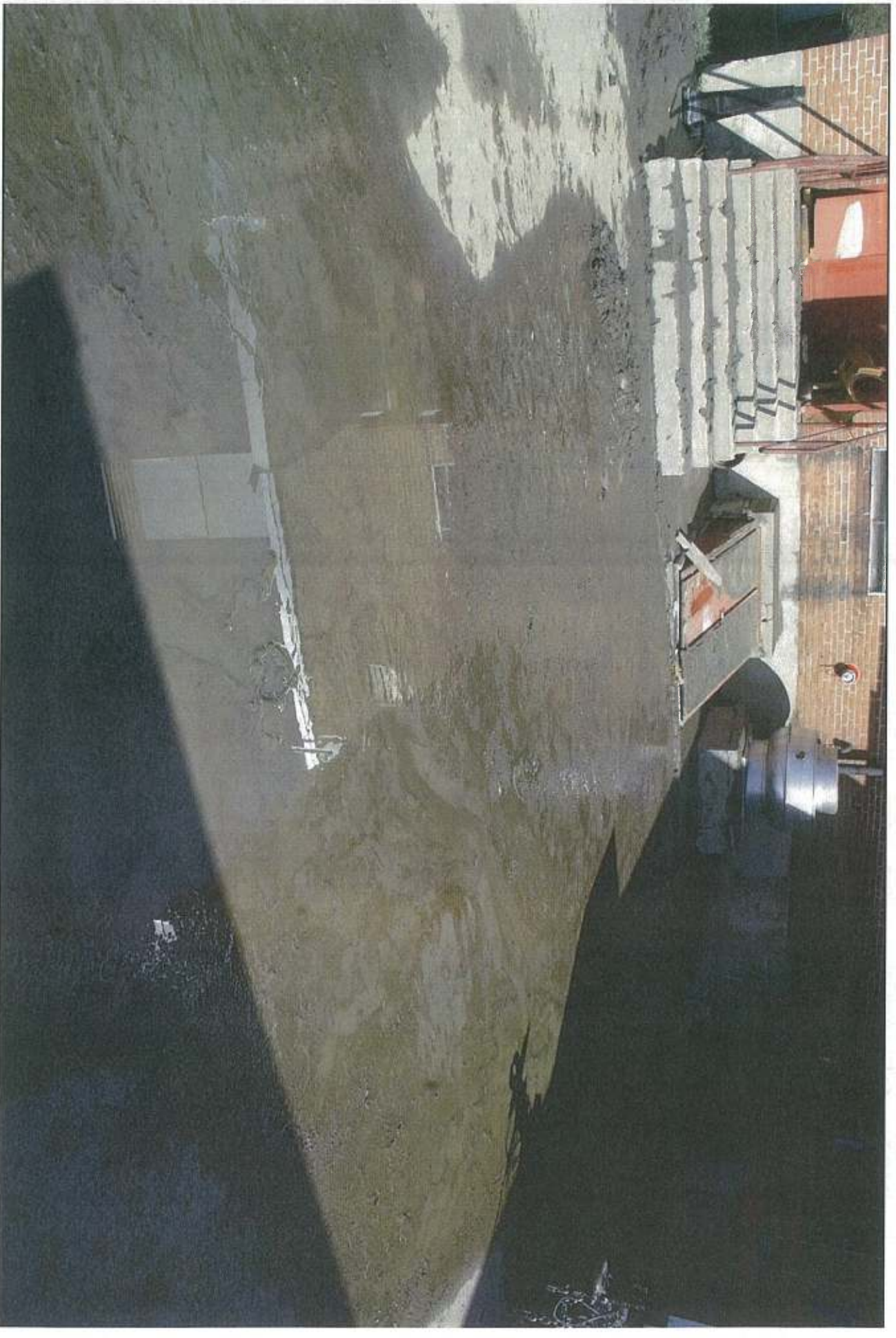




**Kitchen**

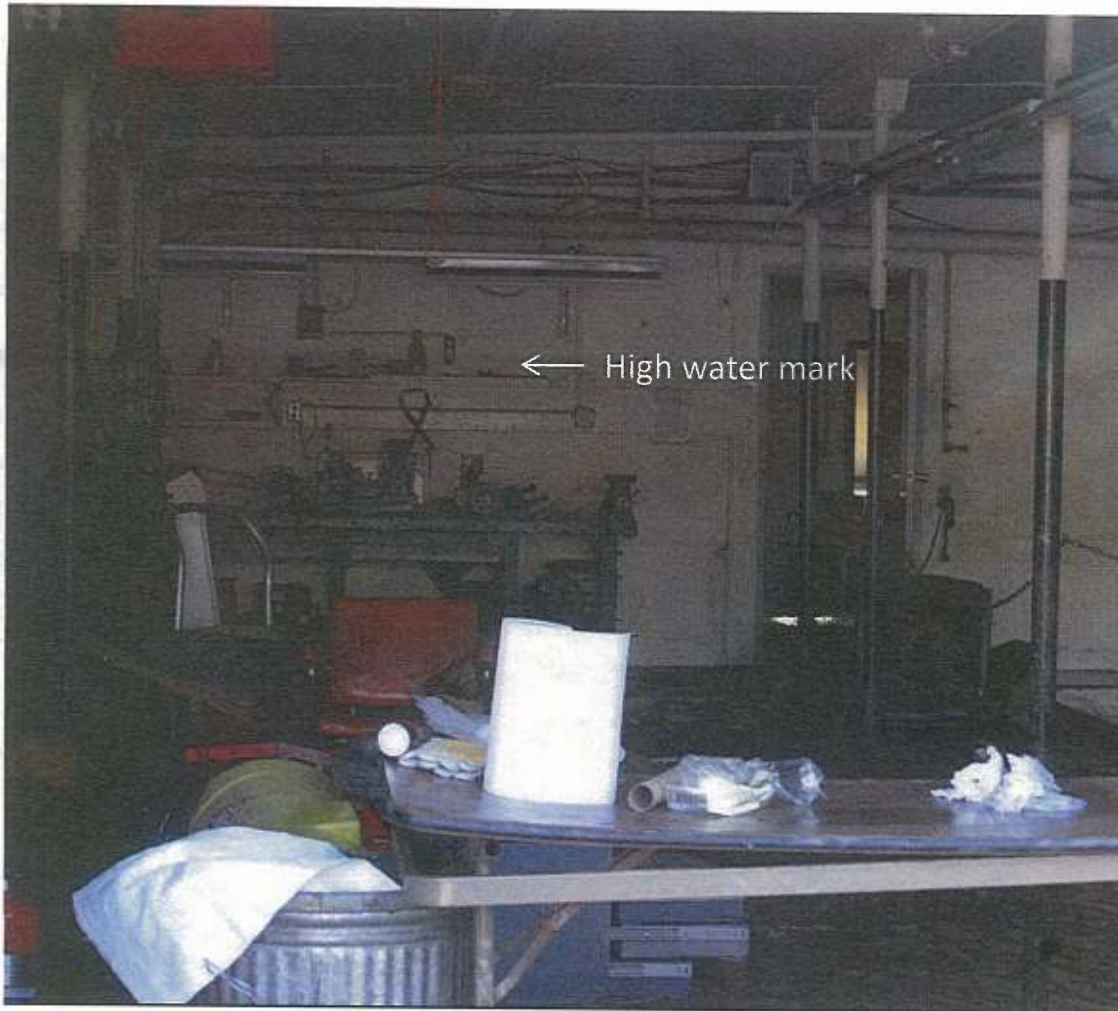






**Kitchen**





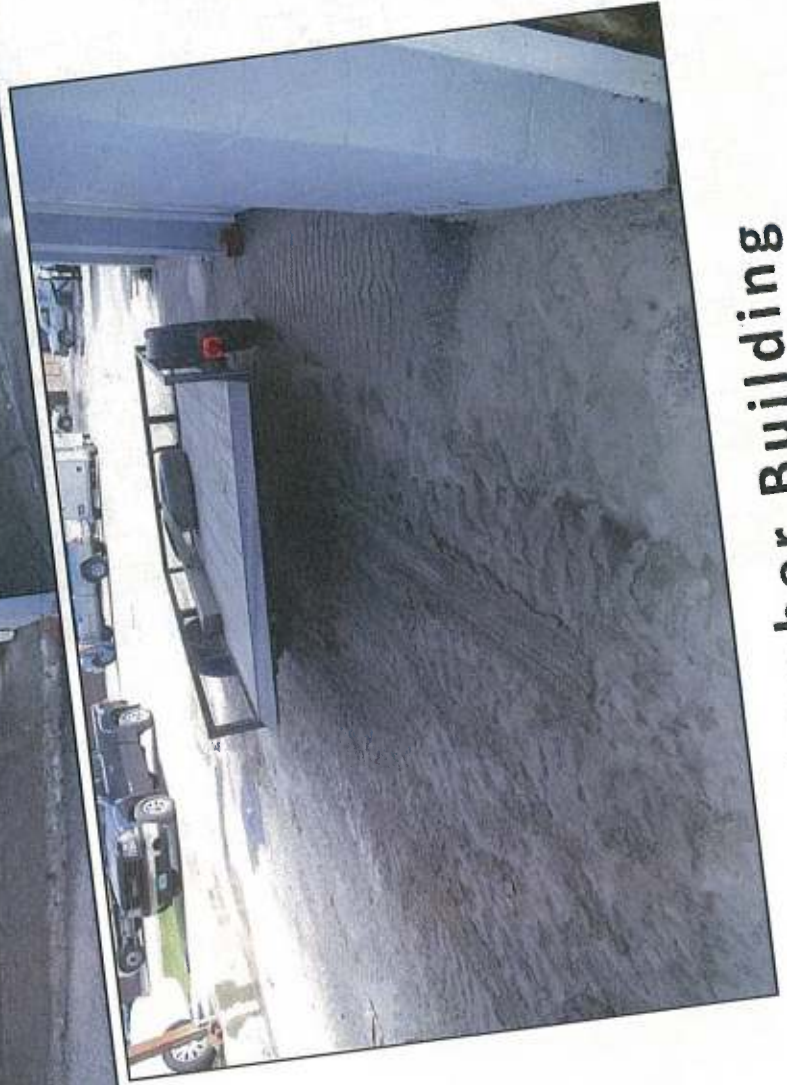
**Maintenance Shop**



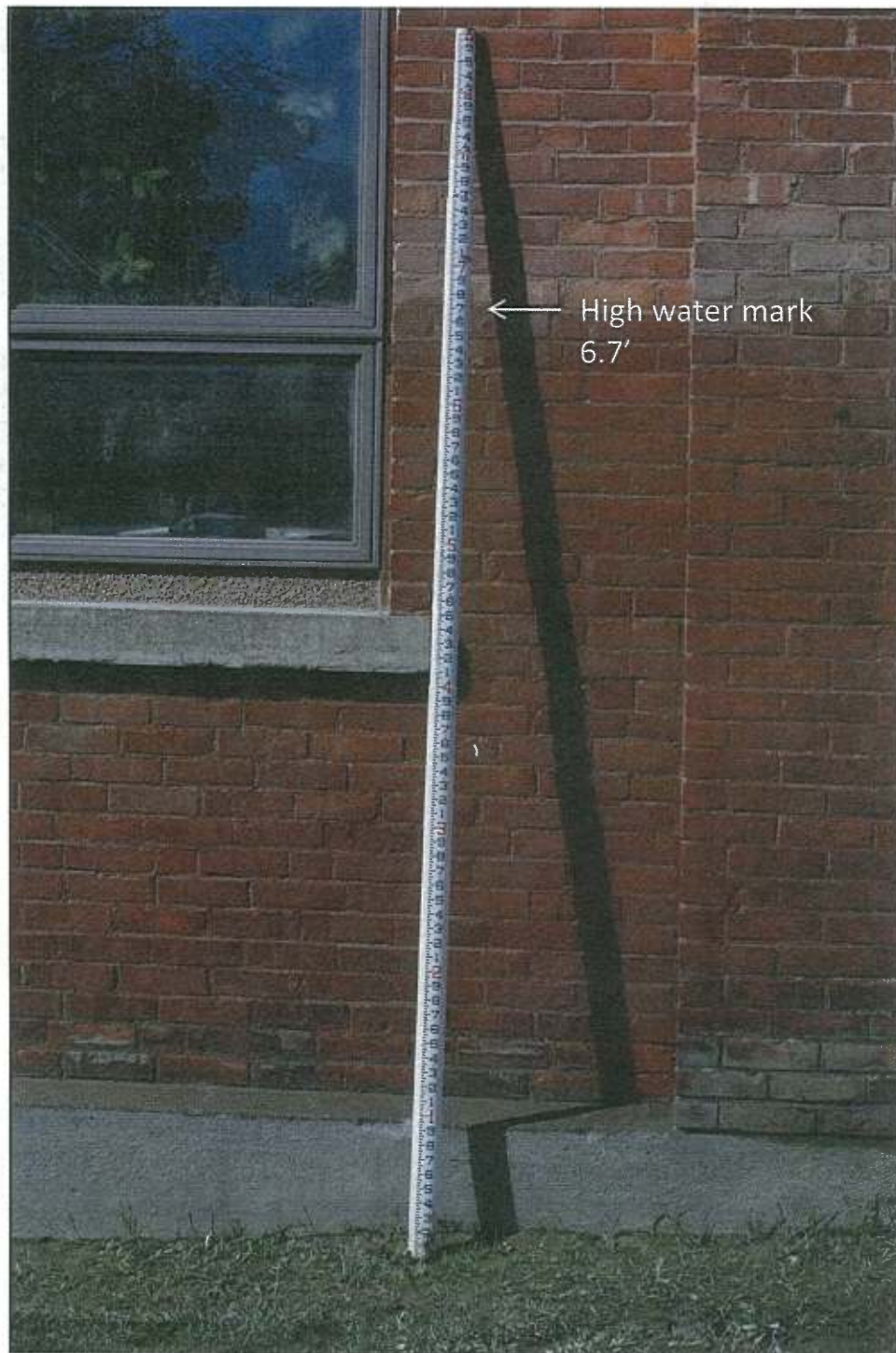


**Maintenance**





**Lumber Building**

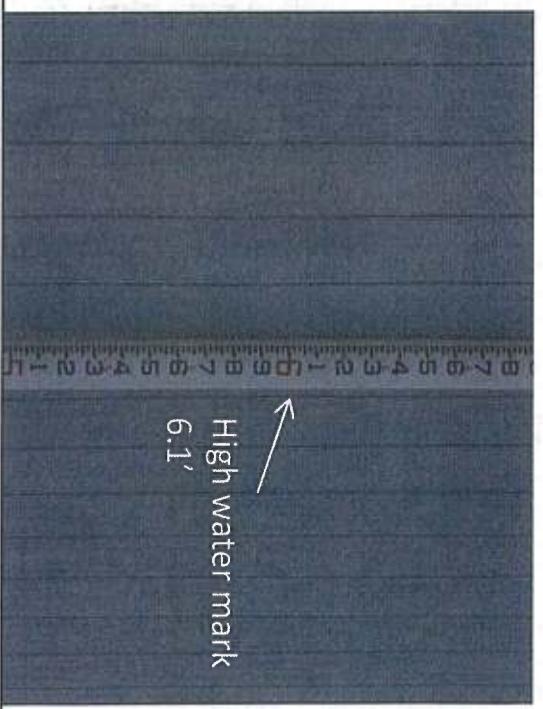






**Old Storehouse**





## Maintenance Garage





Osgood Building







Osgood Building





Osgood Building





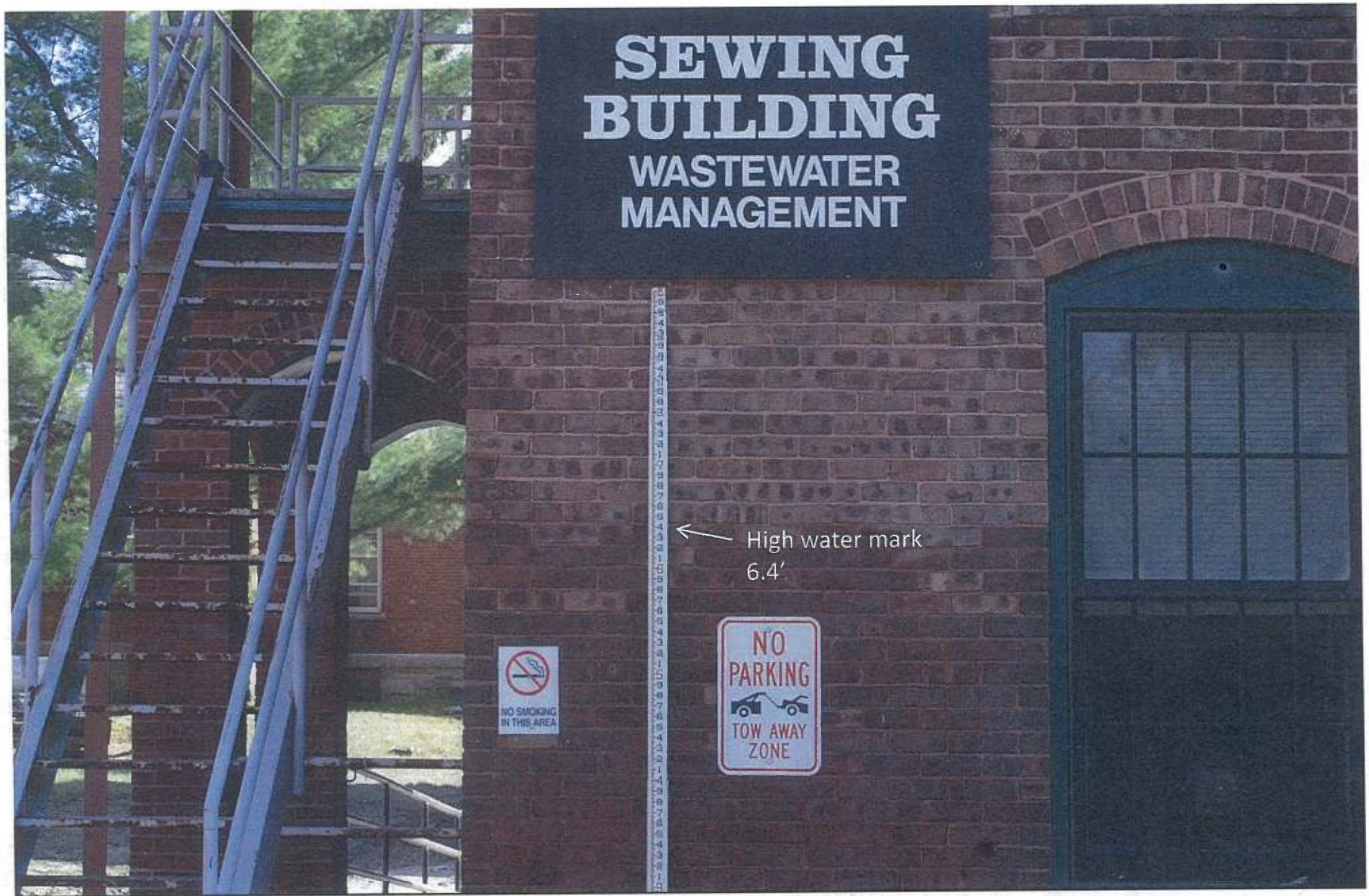
Powerhouse



# Powerhouse







**Sewing Building**





**Stanley Hall**



**Stanley Hall**







Wasson Hall





**Weeks Building**





Looking at Hanks Building



**Weeks Building**





## Fleet Cars





**Fleet Cars**





**Fleet Cars**





**Behind 5 Park Row**

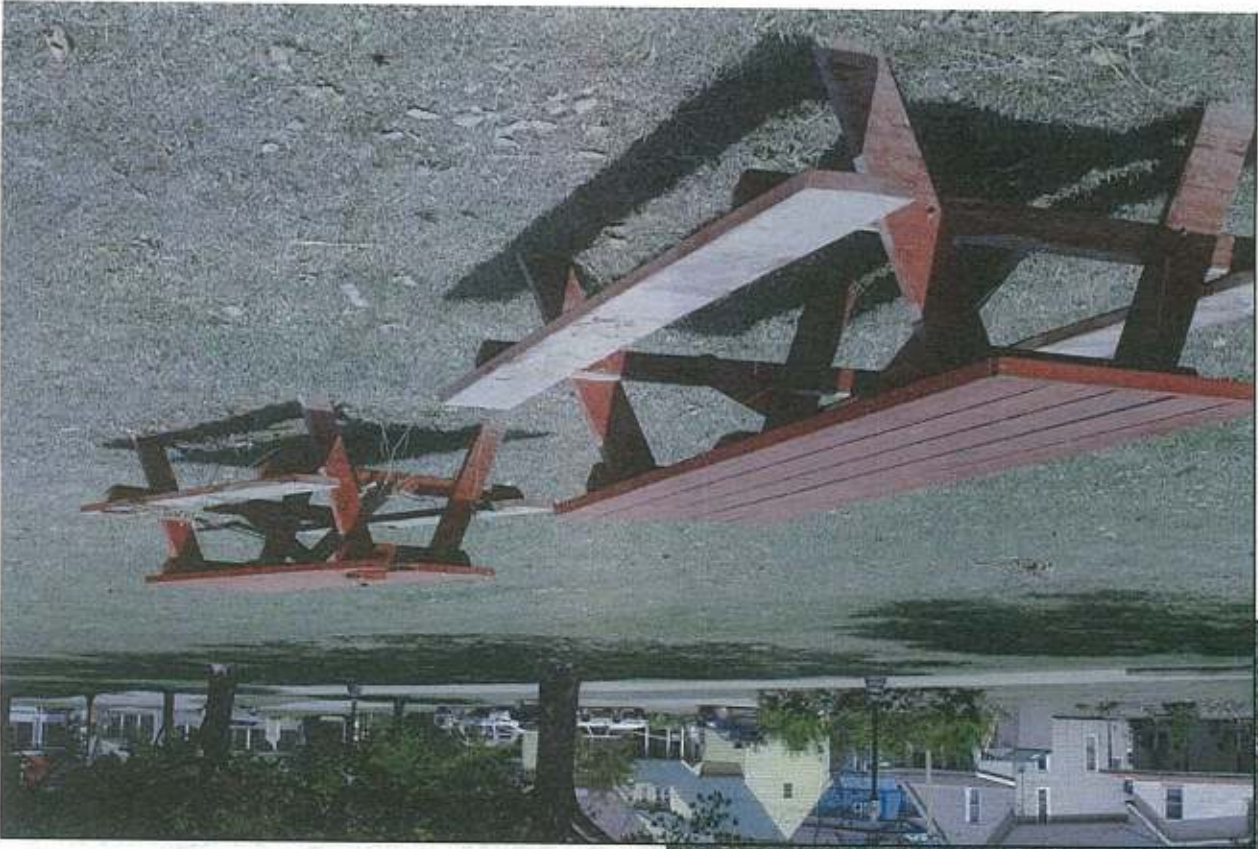




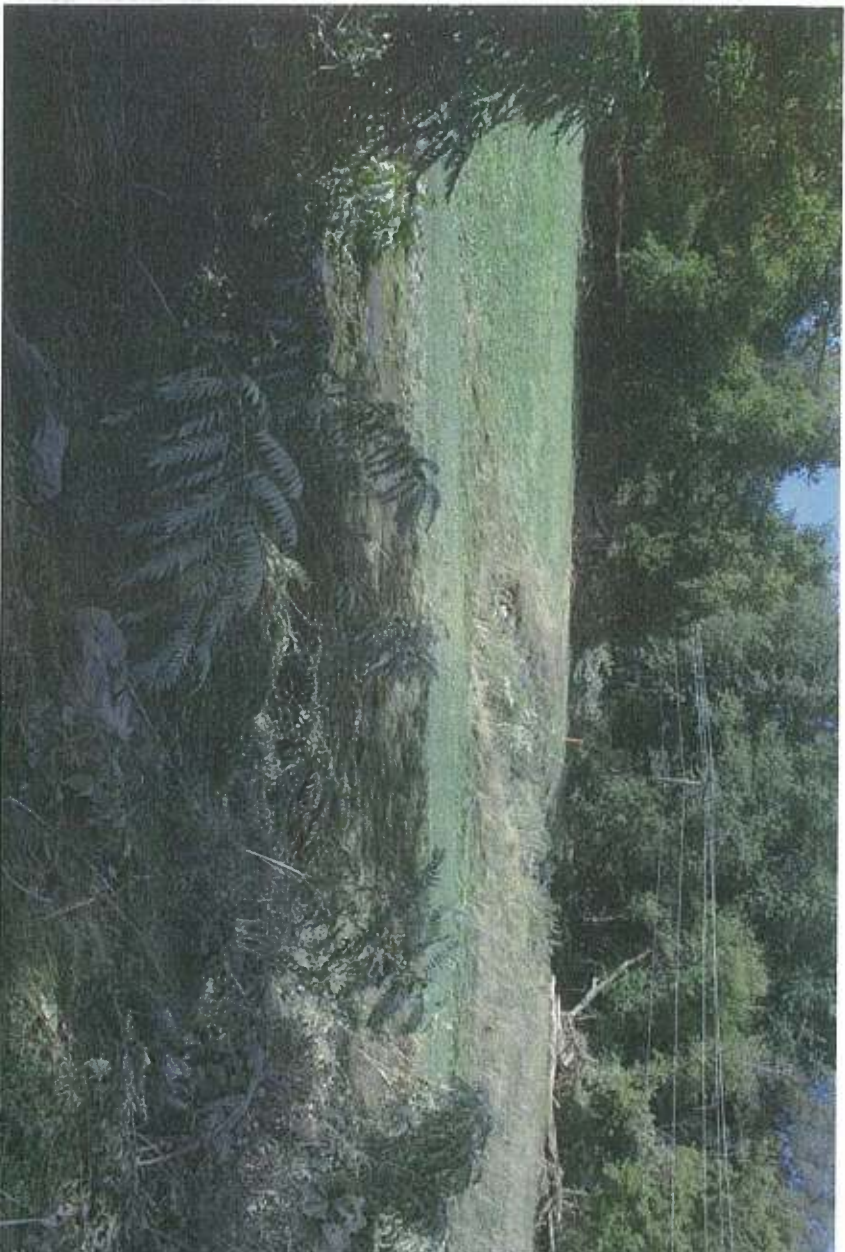
**By Ag Lab & Brooks Building**



Front Lawn







← Behind  
Lumber Building

Beside →  
Maintenance  
Garage





# Osgood Parking Lot





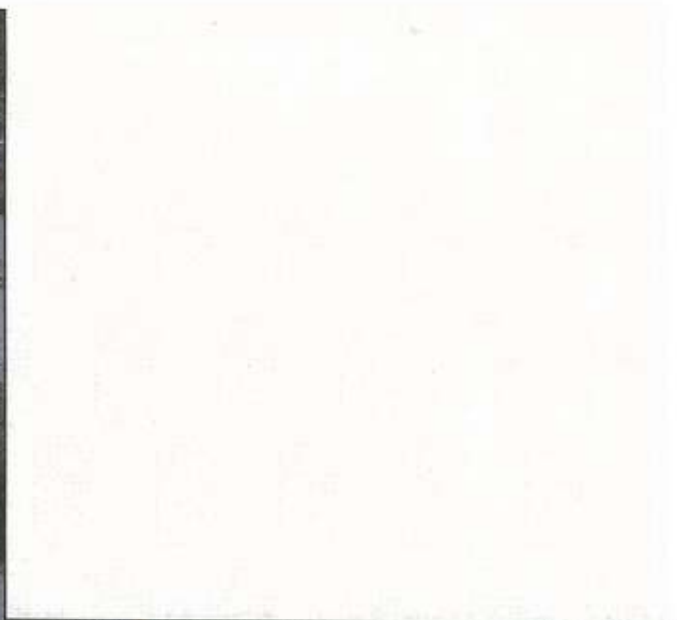


→  
**Parking Lot  
Near Powerhouse**

**→  
Stanley / Wasson  
Parking Lot**







**Walkway  
Behind  
Stanley Hall**





**Damage**





**Damage**

Damage











**Clean Up**



Clean Up







Clean Up





**Clean Up**





**Clean Up**





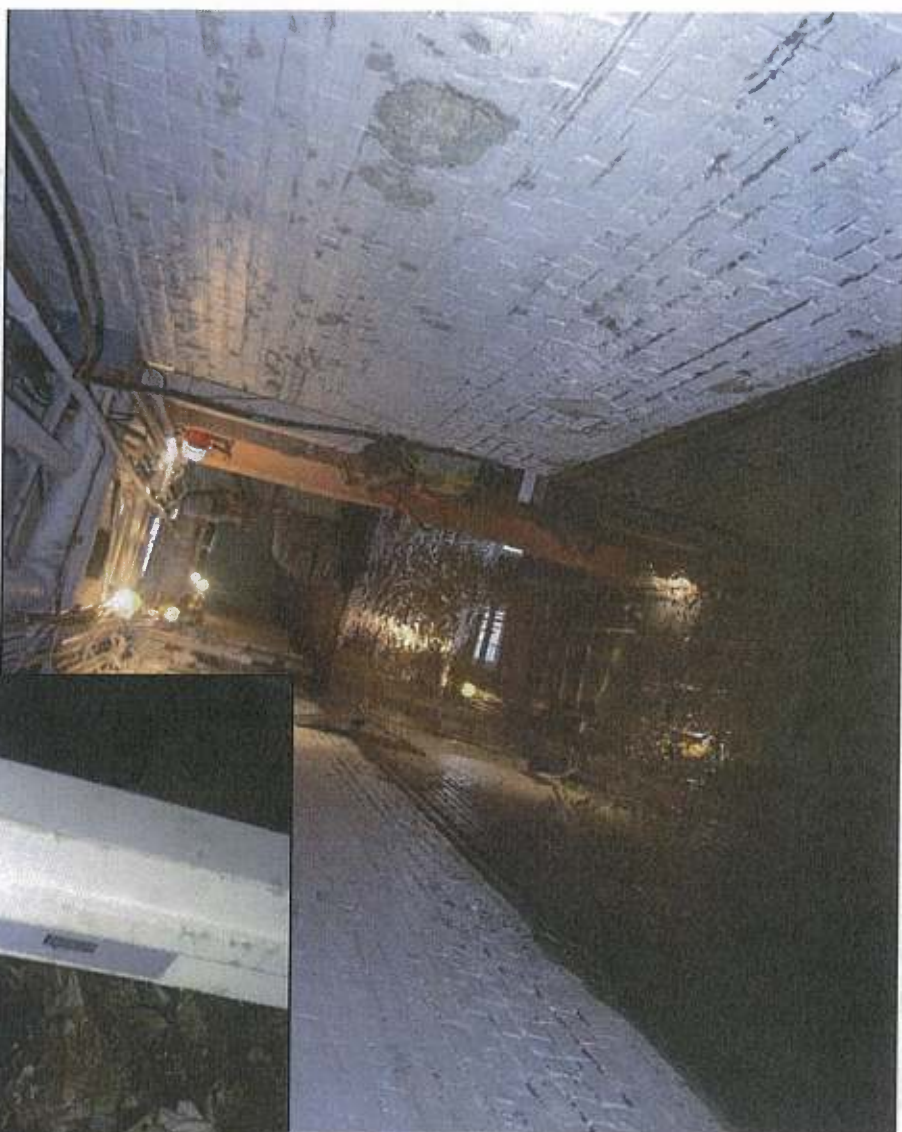
**Clean Up**



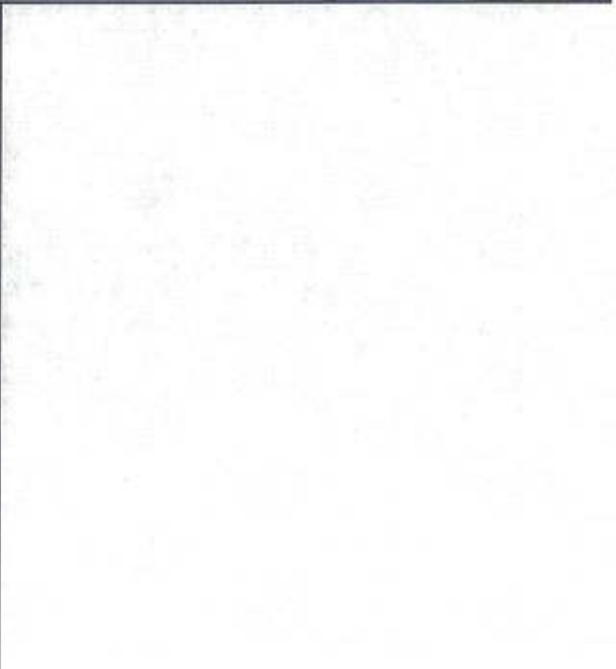


**Damage**





**Damage**



## Damage







Damage



**Damage**







**Damage**



**Damage**



**State Highway Status (as of 9/24/11)**

State Route Segments Closed Post-Storm	146
State Route Segments Reopened	141

(Road segments are open to varying levels of service – 9 are open only to emergency vehicles)

State Route Segments Closed Today	5
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State Bridges Closed Post-Storm	34
State Bridges Reopened	27

State Bridges Closed Today	7
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Total Closures Road & Bridge Post-Storm	180
Total Reopened (many limited service)	167

<b>Total State Road &amp; Bridge Closures</b>	<b>12</b>
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The timing of completing the last 12 closures is not completely clear and is weather dependent. Hopeful that temporary bridges will be in place where needed by the end of October. Route 131 Weathersfield, Route 106 Cavendish and Rt. 107 between Bethel and Stockbridge could take another 8-10 weeks.

**State Rail System Status (as of 9/24/11)**

Total estimated damage to the State-owned rail system is \$20 million to \$26 million. Five bridges were closed and all but one (Bridge 501 in White River Junction) has reopened.

**Local Highway Status (as of 9/23/11)**

The Regional Planning Commissions (RPCs), in partnership with Vermont League of Cities and Towns (VLCT), are assisting towns and helping to assess and document damage to the local system. Damage estimates for the local road system will not be available for some time.

2,135 town roadway segments damaged, 178 town roads remain closed and 36 are open only to emergency vehicles.

283 town bridges damaged, 99 remain closed and 4 are open only to emergency vehicles. 931 town culverts were damaged.

**FHWA Emergency Relief Program (ER) – Covers damage on Federal-aid highway system (excludes most town highways)**

- Current estimate for damages to Federal-aid system is \$500 million to \$700 million.
- Cap is \$100 million in ER funding to a State for each disaster. For disasters that exceed the \$100 million per State cap, Congress may pass special legislation lifting the cap for that disaster.
- VT has already received \$5 million in ER “quick release” funds. We also expect to receive a portion of another \$100 million that becomes available after Oct. 1, 2011.
- Emergency repair work accomplished in the first 180 days after the disaster occurs may be reimbursed at 100 percent Federal share.
- Permanent work (replacing a bridge for example) is generally funded at 80 percent Federal.

Joint Fiscal Committee  
September 26, 2011

- There is a large unfunded backlog of ER nationally – more than \$1 billion.
- VT can use FHWA annual formula funds for ER projects if ER funds are not yet available. \$37 million of FFY2011 FHWA formula funds have been obligated to Irene – ER emergency work. To date no project advertisements have incurred significant delays, but design has slowed as resources are redirected to Irene.
- Senate Appropriations Committee has passed legislation that:
  - Appropriates additional funds for the ER Program.
  - Increases the \$100 million per state cap.
  - Extends the deadline for emergency work beyond the current 180 day limit.
  - Makes the cost of permanent work eligible for 100 percent Federal share.

**FEMA Public Assistance (PA) Program – Covers highway damage off the Federal-aid system (including most town highways)**

- FEMA covers 75 percent of all approved costs. This increases to 90 percent when damage surpasses \$127 per capita, or approximately \$79 million for VT.
- State funds (ERAF - Emergency Relief and Assistance Fund) typically cover half the non-federal share, or 12.5%. ERAF fund is typically funded by transfers from the General Fund.
- Local funds typically cover half the non-federal share, or 12.5%. Local share is reduced to 10% if town has an approved mitigation plan ERAF (state) share increases to 15%.
- FEMA disaster relief fund is largely depleted. VT needs for Congress to act quickly to approve additional FEMA disaster assistance funding.

**Recovery Effort Assistance to Towns**

- VTrans processed \$6.2 million in Town Highway Aid payments early last week that were scheduled for mid-October to assist towns' with cash flow.
- RPC's have taken on the role of coordinating resources for the towns to begin the rebuilding process. The RPC's banded together and formed a Command Center located in Winooski.
- The Lieutenant Governor enlisted the Association of General Contractors to maintain a clearinghouse of contractors and construction assets that were available to the towns. The RPC Command Center is helping to link towns to contractors using this clearinghouse.
- VTrans has hired over a dozen consultants to provide technical assistance directly to the towns to assist them with the FEMA Public Assistance process.
- VLCT is working with the RPC's to provide towns with lists of available Project Managers should towns be overwhelmed with the amount of damage and the resulting large number of construction projects occurring simultaneously.
- VTrans continues to monitor the situation with towns and temporary bridges and is working closely with the RPC Command Center to identify towns that are struggling to secure contractors, project managers or temporary bridges. VTrans is ready to assist as needed.



Andrew Pallito  
B.2.

## DEPARTMENT OF CORRECTIONS DISTRIBUTION OF REINVESTMENT FUNDS

Dated September 26 2011

➤ **The following reinvestment funding was allocated in Act 179 of the 2009 Legislative session and has remained in the departments' appropriated base:**

- ❖ \$1,350,000 was used to increase Transitional Housing, Life Skills programming, expand Housing Readiness and Retention Services, and Housing Assistance Funding.
- ❖ \$650,000 used to be used to provide vocational training and residential substance abuse programs in one or more state-owned and operated work camps.
- ❖ \$365,000 used to expand the ISAP program to include a residential component for those furloughed to the community.
- ❖ \$200,000 used to increase capacity of community substance abuse treatment providers.
- ❖ \$211,000 used to increase the use of electronic monitoring equipment to include automated voice recognition telephone equipment.
- ❖ \$150,000 used to expand availability of public inebriate beds outside the Department of Corrections
- ❖ \$110,000 used for recovery centers.
- ❖ \$100,000 used by the courts for the Sparrow Project.
- ❖ \$50,000 used to increase the capacity of the departments' intensive substance abuse program for offenders with drug abuse disorders who are on preapproved furlough status.

➤ **The Challenge for Change reinvestment money, totaling \$3,164,500, was appropriated in FY'11 and remains in the departments' appropriated base:**

- ❖ \$1,324,000 is being used to increase Transitional Housing, Residential Treatment, and Supportive Services.
- ❖ \$910,500 is being spent on Electronic Monitoring Equipment and increased Field Services Staff.
  - ✓ \$360,000 on Electronic Equipment,
  - ✓ \$550,500 on new positions:
    - 3 FTEs – Correctional Service Team Leaders – Barre, Burlington and St Albans
    - 1 FTE – Correctional Services Specialist I – St Johnsbury
    - 1 FTE – Field Services Compliance Monitor – Waterbury
    - 1 FTE – Corrections Program Supervisor – Barre
    - 1 FTE – Community Re-entry Coordinator – Sex Offenders – Burlington
- ❖ \$650,000 increased investment in Community Justice Center and like programs.
- ❖ \$200,000 to increase capacity of community services providers through the judiciary – Sparrow Project.
- ❖ 80,000 to increase prison treatment programs related to decreasing the program treatment termination from one year to six months.

**State of Vermont**

Department of Finance & Management  
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Montpelier, VT 05620-0401

*Agency of Administration*

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**MEMORANDUM**

**TO:** Joint Fiscal Committee  
**CC:** Jeb Spaulding, Jim Reardon, Susan Zeller, Matt Riven,  
Steve Klein, Stephanie Barrett and Theresa Utton  
**FROM:** Jim Reardon, Commissioner  
**RE:** General Fund Revenue Shortfall Reserve  
**DATE:** August 25, 2011

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In accordance with 32 V.S.A. 308d (d) we hereby report that the balance in the General Fund Revenue Shortfall Reserve at June 30, 2011 is \$3,879,828.47. This amount was reserved as part of FY 2011 close-out, as per Act 63 § E.600.1 of the 2011 session. This balance remains in the Reserve and available for appropriation, pending legislative action during the 2012 session.

Please contact me if you require additional information.



## State of Vermont

## Agency of Administration

## Office of the Secretary

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Jeb Spaulding, Secretary

## MEMORANDUM

TO: Joint Fiscal Committee  
CC: Jim Reardon, Sue Zeller, Matt Riven, Steve Klein, Stephanie Barrett  
FROM: Jeb Spaulding, Secretary  
RE: Human Services Caseload Reserve  
DATE: September 26, 2011

Pursuant to 32 V.S.A § 308b(b), I am reporting on the activity in the Human Services Caseload Reserve during FY 2011, as follows:

<b>Reserve Balance at July 1, 2010</b>	<b>\$70,000.00</b>	
Amount reserved per 2010 Act 156 § D.101(a)(1)(c)	62,264,000.00	Estimated enhanced FMAP
Amount liquidated and transferred to Global Commitment	(24,560,012.40)	Adjustment based on receipt of actual enhanced FMAP
Amount liquidated per 2010 Act 1560 §§ D.106(b) through (d)	(35,599,440.00)	Used for contingent appropriations
Amount reserved per 2011 Act 63 § C.104	3,600,000.00	Available from Medicaid programs close-out
Amount reserved per 2010 Act 3 § 50(a), as amended by 2011 Act 63 § C.110	29,540,000.00	Reserved for appropriation in FY 2012
Amount reserved per 2010 Act 3 § 50(d), as amended by 2011 Act 63 § C.110	24,850,646.34	General Fund unencumbered and unreserved balance at close-out
<b>Reserve Balance at June 30, 2011</b>	<b>\$ 60,165,193.94</b>	

In 2011 Act 63 § 29,500,000 was unreserved and made available for appropriation for the agency of human services caseload costs, offsets to federal funding changes, or related human services expenditures in fiscal year 2012. Subsequent to the July 2011 General Fund Consensus Revenue Forecast, adopted by the Vermont Emergency Board at the July 21, 2011 meeting, the amount projected to be transferred for use by the agency of human services is \$28,160,000. Additionally, subsequent to FY 2011 close-out, \$1.34 million was transferred from Long Term Care to the Human Services Caseload Reserve in FY 2012.



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Agency of Administration

### Joint Fiscal Committee

September 26, 2011

Jim Reardon, Commission of Finance & Management

FY 2011 Revenue vs. Target				
Major Fund (\$ millions)	FY 2011 Final	FY 2011 Target (Jan 2011)	FY 2011 Prelim. vs. Target	
			Amount	Percent
General Fund	\$1,156.69	\$1,117.50	+\$39.19	+3.51%
	Changes Other Revenue Items (PTT, SpedMed, Gross Receipts)		+\$0.14	
	FY 2011 GF WATERFALL:			
	Unemployment Insurance		-\$ 3.60	2011 Act 63 § C.110(b)
	To Sec. Admin. for Fed Cuts		-\$ 7.00	2011 Act 63 § C.110(c)
	To Revenue Shortfall reserve		-\$3.88	2011 Act 63 § E.600.1
	Bal. Rev. Exceeds Target - Reserved to Human Services Caseload		-\$24.85	2011 Act 63 § C.110(d)
	Unreserved Undesignated GF Balance		\$ 0.00	
Transportation Fund	\$ 217.80	\$ 217.83	+\$0.03	+0.01%
Education Fund	\$ 154.40	\$ 153.83	+\$0.57	+0.37%

FY 2011 Close-out – Direct Apps/Reversions			
General Fund (\$ millions)	Final FY 2011 Closeout	Assumed FY 2011 BAA	Amount +Change-
Direct Applications & Reversions	\$40.74	\$34.98	+\$5.76

FY 2011 Reserves & Designated Items		
General Fund (\$ millions)	FY 2011 Closeout	Explanation
Trans. To Higher Ed Trust Fund	\$11.00	1 <sup>st</sup> \$11 m from 125%+ Estate Tax – 20121 – 2011 Act 3 § E.600(1)
To Dept. Labor	\$ 3.60	For UI – 2011 Act 63 § C.110(b)
To Sec Admin.	\$ 7.00	Federal cuts – 2011 Act 63 § C.110 (c)
Revenue Shortfall Reserve	\$ 3.88	Transferred to GF from H. Ed Trust Fund and then reserved for federal cuts - 2011 Act 63 § E.600.1
Budget Stabilization Reserve	\$54.37	Full Statutory 5%
HS Caseload Reserve	\$60.17	+\$0.07 Prior Balance +\$2.105 Residual after adjustment for e-FMAP and one-time contingent approps; +\$29.54 Act 63 § C.110 (already appropriated in FY 12 Budget) +\$24.851 Rev excess GF balance – 2011 Act 63 § C.110 (d) +\$ 3.60 Brought in as Reversion from GC & LTC then to HS Caseload





<p align="center"><b>Joint Fiscal Committee</b>  <b>September 26, 2011</b>          Jim Reardon, Commissioner of Finance &amp; Management</p>	
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<b>FY 2012 GF AVAILABLE FROM FY 2011 LESS UPWARD PRESSURE</b>	
<b>\$ Amount (millions)</b>	<b>Explanation</b>
<b>FY 2011 - AVAILABLE FOR FY 2012</b>	
+\$3.230	To Labor for UI
+\$7.000	Held for carryforward in Sec. Admin for federal cuts
+\$3.880	Reserved in Shortfall Reserve for Federal Cuts
+\$60.170	6/30/11 Human Services Caseload Reserve Balance
+\$74.280	Total Reserved or Set Aside for FY 2012
+\$7.300	July 21, 2011 E-Board Revenue Upgrade for FY 2012
+1.3400	Add'l Available from LTC in FY 2012
+\$82.920	Total Reserved or Set Aside plus Upgrade for FY 2012

<b>PROJECTED FY 2012 UPWARD PRESSURE</b>	
<b>A. PREVIOUSLY APPROPRIATED AND KNOWN</b>	
\$29.540	Appropriated in FY 2012 As Passed from HS Caseload
\$10.880	Set Aside and reserved for federal cuts
\$ 2.000	BAA correction - \$2m of \$12m savings target not achieved FY 2011
\$42.420	Sub-Total Appropriated and Known
<b>B. FY 2012 PROJECTED BUDGET ADJUSTMENT NEEDS</b>	
\$ 0.627	Sarcoidosis Fund
\$ 1.209	Renter Rebate FY 2011 Claims Needs
\$ 3.000	Litigation Costs
\$ 2.100	UI Repayment
\$ 3.300	Vermont State Hospital Recertification
\$ 0.575	Vermont Troopers' Contract
\$ 0.526	Reduction to assumed revenue for federal DOC bed rental
\$ 5.000	ERAF re-fund DOC
\$ 1.800	VEDA loan program
-\$10.000	Medicaid base adjustment
\$ 2.500	DOC
\$ 7.500	Transportation
\$ 5.000	Irene base costs (estimate)
???	LIHEAP needs
\$ 0.530	Budget Stabilization – 5% of FY 2011 Waterfall Appropriations
\$23.667	Sub-Total Projected BAA Needs
\$66.087	Sub-Total Projected BAA Needs
\$16.833	Estimated Unassigned and Undesignated for FY





**VERMONT**

## **Pregnancy Care Program to Improve Maternal and Infant Health Outcomes**

Report to:  
Joint Fiscal Committee

Agency of Human Services  
Douglas A. Racine, Secretary

September 26, 2011



## **Introduction/Background**

During the 2010-2011 legislative session, the Department of Vermont Health Access (DVHA) was asked for a preliminary analysis of the potential benefits that might be achieved through introducing a program for high risk pregnancies in the Medicaid population. At that time, DVHA completed a limited analysis of the cost of preterm neonatal intensive care unit (NICU) hospital stays among Vermont Medicaid beneficiaries during SFY 2009 and SFY 2010. The DVHA also engaged in preliminary discussions with its care management vendor, APS Healthcare (APS); APS provides care management services to pregnant women in its Wyoming and Hawaii Medicaid programs. APS and others have found that care management/care coordination programs for high risk pregnancies can provide benefits by reducing adverse birth outcomes, such as maternal complications, prolonged hospital stays for new mothers, premature births, low birth weight, NICU admissions, and infant mortality.

Preterm births are a leading cause of birth complications. The March of Dimes has reported that more than half a million babies are born preterm in the United States each year. According to the Institute of Medicine, preterm birth is a serious health problem that costs the United States more than \$26 billion annually in medical, educational and lost productivity costs. It is the leading cause of neonatal death, and babies who survive an early birth often face the risk of lifetime health challenges and developmental disabilities. High risk pregnancies may be related to many other risks, as well, including the risk of low birth weight, potential for maternal complications, timing and quality of prenatal care, and the presence of birth defects.

The most recent maternal and child health data (2009) reported for Vermont indicate 83% of pregnant women received early (first trimester) prenatal care. 9.2% of births were preterm (<37 weeks), 6.7% were low birth weight (<2500g), and Vermont's infant mortality rate (death prior to one year of age) was 6.1 deaths per 1000. While these rates are better than the national averages, many risk factors can be addressed to further improve maternal and infant health outcomes. Early prenatal care, achieving a healthy weight, moderate exercise, a healthy diet, reducing stress, and avoiding exposure to smoking, alcohol, illegal drugs and some medications all are positive steps women can take to reduce risks. These improvements are often supported through providing women with education and support, effective care coordination, and linkage with health and community resources.

DVHA's preliminary analysis suggested a potential annual cost savings opportunity of approximately \$400,000 from implementing a state-wide high risk pregnancy care management program. Similar programs have realized savings through enhanced outreach to providers and potentially eligible pregnant women, better education and prevention, improved service coordination, and addressing gaps in available services.

2011 Act 63 (H.441), § E.300(d), included the following charge to the Secretary of the Agency of Human Services (AHS):

*The secretary in consultation with the department of health access and the department of health shall report to the joint fiscal committee in September 2011 on the existing programs and scope of services including case management services available to pregnant women identified as high-risk. This shall include the resources available within state funded programs as well as other programs serving this population. The secretary shall include recommendations in the report for steps that may be taken to better coordinate services and reduce the potential for negative outcomes and higher costs related to these cases. The secretary is authorized to implement these recommendations provided they will result in more cost-effective service and are net budget neutral.*

To respond to this legislative mandate, the DVHA, in collaboration with the Vermont Department of Health (VDH), convened a workgroup of internal and external stakeholders, including the following:

- Agency of Human Services (AHS)
  - Secretary's Office - Integrated Family Services (IFS)
- DVHA
  - Division of Health Services and Managed Care
  - Vermont Chronic Care Initiative (VCCI)
- VDH
  - Maternal and Child Health (MCH)
  - Early Periodic Screening, Diagnosis and Treatment (EPSDT)
  - Vermont WIC Program
  - Alcohol and Drug Abuse Programs (ADAP)
- Department for Children and Families Child Development Division (DCF-CDD)
  - Children's Integrated Services (CIS)
- University of Vermont (UVM)
- March of Dimes

In addition, a BlueCross BlueShield of Vermont (BCBSVT) representative provided an overview of its maternal wellness program, *Better Beginnings*. BCBSVT reports an overall return on investment of 5.5:1 for this program that uses two RN case managers trained in obstetrics to provide telephonic outreach, education and support to beneficiaries. Finally, APS Healthcare, DVHA's care management vendor, analyzed Vermont Medicaid high risk pregnancy data and also provided information on other states' high risk pregnancy care management programs.



## **High Risk Pregnancy Workgroup**

The workgroup engaged in the following activities:

- Researched definitions of *high risk pregnancy*.
- Conducted an environmental scan of existing programs and services currently available in Vermont for high risk pregnancies.
- Reviewed analyses indicating the number of high risk pregnancies in the Vermont Medicaid population, estimated costs, and potential savings opportunities.
- Obtained provider input on assessments and program needs.
- Reviewed evidence-based high risk pregnancy program models.

A smaller core group (DVHA, VDH, IFS) completed the following:

- Reviewed provider feedback.
- Identified opportunities for improved outreach, improved service coordination, and enhanced services.
- Developed general recommendations for addressing these improvement opportunities.

## **Workgroup Outcomes**

### **Definition**

While there is no universally accepted definition of “high risk pregnancy,” the workgroup decided a broad definition would be most useful because it identifies the largest number of high risk pregnant Medicaid beneficiaries and thereby provides the greatest opportunity for prevention through education and effective prenatal care. Consequently, the workgroup recommended that for this project Vermont adopt the following definition of high risk pregnancy, which is used by the Society for Maternal-Fetal Medicine:

*A high-risk pregnancy is one in which some condition puts the mother or the developing fetus, or both, at an increased risk for complications during or after pregnancy and birth.*

Using this definition, diagnostic codes associated with high risk pregnancy, and the Merck method of pregnancy risk stratification, DVHA’s care management vendor APS analyzed CY 2010 Medicaid claims data. 1,394 high-risk pregnancies were identified in the Medicaid population, representing a little over 40% of all pregnancies during this period. APS estimated approximately \$456,000 could be saved through addressing uncoordinated care in this population.

### **Environmental Scan (see Attachment #1)**

The workgroup’s environmental scan of programs and services in Vermont for pregnant women identified numerous and diverse programs, including state-led human services

programs, community-based programs, and programs supported through state chapters of private organizations (e.g., Vermont chapter of the March of Dimes). These programs all share the common goal of providing high quality health services to mothers, children, and families in Vermont.

A multidisciplinary range of health services is offered in Vermont, as appropriate, to pregnant women (and their families), including physical exams, dental and health screening, nutrition, social services, education, and referral services. The primary objectives of the majority of services are to provide health promotion, prevention, and early intervention to women in an effort to improve birth outcomes, including decreasing the incidence of premature births, infant mortality, low birth weight and other complications related to pregnancy and birth. In addition, many programs promote and assure comprehensive primary health care for children from birth to age 21. While smaller in number, several dedicated programs exist that target special populations, such as low-income pregnant women, pregnant teens, pregnant women addicted to substances such as tobacco or opiates, and pregnant women with mental health co-occurring disorders.

Among the multiple programs within the Agency of Human Services that provide health education and services to pregnant women, children, and families, three (3) were identified with the greatest focus on high risk pregnancies:

- Children's Integrated Services (CIS) within the Department for Children and Families, which is part of Integrated Family Services (IFS) in the Agency of Human Services (AHS) Secretary's Office;
- Maternal and Child Health (MCH) Services at the Vermont Department of Health [MCH Coordinators, WIC, and the Nurse Family Partnership (NFP) Home Visiting Program];
- The Vermont Chronic Care Initiative (VCCI) at the Department of Vermont Health Access.

(1). Children's Integrated Services. As part of IFS, CIS provides health promotion, prevention, and early intervention services to pregnant and post-partum women, infants and children birth to age six, and their families and child development providers. CIS provides services for women during pregnancy such as finding medical and dental care, providing information about health risks to both mother and infant, learning about a healthy diet for the mother and baby, and finding childbirth education classes. Postpartum services include maternal-child health nursing and breastfeeding support.

CIS has 12 regional coordinators, one in each AHS district. Typically, they are employed by a Parent Child Center or other child care support agencies. All referrals come to the CIS Coordinators, who review them with the CIS Intake and Referral Team. Standard intake and referral forms have been developed for use by local CIS Teams and service providers. The CIS Intake and Referral Teams meet weekly and include family support workers from Parent Child Centers and/or Home Health Agencies, mental health designated agencies, VDH Maternal and Child Health Coordinators, and



others as determined locally. They triage referrals and cases to determine the most beneficial services and also assign someone to make the initial contact with the woman or family to complete an assessment. CIS Coordinators also lead local CIS System Teams, which meet monthly and address systemic issues within the local system of care. Some communities have a third CIS team, the Consultation Team, which meets as needed to address special cases for which targeted assistance is needed (e.g., substance abuse, housing, etc.). Finally, the CIS Coordinators are the liaison and provide coordination with regional service providers and other community teams including another IFS entity, the Local Interagency Teams (LITs), Blueprint Community Health Teams (CHTs) including DVHA care coordinators, etc. Standard Intake and Referral Forms have been developed for use by local IFS/CIS Teams and service providers.

(2). Maternal and Child Health [including WIC, MCH coordinators and Nurse Family Partnership (NFP) Home Visiting program]. The Vermont WIC Program serves income-eligible pregnant women (family income below 185 percent of the federal poverty level or enrollment in Medicaid/Dr. Dynasaur or VHAP), women who are breastfeeding or who have a new baby, and infants and children up to age five who are nutritionally or medically at risk. Recipients are provided with nutritious foods, nutrition counseling, breastfeeding support, health education, and connections to other community resources.

The 12 MCH Coordinators are public health nurses based in each of the 12 VDH district offices. They are responsible for MCH population health assessment, assurance and policy development in their communities, work closely with the WIC program, and have developed strong relationships with local health care providers. In addition, they participate on the regional CIS Intake and Referral Teams, assist with referral coordination, and are liaisons with other VDH District Office staff, CIS Team members, medical providers, community partners including hospitals and families.

VDH recently received increased funding through the Maternal and Child Health Bureau and the Affordable Care Act to implement the Nurse Family Partnership (NFP) evidence-based home visiting model. VDH received \$557,000 for the first year of this program, which will be implemented using home health agency nurses. Funding for an additional four years has been made available through the Affordable Care Act. The NFP model closely complements Vermont's existing home and community-based services models. The NFP targets Medicaid-eligible women who will be first time mothers and whose pregnancies are under 28 weeks gestation. The NFP currently is being implemented in the following pilot communities: Rutland County, the Northeast Kingdom (Caledonia, Essex, and Orleans Counties), Bennington County, and Franklin County. With additional funding, as VDH moves forward with these pilot communities they are looking across the state to identify future sites for program implementation.

(3). Vermont Chronic Care Initiative (VCCI). The DVHA's VCCI provides statewide care coordination, case management, and health coaching services to Medicaid beneficiaries with at least one chronic health condition and/or high hospital

utilization. DVHA care coordinators include registered nurses and medical and licensed social workers who provide face-to-face intensive case management to the highest cost, highest risk, medically and socioeconomically complex beneficiaries. Care coordinators are members of the Blueprint Community Health Teams (CHTs), facilitate a medical home, and coordinate among medical and community service providers. Care coordinators are located in district offices throughout the state; currently in two pilot communities (Franklin and Rutland Counties), they are co-located in primary care offices and other medical facilities. Once beneficiaries' acute needs have been addressed, they are transitioned to the Blueprint CHTs for ongoing support. Until recently, DVHA care coordinators did not provide services to high risk pregnant women, infants, or children.

### **Opportunities**

All three of these programs within AHS departments provide valuable services to eligible consumers. Families and providers have expressed the need for better integration and coordination. The charge of Integrated Family Services (IFS) within the Agency of Human Services is to integrate the services provided to children and their families from prenatal to age 22. This effort includes creating common eligibility criteria, intake and assessment tools and procedures, as well as consistent data requirements and outcome measures. This approach brings many benefits to families through more effective services, improved access, and coordinated planning.

The workgroup identified several opportunities for improved service coordination and enhanced services where gaps currently exist.

- While the workgroup recognized the programs outlined above have recently established stronger relationships, specific triage protocols and transitions among service levels are not yet solidly established and coordination among them is inconsistent across communities.
- A consistent and effective process has not been firmly established for transitioning mothers after delivery to their ongoing medical home and for Blueprint Community Health Team support, if needed.
- Although the DVHA VCCI RN Care Coordinators recently began accepting high risk mothers, the current program even now does not include dedicated staff with the needed specialized expertise in maternal-fetal medicine and neonatology to work with this population.
- Providers may not be aware of available programs and resources in their communities and through Vermont Medicaid, or how to refer women with high risk pregnancies for these services.
- Women themselves may also be unaware of services and lack understanding of currently available Medicaid benefits, or they may find these benefits difficult to access in their communities. For example, transportation to medical appointments is a Medicaid benefit. However, some pregnant women and their providers may not be aware it is available, or there may be problems with access, customer service, timeliness, cancellations, etc., in particular locations.



## **Recommendations**

### **Enhanced Service Coordination**

- Continue to strengthen relationships among DVHA Care Coordinators, CIS Coordinators, and Maternal and Child Health Coordinators (*see Attachment #2*).
  - Continue regular program management integration meetings (DVHA VCCI Director, CIS Director, VDH MCH Director and Office of Local Health Director).
  - Clarify roles and responsibilities of local staff (Care Coordinators, MCH Coordinators, CIS Coordinators) and establish criteria for case assignment.
  - Have all referrals come through the CIS Intake and Referral Teams for triage to appropriate services.
  - Use standard CIS Intake and Referral Forms. (More extensive targeted assessments will be conducted by the individual assigned by the CIS Intake and Referral Team to make initial contact with the pregnant woman.)
  - Ensure local DVHA Care Coordinators and MCH Coordinators participate in local CIS System Teams.
- Develop role of Blueprint Advanced Practice initiative with obstetrics practitioners.
- Draw upon capabilities of local Blueprint Community Health Teams, particularly during transition to ongoing postpartum medical care.

### **Enhanced Services**

- Hire two (2) regional DVHA Pregnancy Care Coordinators with expertise in maternal-fetal medicine to:
  - Facilitate collaboration among CIS, other IFS entities, MCH (including WIC), local DVHA Care Coordinators, home health agencies, medical providers and other community partners, etc.
  - Facilitate integration with Blueprint advanced practice medical homes and CHTs.
  - Develop enhanced Pregnancy Care Program model in partnership with stakeholders.
  - Implement Program, beginning in high prevalence areas.
  - Provide regional program oversight.
  - Serve as regional subject matter expert/resource to existing care coordinators; serve in consultative role to others, as needed.
  - Ensure consistent practices and procedures are implemented, as appropriate.
  - Ensure stakeholder participation and local customization, as appropriate.
  - Develop and implement Provider Outreach and Education Plan.
  - Manage limited high complexity, high risk caseload.

- Explore feasibility of offering incentives to providers for assessing and referring women with high risk pregnancies to CIS Intake Coordinators, and/or for collaborating with DVHA Care Coordinators on treatment plans.
- Explore feasibility of offering incentives to women for participating in appropriate services and/or adhering to behaviors known to reduce pregnancy and birth complications.

#### Enhanced Provider Outreach and Education

- Build upon MCH Coordinator relationships with OB/GYN providers and UVM VCHIP's OB Outreach Initiative to strengthen outreach and education to providers regarding:
  - Benefits and procedures for referring women with high risk pregnancies to the CIS Intake and Referral Team.
  - Existing resources and benefits available for Medicaid beneficiaries (e.g., transportation, breast pumps).
  - Other needs as identified by providers.

#### Financial Impact

- Costs:
  - Two Pregnancy Care Coordinators: \$80,000 each/year, or \$160,000 total/year.
  - Contracted expertise for program design, including incentives (TBD - one time cost, possibly covered by existing contracts).
  - Contracted resources to supplement Provider Outreach capacity (VCHIP, covered through current contracts).
  - Cost of beneficiary incentives/year (TBD).
  - Cost of provider incentives (TBD) for referring high risk pregnant women to CIS and to expand provider incentives to OBs for participating in DVHA Care Coordination (PCPs already receive incentives for participating in DVHA Care Coordination).
- Estimated savings through improved coordination of care: \$400,000/year.
- Program projected to break even in first 12 months and to achieve 2:1 ROI after that time.



## **ATTACHMENT 1 PREGNANCY CARE INITIATIVES**

### **Agency of Human Services (AHS)**

#### **Department for Children and Families (DCF)**

- *Children's Integrated Services (CIS)*  
CIS is in the Child Development Division of the Department for Children and Families (DCF) and is part of Integrated Family Services (IFS) within AHS. CIS provides health promotion, prevention, and early intervention services to pregnant and post-partum women, infants and children birth to age six, and their families and child development providers. CIS services include:
  - Maternal-child health nursing;
  - Finding child-birth education classes or breastfeeding and postpartum support;
  - Finding medical and dental care during pregnancy;
  - Obtaining information about health risks;
  - Learning about a healthy diet for the mother and baby;
  - Family support services;
  - Part C early intervention;
  - Early childhood and family mental health; and
  - Specialized child care supports.

#### **DCF and Vermont Department of Health (VDH)**

- *Nurse Family Partnership (NFP)*  
In 2010, as part of the Affordable Care Act, Vermont received block grant funding through Title V (Maternal and Child Health) for Evidence-Based Home Visiting. VDH is the lead agency in close partnership with DCF- CIS to use existing infrastructure for this funding. Funding for this grant supports implementation of an evidence-based home visiting model in selected communities to support "at-risk" families. The NFP model was selected because it best meets grant criteria and most closely complements Vermont's existing home and community based services models. The following four communities have been invited to participate: Rutland County, the Northeast Kingdom (Caledonia, Essex, and Orleans Counties), Bennington County, and Franklin County. The NFP enrolls Medicaid-eligible women who will be first time mothers and whose pregnancies are under 28 weeks' gestation.

#### **Vermont Department of Health (VDH)**

- *Special Supplemental Nutrition Program for Women, Infants and Children (WIC)*  
The Vermont WIC Program serves income-eligible (family income below 185 percent of the federal poverty level or enrollment in Medicaid/Dr. Dynasaur or VHAP) pregnant women, women who are breastfeeding or who have a new baby, infants and children up to age five who are nutritionally or medically at risk.

Recipients are provided with nutritious foods, nutrition counseling, breastfeeding support, health education, and connections to other community resources.

- *Maternal Child Health (MCH) Coordinators*

VDH District Office-based MCH Coordinators are responsible for MCH population health assessment, assurance and policy development in their communities. They provide direct service to high risk pregnant women through participation in the regional Children's Integrated Services (CIS) Teams, assisting with referral coordination and functioning as a liaison among VDH District Office staff, other CIS team members, and community partners including hospitals, medical providers, and families. They assure availability and delivery of key pregnancy and postpartum education and support opportunities for pregnant and postpartum women and their families on key health topics and behaviors. They also provide leadership for local MCH coalitions and advocate for the MCH public health agenda in early care, health, and education systems at the local and state levels.

- *Smoking Cessation*

The Vermont Tobacco Control Program supports resources to assist pregnant women who wish to quit smoking. These resources, modeled on the five components of the Centers for Disease Control and Prevention (CDC) *Best Practices for Comprehensive Tobacco Control Programs*, include hospital-based group cessation coaches and the Quit Network (by phone, in person and online). The Vermont Quit Line provides a separate protocol for pregnant women, and the Vermont WIC Program is a primary source of screening and referral for the Quit Line. Pregnant women are eligible for eight sessions that occur around the quit day and for two additional sessions around the time of delivery to assist them in avoiding relapse. The Quit Line does not provide Nicotine Replacement Therapy (NRT) for pregnant or nursing women.

A recent federal grant application submitted by the Department of Vermont Health Access (DVHA) in partnership with VDH and the University of Vermont, *Incentivizing Smoking Cessation for Pregnant Women*, proposed targeted outreach to low income pregnant women, in coordination with VDH's "Bridging the Gap" plan to address tobacco-related disparities in Vermont. This plan targets lower socio-economic status adults, as well as clients of mental health and substance abuse services; these groups smoke at roughly double the average rate for all adults in Vermont.

### **VDH-Division of Alcohol and Drug Abuse Programs (ADAP)**

- *Federal Block Grant*

ADAP oversees a federal block grant that requires all recipients of the federal block grant monies to prioritize populations for substance abuse service delivery. Two of the three priority populations are:

- Pregnant IV injecting women
- Pregnant women



The federal requirement is for these populations to receive services within 48 hours of contact with the provider.

- *Community Response Teams (CRT)/CIS Teams*  
Preferred Providers receiving grant funds through ADAP are required to participate in their local CIS teams, as requested. The primary function of the Provider is to expedite required services related to addiction for the identified family member. In some communities, a formal Community Response Team (CRT) exists that works in tandem with the local CIS Team to discuss on a monthly basis cases involving pregnant/postpartum women and their recovery or need for addiction services. Currently there are teams in Burlington (CHARM) and Rutland (BAMBI – see March of Dimes below).

#### **Department of Vermont Health Access (DVHA)**

- *Vermont Chronic Care Initiative (VCCI)*  
DVHA registered nurses and social workers provide care coordination and case management services to high risk beneficiaries, including pregnant women. The program uses a holistic approach that addresses physical, behavioral, and socioeconomic conditions that present barriers to health improvement. DVHA care coordinators are fully integrated core members of existing *Blueprint for Health* Community Health Teams. In several areas, they are co-located in provider practices and medical facilities.

#### **VDH and University of Vermont –Vermont Child Health Improvement Program (UVM/VCHIP)**

- *Improving Care for Opioid-Exposed Newborns (ICON)*  
The goal of the ICON Project is to improve health outcomes of Medicaid-eligible, opiate-exposed infants, by improving availability, access, efficiency, and coordination of care and services for Medicaid-eligible opiate-dependent pregnant and parenting women and their infants. Through collaboration between VDH's Division of Alcohol and Drug Abuse Programs (ADAP) and Office of Local Health, staff provide targeted educational trainings aimed at increasing awareness and adherence to best-practice guidelines, care management and coordination, coordination of services for opioid-dependent pregnant women during the prenatal, intrapartum, and initial postpartum period, as well as the management of opioid-exposed newborns.
- *Vermont Regional Perinatal Health Project (VRPHP)*  
The goal of the VRPHP is to improve efficiency and effectiveness in the management of Medicaid-eligible newborns by assisting Vermont participating hospitals and their community partners to identify and implement practices that measurably improve the delivery of health care services and health outcomes for this population. Specific attention is given to Medicaid-eligible opiate-dependent pregnant and parenting women and their infants. Activities include hospital-based educational outreach, quality improvement activities, research and dissemination of evidence-based guidelines and current best practice recommendations to skilled medical professionals related to the delivery of perinatal care. Trainings

include perinatal conferences that incorporate reviews of hospital-specific and population level data, and key quality care indicators benchmarked against national trends and outcomes. A registry is maintained of Vermont Medicaid-eligible opioid-dependent pregnant women and Medicaid-eligible opioid-exposed infants.

- *Obstetrical (OB) Outreach*

The goal of the OB Outreach project is to strengthen and expand a network of obstetric providers and nurses at Medicaid participating Vermont and New Hampshire birth hospitals and to improve the quality of care provided to Medicaid-eligible women and infants. Activities include the following: collecting data regarding maternal and fetal risk factors, interventions and outcomes through a web-based registry called OBNet; establishing prenatal care standards and recommendations; identifying potential recommendations for changes in state Medicaid policy for obstetrical care of women; examining the impact of obesity and abnormal gestational weight gain on maternal and child health; and increasing skilled medical professionals' knowledge regarding the impact of obesity in pregnancy and related interventions. Specific attention is given to the needs of opiate-exposed pregnant and post-partum women and their infants.

Project personnel also participate in periodic transport conferences for obstetric care providers at Vermont Medicaid participating hospitals to review their obstetric care practices and outcomes, and to discuss patient focused pregnancy complications and new obstetric management algorithms. Staff also provides 24-hour telephonic consultative service for referring Medicaid participating providers regarding management of pregnancy complications including management of opiate dependent women.

### **Community Partners Partially Funded by AHS**

- *Lund Family Center*

The Lund Family Center's mission is to help children thrive by serving families with children, pregnant or parenting teens and young adults, and adoptive families. It is a private, non-profit organization that has become a comprehensive treatment facility for pregnant or parenting young women with substance abuse and/or mental health issues and their children. Clinical services include screening and assessment, outpatient treatment, group counseling, case management, family therapy, and aftercare services. Lund also offers a 24-bed residential treatment program with 24-hour counseling staff, on-site nursing staff, and access to comprehensive treatment services for pregnant and parenting young women with a substance abuse and/or mental health diagnosis.

- *Washington County Mental Health (WCMH)*

WCMH offers Early Childhood Mental Health services that include a case manager who works primarily with mothers experiencing co-occurring mental health/substance abuse challenges and their at-risk children. Services may begin pre-partum. Attached to the service is *Sierra House*, a home that offers



temporary housing to these mothers. Referrals come primarily from the local Case Review Team, members of which also serve as the *Sierra House* Advisory Board.

- *School Health*

Comprehensive health education is a part of Vermont's Coordinated School Health Program, based on a CDC model designed to coordinate health and education. The Comprehensive Health Education curriculum includes activities that help young people develop the skills they need to avoid sexual behaviors that result in HIV infection, other STDs and unintended pregnancy, as well as tobacco use, dietary patterns that contribute to disease, sedentary lifestyle, alcohol and other drug use, and behaviors that result in unintentional and intentional injuries.

- *Parent Child Centers*

Vermont has 15 Parent Child Centers that provide home visiting as part of a variety of supports and services for families, and also connect family members to additional information and assistance. Services include supports for pregnant and parenting teens through the Learning Together program, which is grant funded through 2013. Case managers help link teen parents and parents-to-be with a variety of resources including health care.

### **Private Foundations/Commercial Payers**

- *March of Dimes*

- *Prematurity Campaign*

A national initiative that has invested millions of dollars in research, professional education, advocacy and community programs to reduce high risk pregnancies and premature birth.

- *Teen Pregnancies*

March of Dimes works with several Parent Child Centers to reduce risks associated with teen pregnancies and also prevent a second teen pregnancy.

- *Smoking Cessation*

March of Dimes has collaborated with MCH coordinators, UVM, and the WIC program to develop initiatives for targeting smoking cessation efforts within the WIC program.

- *Opiate Use*

March of Dimes provided funding to VCHIP to develop and publish *Vermont Guidelines for Opiate Exposed Newborns*, including a video demonstration of newborn screening techniques. March of Dimes also provided funding to Rutland Regional Medical Center for launching *Babies and Mothers Beginning In-synch (BAMBI)*, a comprehensive referral program to help with early identification and care.

- *Blue Cross Blue Shield of Vermont (BCBSVT)*  
BCBSVT offers the *Better Beginnings* program to pregnant members. The telephonic program includes dedicated RN case managers, structured member education, and enhanced member benefits, and strives to create an interactive partnership among the member, obstetrician, and case manager.
- *Fletcher Allen Health Care (FAHC) Maternal Fetal Medicine Services (MFMS)*  
MFMS at FAHC provides specialized care for all types of complications of pregnancy, including women who have serious illnesses. These illnesses may be either in association with, or as the result of pregnancy. The principal aim of the service is the early detection and treatment of complications of pregnancy in order to minimize any adverse maternal and fetal consequences of these complications. MFMS also care for pregnancies where there is a suspected or established fetal abnormality, providing diagnostic, therapeutic and counseling services. Women are referred by their primary care provider.
- *UVM Genetic Counseling*  
Genetic counseling services are provided through the Vermont Regional Genetics Center, a division of UVM's Department of Pediatrics. The Center, with financial support from the newborn screening program at VDH, provides genetics evaluations and genetic counseling at several sites within Vermont and works closely with health care providers and families to accomplish an integrated system of family-centered care for genetic conditions.

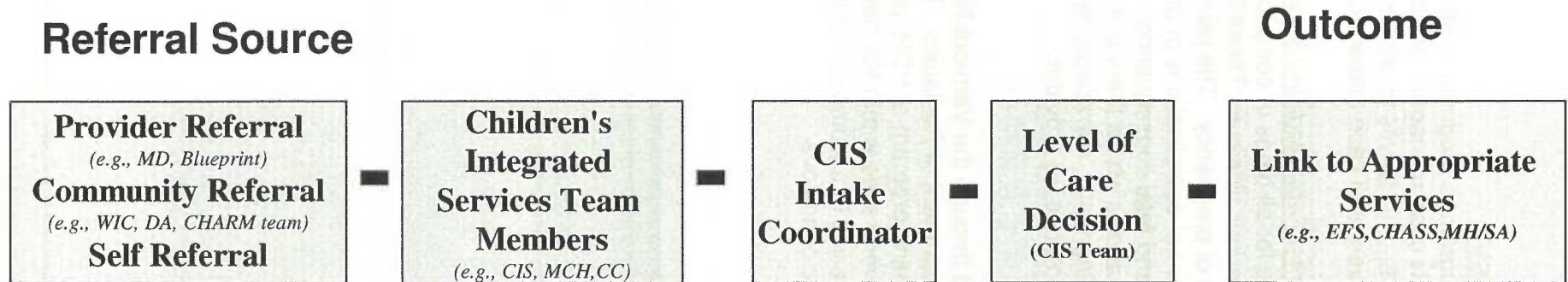


# Attachment #2

## Medicaid

### High Risk Pregnancy Initiative

#### Integration of CIS, MCH, and DVHA CC



**Q: What is the Criteria for Program Acceptance?**

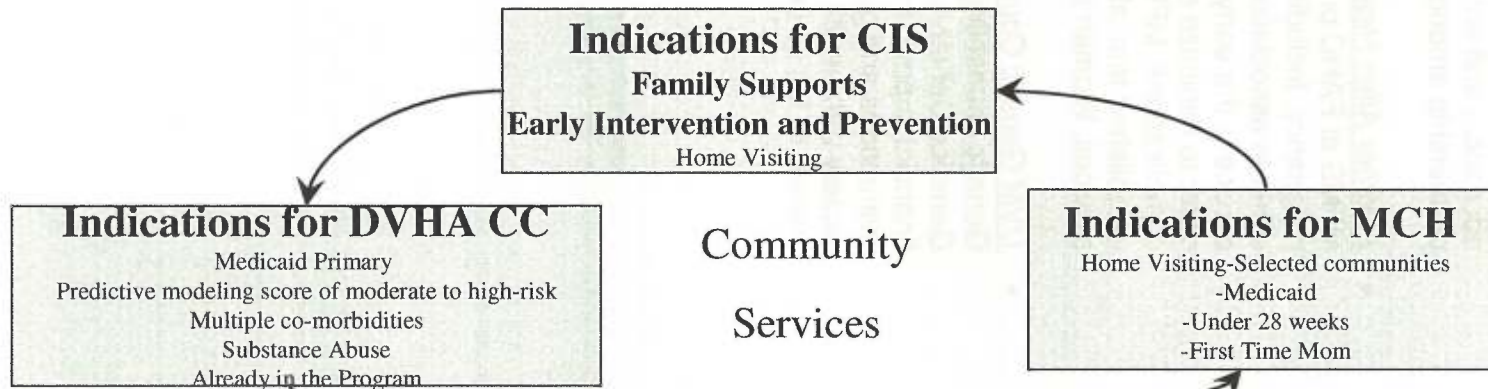
**A: High Risk Pregnancy as defined by the Referring Providers**

**Q: How is Contact Initiated?**

**A: Through the Local CIS Team Members**

**Q: Who Performs Service Level Needs Assessment?**

**A: CIS Team Members (e.g., CIS, MCH, DVHA care coordinators)**



I.

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Deborah L. Markowitz  
Agency Secretary

Christopher Recchia  
Deputy Secretary

**State of Vermont**  
**Agency of Natural Resources**

TO: The Legislative Joint Fiscal Committee

FROM: Deb Markowitz, Secretary

DATE: September 16, 2011

SUBJECT: Annual Report on FERC Bill-Backs

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In accordance with 30 VSA, subsection 20(a) 2C, the Vermont Agency of Natural Resources is required to submit an annual report on costs and charge-backs related to proceedings at the Federal Energy Regulatory Commission (FERC).

From the effective date of legislation of July 1, 2010 through June 30, 2011 the Agency of Natural Resources has had no authorized personnel costs for these proceedings, that are in addition to our regular personnel, that exceed the \$3,000 minimum threshold.

Reference; 30 VSA, subsection 20 and 21, 3 VSA, subsection 2809.





## Theresa Utton-Jerman - 2011 VEGI Annual report

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**From:** "Kenney, Fred" <Fred.Kenney@state.vt.us>  
**To:** "Utton, Theresa L." <tutton@leg.state.vt.us>  
**Date:** 9/23/2011 8:50 AM  
**Subject:** 2011 VEGI Annual report  
**Attachments:** DRAFT\_2011\_AnnualReport\_v1.pdf

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Theresa:

Attached is a draft copy of the 2011 VEGI Annual Report. It is in draft form because we received the required data regarding actual activity and incentives paid from the Department of Taxes on Friday Sept 16. The data has been included in the report, but it takes some time to get the cost-benefit modeling done (you will see that where net revenue data is indicated in the report, it states "TBD"). When the modeling is completed, the report will be finalized, transmitted to the legislature using the normal system, and posted on our website.

Thank you.



Fred Kenney  
Executive Director  
Vermont Economic Progress Council  
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Montpelier, VT 05620-0501  
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# **Vermont Employment Growth Incentive Program**

**Annual Report  
2011**

**VERMONT ECONOMIC PROGRESS COUNCIL**

**VERMONT DEPARTMENT OF TAXES**

# VEGI Program Summary

## **ACTUAL ECONOMIC IMPACT** (January 1, 2007 - December 31, 2009)

New Qualifying Jobs Created	726
New Qualifying Payroll Created	\$30,782,958
New Qualifying Capital Investments	\$61,632,992
Incentives Earned and Paid	\$920,161
Estimated Net Revenue Benefit	\$TBD

## **APPLICATION VOLUME** (January 1, 2007—December 31, 2010)

	<u># of Applications</u>	<u>Incentive Value</u>
Applications Considered	54	\$38,043,159
Applications Denied	4	\$ 783,181
Applications Rescinded/Terminated	16	\$ 8,536,198
Net Approved-Active Applications	34	\$28,723,780



In January 2007, the Vermont Employment Growth Incentive (VEGI) program began offering new incentives for business recruitment, growth and expansion. The VEGI program provides a cash incentive that comes from the incremental tax revenues generated by the new jobs created and investments made by an approved company, only after the incremental jobs are created and investments are made. To earn the incentive, a company must apply to the Vermont Economic Progress Council (VEPC), a citizen board that determines:

- Whether the economic activity would not occur or would occur in a significantly different and/or less desirable manner without the incentive (But For);
- Whether the economic activity will generate more incremental tax revenue for the state than is foregone through the incentive (cost-benefit modeling); and
- Whether the company and economic activity are consistent with a set of nine program guidelines.

VEGI incentives are earned over a period of up to five years and paid out over a period of up to nine years. The incentives are earned only if payroll, employment, and capital investment performance measures are met by the company each year. If the company earns the incentive by meeting performance measures in a particular year, the incentive is then paid out in five annual installments, if the new jobs and payroll are maintained. Claims for VEGI incentive installments are examined annually by the Vermont Department of Taxes.

This report presents the applications considered from the start of the program on January 1, 2007 through December 31, 2010, the status of those applications and incentives as of December 31, 2010, and the economic activity projected by the active applications. The report also includes the actual economic activity that has occurred from January 2007 - December 31, 2009, as reported on claims filed and examined by the Tax Department.

Table 1 provides a complete list of all applications considered from the start of the program in 2007 through December 2010 and the status as of December 31, 2010. The projected economic and fiscal impact of the incremental jobs, payroll and capital investments, as estimated by a cost-benefit model, are presented in Table 2. The activity projected to occur because of the incentives and the actual activity that occurred are summarized in Table 3 and detailed by class and year in Table 4. The data presented on Tables 1 and 2 is updated each month following each VEPC Board meeting and is always available on the VEGI website. Charts 5-13 are included to provide further detail and perspective on the data represented by the 34 approved and active applications.

Further information on VEPC and the Vermont Employment Growth Incentive Program is available at: <http://economicdevelopment.vermont.gov/Programs/VEPC/tabid/124/Default.aspx>. Further information on the Department of Taxes is available at: [www.state.vt.us/tax](http://www.state.vt.us/tax). Vermont Statute (32 VSA §5930(b)(e)) requires the following elements of the program to be reported annually. The table in which each requirement is addressed is noted below:

- |   |  |
|---|--|
| 1. Total authorized amount of incentives during preceding year (Table 2)                  | (Tables 3 and 4)   |
| 2. Amounts actually earned and paid out from inception to date of report (Tables 3 and 4) | 8. Number of applications for incentives (Table 2)   |
| 3. Date and amount of authorization (Table 1)   | 9. Number of approved applicants who complied with ALL their requirements for the incentive (Not Included <sup>1</sup> ) |
| 4. Expected calendar year or years in which the authorization will be exercised (Table 1) | 10. Aggregate number of jobs created (Tables 3 and 4)  |
| 5. Whether the authorization is currently available (Table 1)                             | 11. Aggregate payroll (Tables 3 and 4)   |
| 6. Amount and date of all incentives exercised (Tables 3 and 4)                           | 12. Date the authorization will expire (Table 1)   |
| 7. Recipient performance in the year in which the incentives were applied                 | 13. Identity of the business whose applications were approved (Table 1)  |

**Table 1** shows every application that has been considered by the Vermont Economic Progress Council (VEPC) since the inception of the Vermont Employment Growth Incentive (VEGI) program in January 2007. It includes the name of the applicant company, the date the application was considered, the authorization (or earning) period, the current status of the incentives, the maximum level of incentives considered, the estimated minimum net revenue benefit to the State of Vermont, the location of the project, and the type of economic development project.

The date listed for when applications are considered is the date a Final Application was considered if the company filed both an Initial and Final Application. If a Final Application has not yet been filed, the applicant's status is listed as "Active-Initial." Incentives are not considered authorized until a Final Application has been approved. However, the amount of incentives listed when an application has received Initial Approval is booked against that year's cap.

An application is "Rescinded" if the company never files a Final Application. An incentive is "terminated" if, after Final Approval, the Council or the Department of Taxes takes action to terminate the company's authorization to earn further incentive payments. Authorizations can be terminated for several reasons, including when a project does not occur or when the company fails to file an annual VEGI claim by the statutory filing date. Incentives are listed as "Terminated-Recapture" if the company has earned and/or been paid some of the incentives and something occurs that causes the incentives to be terminated and recapture of incentives paid is carried out by the Department of Taxes.

The maximum incentive amount considered is the maximum level of incentives the company could possibly earn if the project occurs. If the project status indicates a rescission or termination, the maximum incentive amount is listed only for reference in this report but the incentive is no longer available to the company.

**Table 2** summarizes the application volume, application status, the total incentives considered and authorized, the annual level of incentives compared to the annual cap for each calendar year, and the direct and indirect fiscal and economic impacts estimated by the VEGI cost-benefit model.

VEPC has considered 89 applications since the inception of the VEGI program in January 2007, an average of 22 per year. The 54 applications summarized in this report are the Final Applications submitted and considered by each company (unless a Final application has not yet been submitted). Statute allows a company to file an Initial Application followed later by a Final Application. Both are formal applications considered and either approved or denied by VEPC. A company may file a Final Application without filing an Initial Application.

As of December 31, 2010, of the 54 Final Applications authorized, 34 (63%) are active, 16 (30%) have been rescinded/terminated, and 4 (7%) were denied. The rescissions and terminations are due primarily to projects not going forward because of the economic downturn. It should not be surprising that these project delays or cancellations are occurring during the worst economic downturn in decades. More project delays and cancellations, and companies not meeting targets on schedule should be expected until there is a turnaround in the economy.



In 2007, the General Assembly approved an enhancement to the VEGI program for companies that will create jobs in certain environmental technology sectors. Since its passage, 9 applications have been considered for the “Green VEGI” enhancement, 6 of which remain active. These companies plan to employ over 832 Vermonters to design, research, develop, and produce wind turbines, capacitors for electric vehicles, energy efficient transformers, innovative water treatment technologies, recyclable plastic packaging, and flexible solar component production.

As the summary data in Table 2 show, the net (not including denied and rescinded/terminated) incentives authorized through December 2010 total just over \$28 million. These incentives will be earned by 33 companies for 34 projects planned to occur between 2007 and 2015 *only if* payroll, employment and capital investment performance measures are met. Incentives are not paid out on a pro-rata basis if annual performance measures are not met.

As Table 2 indicates, the projects that have been approved through December 2010 are projected to create **2,611 new, direct, qualifying jobs** (full-time, permanent, paying over 160% of Vermont minimum wage), over **\$125 million in new qualifying payroll** (above and beyond “background growth” payroll), and **over \$344 million in capital investments** in machinery and equipment and building construction and renovation. The new jobs to be created are projected to have a weighted average wage of \$48,996 and **average total compensation of \$60,511** (including benefits). This economic activity, scheduled to occur between 2007 and 2015, is the basis for the incentives calculated and the incremental revenue projected to be generated.

The incentives will be paid out between 2008 and 2020, only if performance measures are met and maintained. The dollars to pay these incentives comes from the new tax revenue these companies generate to the state when the economic activity summarized in Table 2 occurs. Each company was approved only because a determination was made that the activity would not occur, or would occur in a materially different and less desirable manner, unless the incentive was authorized (But For). Therefore, the tax revenue to pay the incentive to the companies are generated by those companies and are revenues that would never have occurred, except for the incentive being approved.

In addition to the But For criteria, application consideration includes an extensive and detailed modeling of the economic and fiscal (revenue) benefits and costs to the State of Vermont. Net new revenues are generated primarily from payroll withholding taxes. But new revenues are also generated from new personal and corporate income taxes, sales and use taxes on machinery and equipment and building materials, transportation fees, property taxes, and other fees and taxes paid by the company, employees, contractors and their employees, and other companies involved in the project. The model also accounts for economic and fiscal costs to the State such as the costs of new students attending school and other additional services that will be required.

As Table 2 summarizes, the projects that have been approved will generate estimated new revenues to the State totaling \$63.8 million, and the revenue costs, including the incentive payments will be about \$48 million. In addition to the new jobs, payroll and capital investments, the State of Vermont will realize net new revenues totaling **\$15.4 million**.

The fiscal estimates included in this report cover only the five-year earning period (revenue benefits, job creation, payroll generation, capital investments) and the nine year incentive payment period (revenue costs, incentive costs) that are included in the cost-benefit model. New revenues will continue to be generated to the State after this modeling period and jobs may continue to be created that are not accounted for in the modeling.

**Table 2** also includes summary data on related and indirect economic activity that is projected to occur because of the incentives. The VEGI program is not a job retention program. However, the expansion projects approved will mean that *at least 2,219 existing jobs will be retained*. The projects will also create about 105 non-qualifying full-time jobs (pay below 160% of Vermont minimum wage) and *over 4,000 indirect jobs* throughout the state.

The projects will also generate almost \$20.4 million in new payroll that is considered “background” or “organic” growth payroll. The calculation of the incentive for *all* applications includes the discounting of a certain level of the new payroll that will be generated. This is considered background growth payroll or payroll that would have occurred anyway. This is done even for applications from new or start-up companies and companies that are being recruited to Vermont, neither of which ever had payroll in Vermont before the application date. The projects approved will create about \$20.4 million in new payroll because of the incentive that will not be counted in the incentive calculation because it is considered “background growth.”

In addition to the But For and cost-benefit criteria for approval, applications are also considered against a set of nine program guidelines. One of the guidelines (Guideline 7) involves the interaction of the applicant with other Vermont companies in customer, supplier, and vendor relationships. The greater these interactions, the more indirect economic impact the incentives will have. Table 2 shows that the expected business-to-business relationships of applicants is estimated at over \$108 million each year.

Also summarized in **Table 2** is the median level of employee health care costs that are paid by the employers approved for VEGI incentives, at 80%. Further detail on this and other data related to the Program Guidelines are contained in Charts 5-13.



TABLE 1: INCENTIVE APPLICATIONS CONSIDERED, AND STATUS, THROUGH DECEMBER 31, 2010

Company Name	Date Application Considered	Authorization Period	Status <sup>a</sup>	Maximum Incentive Considered	Minimum Net Revenue Benefit	Green or Subsection 5	Location	Type of Project
Ink Jet Machinery of Vermont	26-Jan-07	n/a	Terminated Jan 24, 2008	\$ 336,056	\$ -	n/a	Dorset	Start-up
Olympic Precision, Inc./MCTown of Windsor	26-Jan-07	n/a	Terminated Sept 6, 2007	\$ 474,428	\$ -	n/a	Windsor	Recruitment
Monahan SR, LLC	16-Feb-07	n/a	Term-Recap Sept 28, 2009	\$ 791,277	\$ -	n/a	Middlebury	Plant Restart
Gilmard North America Corp.	16-Feb-07	n/a	Terminated Mar 27, 2008	\$ 229,672	\$ -	n/a	So. Burl	Ret./Expansion
Rehab Gym, Inc.	22-Mar-07	n/a	Denied	\$ 256,439	\$ -	n/a	Colchester	Ret./Expansion
Applejack Art Partners	3-May-07	n/a	Terminated Oct 26, 2007	\$ 86,539	\$ -	n/a	Manchester	Recruitment
Omid Measurement Systems	3-May-07	n/a	Terminated Mar 26, 2010	\$ 677,944	\$ -	n/a	Milton	Ret./Expansion
Vermont Timber Frames	3-May-07	2007 - 2011	Active - Final	\$ 79,064	\$ 70,611	n/a	Barnington	Recruitment/Exp.
Battenkill Technologies, Inc.	28-Jun-07	n/a	Terminated Jun 26, 2008	\$ 1,663,966	\$ -	n/a	Manchester	Recruitment
Burton Corporation	28-Jun-07	n/a	Terminated Mar 26, 2010	\$ 607,347	\$ -	n/a	Burlington	Ret./Expansion
Everglizer Battery Manufacturing, Inc.	28-Jul-07	n/a	Terminated May 28, 2009	\$ 182,396	\$ 94,388	n/a	St Albans	Ret./Expansion
NEHP, Inc.	28-Oct-07	2007 - 2011	Active - Final	\$ 1,786,828	\$ 2,129,672	n/a	Williston	Ret./Expansion
Green Mountain Coffee Roasters	28-Oct-07	2007 - 2011	Active - Final	\$ 71,302	\$ -	n/a	Waterbury/Essex	Ret./Expansion
Know Your Source, LLC	6-Dec-07	n/a	Rescinded Jun 26, 2008	\$ 1,942,989	\$ -	n/a	Burlington	Start-up
Mascota Corporation	26-Oct-07	n/a	Rescinded Mar 26, 2010	\$ 70,533	\$ -	Green	WRJ	Recruitment/Exp.
CNC North, Inc.	27-Mar-08	2008-2012	Active - Final	\$ 206,737	\$ 126,260	n/a	Springfield	Ret./Expansion
Isovolts, Inc.	26-Jun-08	n/a	Terminated May 28, 2009	\$ 668,330	\$ -	n/a	Montpelier	Start-up
Vermont Castings Holding Company	18-Sep-08	n/a	Terminated May 28, 2009	\$ 488,000	\$ -	n/a	Rutland	Ret./Expansion
New England Precision, Inc./Clifford Properties, Inc.	23-Oct-08	2008-2012	Active - Final	\$ 241,236	\$ 360,926	Green	Bethel	Ret./Expansion
Utility Risk Management Corp	4-Dec-08	2008-2012	Active - Final	\$ 377,371	\$ 166,973	n/a	Randolph	Recruitment
Helix Global Solutions, Inc.	4-Dec-08	n/a	Rescinded Dec 4, 2008	\$ 63,739	\$ -	n/a	Stowe	Recruitment
Vermont Wood Energy Corp	4-Dec-08	n/a	Denied	\$ 293,967	\$ -	n/a	Burlington Area	Recruitment/Exp.
Tate's Natural Alchemy	4-Dec-08	n/a	Terminated Mar 26, 2010	\$ 231,531	\$ -	Green	Rutland	Start-up
Biotech Instruments, Inc./Alionheart Technologies, Inc.	4-Dec-08	2008-2013	Active - Final	\$ 692,864	\$ 1,059,643	n/a	Whiting/Shoreham	Start-up
Dominion Diagnostics, LLC	22-Jan-09	2008-2010	Active - Final	\$ 103,300	\$ 62,239	n/a	Winooski	Ret./Expansion
Albany College of Pharmacy	22-Jan-09	2009-2013	Active - Final	\$ 630,859	\$ 346,716	n/a	Williston	Recruitment/Exp.
Ask-Int'l, LLC	26-Mar-09	2009-2013	Active - Final	\$ 663,722	\$ 263,998	n/a	Colchester	Recruitment/Exp.
Vermont Transformers, Inc.	26-Mar-09	2009-2013	Active - Final	\$ 267,669	\$ 66,910	Green	Essex	Recruitment/Exp.
Project Graphics, Inc.	30-Apr-09	2009-2013	Active - Final	\$ 230,414	\$ 112,162	n/a	St. Albans	Recruitment
Duraal Awning, Inc.	28-May-09	n/a	Terminated Mar 26, 2010	\$ 246,796	\$ -	n/a	So. Burlington	Recruitment
Commonwealth Yogurt, Inc.	25-Jun-09	2009-2013	Active - Final	\$ 1,201,164	\$ 614,505	n/a	Middlebury	Ret./Expansion
AirBoss Defense USA, Inc.	24-Sep-09	2009 - 2013	Active - Final	\$ 243,280	\$ 116,726	n/a	Battleboro	Start-up/Recruit
MyWebGazer, Inc.	22-Oct-09	2010-2014	Active - Final	\$ 463,476	\$ 286,667	n/a	Milton	Recruitment/Exp.
Marble Mountain Woodworks, LLC	17-Dec-09	2009-2012	Active - Final	\$ 143,436	\$ 69,867	n/a	Colchester	Recruitment/Exp.
Terry Precision Bicycles for Women, Inc.	17-Dec-09	2009-2011	Active - Final	\$ 126,296	\$ 63,440	n/a	Richford	Start-up
Green Mountain Coffee Roasters, Inc.	17-Dec-09	2009-2013	Active - Final	\$ 808,104	\$ 236,796	Green	Burlington	Recruitment
SBE, Inc.	17-Dec-09	2009-2011	Active - Final	\$ 292,307	\$ 1,736,611	n/a	Barre	Ret./Expansion
Business Financial Publishing, Inc.	17-Dec-09	2009-2013	Active - Final	\$ 3,048,671	\$ 817,673	Green	Chittenden County	Ret./Expansion
New England Supply, Inc.	25-Jan-10	2010-2014	Active - Final	\$ 478,396	\$ 136,972	Green	Barre	Ret./Expansion
The Original Vermont Wood Products, Inc.	22-Jul-10	2010-2014	Active - Final	\$ 162,473	\$ -	n/a	Windsor	Recruitment
Westminster Cracker Company, Inc.	28-Oct-10	2010-2013	Active - Final	\$ 67,963	\$ 36,088	n/a	Burlington	Recruitment
Rawison Eyewear, Ltd.	28-Oct-10	2010-2013	Active - Final	\$ 100,604	\$ 36	Sub 5	Williston	Start-up
Organic Trade Association	28-Oct-10	2010	Active - Final	\$ 236,246	\$ 96,360	Sub 5	Pittsfield	Ret./Expansion
Dealer.com, Inc.	16-Dec-10	2010-2012	Active - Final	\$ 652,193	\$ 449,066	n/a	Rutland	Ret./Expansion
Pinnacle Sales Accelerators, LLC	16-Dec-10	2010-2014	Active - Final	\$ 76,669	\$ 36,796	n/a	Essex	Ret./Expansion
Syvan Valley Cheese Company of Vermont	16-Dec-10	2010-2012	Active - Final	\$ 4,929,487	\$ 2,644,946	n/a	Battleboro	Recruitment
Hayward Tyler, Inc.	16-Dec-10	2011-2015	Active - Final	\$ 111,636	\$ 63,490	n/a	Burlington	Ret./Expansion
Ellison Surface Technologies, Inc.	16-Dec-10	2011-2015	Active - Final	\$ 306,830	\$ -	Sub 5	Swanton	Start-up/Recruit
eCorporate English, Ltd.	16-Dec-10	2011-2015	Active - Initial	\$ 1,103,117	\$ 679,416	n/a	Milton	Ret./Expansion
Skypoint Solar	16-Dec-10	2011-2016	Active - Initial	\$ 227,776	\$ 104,261	Sub 5	Rutland	Ret./Expansion
APIA, Inc.	16-Dec-10	2011-2016	Active - Initial	\$ 234,288	\$ 106,940	n/a	Middlebury	Recruitment/Exp.
	16-Dec-10	2011-2016	Active - Initial	\$ 7,900,114	\$ 2,286,637	Green	Burlington	Start-up/Recruit
	16-Dec-10	2011-2016	Active - Initial	\$ 664,436	\$ 181,670	Green	TBD	Recruitment/Exp.



**TABLE 2: INCENTIVE AUTHORIZATION DATA SUMMARY  
FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2010**

Application Count	Total Considered	Approved - Active <sup>4</sup>	Rescinded/ Terminated <sup>5</sup>	Denied	
Total Applications Considered:	54	34	16	4	
Percent of Total Applications		63%	30%	7%	
Regular VEGI Applications:	45	28	14	3	
Green VEGI Applications <sup>6</sup> :	9	6	2	1	
Subsection 5 Applications:	4	4	0	0	
Authorization Summary:		Direct Estimated Economic Impact:			
Total Incentives Considered To Date:	\$ 38,043,159	New Qualifying FT Jobs Projected:		2,611	
Total Incentives Denied To Date:	\$ 783,181	New Qualifying FT Payroll Projected:		\$ 125,766,169	
Total Incentives Rescinded/Revoked to Date:	\$ 8,536,198	Weighted Average Wage of New Qualifying Jobs:		\$ 48,996	
Net Incentives Authorized to Date:	\$ 28,723,780	Average Total Compensation for New Qualifying Jobs		\$ 60,511	
		New Qualified Capital Investment Projected:		\$ 344,820,785	
Authorizations, by Year/Cap Balances <sup>7</sup> :		Related Estimated Economic Activity:			
2007 Authorizations:	\$ 2,125,350	Retained Full-time Jobs <sup>8</sup> :		2,219	
2007 Cap Balance:	\$ 7,874,650	Full-time Non-Qualifying Job Creation <sup>9</sup> :		105	
2008 Authorizations:	\$ 825,344	Indirect Job Creation <sup>10</sup> :		4,123	
2008 Cap Balance:	\$ 9,174,656	Total Full-time Job Creation:		6,839	
2009 Authorizations:	\$ 5,293,295	New Payroll Considered Background Growth <sup>11</sup> :		\$ 20,432,204	
2009 Cap Balance:	\$ 4,706,705	Median Health Care Premium Paid by Employer <sup>12</sup> :		80%	
2010 Authorizations:	\$ 10,360,059	Approximate Value of VT Biz-to-Biz Interactions <sup>13</sup> :		\$ 108,117,415	
2010 Cap Balance:	\$ 12,639,941	Direct Estimated Fiscal Impact <sup>14</sup>			
2011 Authorizations:	\$ 10,119,732	Total Revenue Benefits to the State:		\$ 63,872,361	
2011 Cap Balance:	\$ (119,732)	Total Revenue Costs to the State, Including Incentives		\$ 48,392,351	
Annual SubSection 5 Cap:		Net Fiscal Return to the State:		\$ 15,480,010	
2007 - 2009 Cap Per Year	\$ 1,000,000	Incentive Enhancements:			
2007 - 2009 SubSection 5 Utilization	\$ -	Increase in Incentives Due to Enhancements:			
2007 - 2009 Cap Balance Per Year	\$ 1,000,000	Green VEGI		\$ 1,740,172	
2010 Cap	\$ 1,000,000	Subsection 5		\$ 344,192	
2010 SubSection 5 Utilization	\$ 228,453	Total		\$ 2,084,364	
2010 Cap Balance	\$ 771,547	Decrease in Net Revenue Return Due to Enhancements:			
2011 Cap	\$ 1,000,000	Green VEGI		\$ 1,456,529	
2011 SubSection 5 Utilization	\$ 115,739	Subsection 5		\$ 309,870	
2011 Cap Balance	\$ 884,261	Total		\$ 1,766,399	



**Table 3** summarizes, by calendar year, the number of claims expected and filed, the projected and actual qualifying job creation, qualifying payroll generation, capital investments made, incentive payments disbursed, and the net revenue benefit for the State.

**Table 4** details the same information by “class” or “cohort.” This data breaks down the projected and actual activity and incentives earned for each group of companies by their earning period. The earning period is the five-year period during which the economic activity is projected to occur and incentives earned. For example, all companies whose projects occur from 2007–2011 are in the Class of 2007. VEGI claims must be filed by the last day of April (changed from February in 2010) each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2009 were filed in February 2010 and will be examined by the Tax Department during 2010 and incentive payments, if earned, were paid in late 2010. Therefore, there is a one year delay before the claim and actual activity data is available. This is why this report includes application data through December 2010, but actual earning and economic activity for 2007–2009.

In 2007, seven claims were filed. The Vermont Department of Taxes determined that four of these companies met their performance requirements by the end of the year and three did not. In 2008, ten were filed, and three met performance measures. For 2009, 16 were filed and 5 met performance requirements. Only the companies that met performance measures were paid the incentives indicated in **Tables 3 and 4**. The projected and actual data included in **Table 4** summarized in **Table 3** are for the companies that both met and did not meet targets. Companies are not included if their incentives were rescinded or terminated in subsequent years. Data for companies that did not meet performance requirements are included because a company is not removed from the program if they do not meet their requirements by the due date (December 31 of each year). These companies created jobs, generated payroll, and made capital investments, but not to the extent that met the performance measures. Note that no incentive is paid to such a company until and unless the requirements are met. This economic activity, however, must be counted and is included in the calculation of the actual net revenue benefit to the State. If a company never meets the required targets after 24 months, no incentive for that year is earned and any future incentives are terminated, and the data for that company is removed.

**Table 4** shows that the companies with expected activity in 2007 created more jobs, generated more payroll, and invested more in capital investments than projected. The incentives earned and the first installment reflects the success of this first year. However, starting in 2008 more companies had difficulty meeting performance requirements and the incentives earned and installments paid were far below expectations. Also, in 2008, one company closed. The impact of this is reflected in the data, including the level of incentive installments that are in recapture status. This closure, and the difficulty companies faced meeting targets in 2008 and 2009 corresponds with the downturn in the economy.

## Actual Economic Activity

The data in **Table 3 and 4** also indicate how the structure of the VEGI program protects the state. In the third year of the program, the total new jobs created is below what was projected. Companies in the program created 200 new qualifying jobs (compared to 207 projected). However, the gross level of incentives paid were about \$401,000 (compared to \$498,000 projected).

Because absolute performance measures must be met before incentives are paid, the net revenue benefit to the State is greater than projected because a certain level of projected activity is occurring, even though performance requirements are not met, and no incentive is paid unless and until the performance measures are met. The state gets the benefit of the job creation, payroll generation, and capital investment, but no incentives are paid until and unless the targets are met. The net revenue benefit to the State of Vermont from economic activity and incentive payments through December 2009 was estimated at \$1.4 million. The economic activity that has actually occurred, and the incentives installments paid was re-modeled using the same cost-benefit model used for the application approval process. The model estimates a **net revenue benefit to the State of \$TBD** for 2007-2009 only. The five-year estimate is **\$TBD** for just the activity that occurred in 2007-2009. This estimate assumes that the jobs created during 2007-2009 are maintained for the five-year modeling period. Only the revenue impacts of the capital investments made during 2007-2009 are included in this estimate. It should be noted that the economic activity of the rescinded and terminated companies was not included in the modeling for the revenue impact, but those companies may have contributed jobs and investments during this period. For example, a company was authorized for incentives to move from another state to Vermont and create more jobs. The move occurred, jobs were created, but not at a level that met performance requirements to earn the incentive. Therefore, economic activity occurred and new tax revenues were generated to the State, but no incentives were paid.



TABLE 3: PROJECTED AND ACTUAL ACTIVITY - SUMMARY

YEAR	2007	2008	2009	TOTALS
<b>Claim Activity:</b>				
Claims Expected:	7	14	22	43
Claims Filed:	7	10	16	33
Met Targets:	4	3	5	12
Did Not Meet Targets:	3	7	11	21
Net Included in Projected and Actual Data:	7	10	16	33
<b>Projected Activity:</b>				
New Qualifying Employees:	114	233	207	554
New Qualifying Payroll:	\$ 3,842,588	\$ 7,897,077	\$ 10,417,072	\$ 22,156,737
New Qualifying Capital Investments:	\$ 14,317,077	\$ 13,299,891	\$ 23,727,561	\$ 51,344,529
Est. Incentive Installments to be Paid:	\$ 50,574	\$ 253,487	\$ 498,173	\$ 751,660
Net Revenue Benefit:	\$ 93,216	\$ 394,582	\$ 1,059,890	\$ 1,454,472
<b>Actual Activity:</b>				
New Qualifying Employees:	265	261	200	726
New Qualifying Payroll:	\$ 10,141,803	\$ 8,920,051	\$ 11,721,104	\$ 30,782,958
New Qualifying Capital Investments:	\$ 22,546,350	\$ 13,344,162	\$ 25,942,480	\$ 61,832,992
Incentive Installments Paid:	\$ 208,653	\$ 310,139	\$ 401,369	\$ 920,161
Less: In Recapture Status:	\$ 132,613	\$ 132,613	\$ -	\$ 132,613
Net Incentives Paid to Companies:	\$ 76,040	\$ 177,526	\$ 399,030	\$ 652,596
Net Revenue Benefit:	TBD	TBD	TBD	TBD

TABLE 4: PROJECTED AND ACTUAL ACTIVITY - BY CLASS

YEAR:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>CLASS OF 2007: (Incentives earned between 2007 and 2011 and paid out between 2008 and 2016)</b>											
YEAR:	1	2	3	4	5	6	7	8	9	10	
<b>Claim Activity:</b>											
Claims Expected:	7	7	6								
Claims Filed:	7	6	3								
Met Targets:	4	1	1								
Did Not Meet Targets:	3	5	2								
Net Included in Projected and Actual Data	7	6	3								
<b>Projected Activity:</b>											
New Qualifying Employees:	114	198	33	41	40						
New Qualifying Payroll:	\$ 3,842,588	\$ 5,911,240	\$ 1,130,736	\$ 1,255,992	\$ 1,183,672						
New Qualifying Capital Inv.:	\$ 14,317,077	\$ 11,886,270	\$ 5,242,000	\$ 3,096,400	\$ 1,113,680						
Est. Incentive Installments to be Paid:	\$ 50,574	\$ 227,200	\$ 396,047	\$ 411,260	\$ 420,207	\$ 282,360	\$ 36,127	\$ 21,486	\$ 9,709		
<b>Actual Activity:</b>											
New Qualifying Employees:	265	220	101								
New Qualifying Payroll:	\$ 10,141,803	\$ 6,908,636	\$ 5,407,359								
New Qualifying Capital Inv.:	\$ 22,546,350	\$ 12,445,210	\$ 9,958,138								
Incentive Installments Paid:	\$ 208,653	\$ 276,650	\$ 357,683								
Less: In Recapture Status:	\$ 132,613	\$ 132,613	\$ -								
Net Incentives Paid to Companies:	\$ 76,040	\$ 144,037	\$ 357,683								
<b>CLASS OF 2008: (Incentives earned between 2008 and 2012 and paid out between 2009 and 2017)</b>											
YEAR:		1	2	3	4	5	6	7	8	9	10
<b>Claim Activity:</b>											
Claims Expected:		7	4								
Claims Filed:		4	2								
Met Targets:		2	1								
Did Not Meet Targets:		2	1								
Net Included in Projected and Actual Data:		4	2								
<b>Projected Activity:</b>											
New Qualifying Employees:		35	19	11	8	6					
New Qualifying Payroll:		\$ 1,985,837	\$ 1,035,000	\$ 554,000	\$ 355,000	\$ 340,000					
New Qualifying Capital Inv.:		\$ 1,413,621	\$ 2,100,000	\$ 575,000	\$ 500,000	\$ 500,000					
Est. Incentive Installments to be Paid:		\$ 26,287	\$ 102,125	\$ 130,563	\$ 144,980	\$ 156,336	\$ 86,205	\$ 41,608	\$ 23,584	\$ 13,100	
<b>Actual Activity:</b>											
New Qualifying Employees:		41	4								
New Qualifying Payroll:		\$ 2,011,415	\$ 246,811								
New Qualifying Capital Inv.:		\$ 898,952	\$ 969,757								
Incentive Installments Paid:		\$ 33,489	\$ 41,347								
Less: In Recapture Status:		\$ -	\$ -								
Net Incentives Paid to Companies:		\$ 33,489	\$ 41,347								



TABLE 4: PROJECTED AND ACTUAL ACTIVITY - BY CLASS (Cont.)

YEAR:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>CLASS OF 2009: (Incentives earned between 2009 and 2013 and paid out between 2010 and 2018)</b>												
YEAR:			1	2	3	4	5	6	7	8	9	10
<b>Claim Activity:</b>												
Claims Expected:			12									
Claims Filed:			11									
Met Targets:			3									
Did Not Meet Targets:			8									
Net Included in Projected and Actual Data:			11									
<b>Projected Activity:</b>												
New Qualifying Employees:			155	177	122	95	42					
New Qualifying Payroll:			\$ 8,251,336	\$ 8,324,637	\$ 6,412,752	\$ 4,753,904	\$ 2,519,236					
New Qualifying Capital Inv.:			\$ 16,385,561	\$ 16,502,825	\$ 3,716,050	\$ 4,343,792	\$ 2,430,000					
Est. Incentive Installments to be Paid:			\$ 118,410	\$ 505,452	\$ 758,893	\$ 908,004	\$ 1,035,157	\$ 759,157	\$ 383,318	\$ 217,014	\$ 92,544	
<b>Actual Activity:</b>												
New Qualifying Employees:			95									
New Qualifying Payroll:			\$ 6,066,934									
New Qualifying Capital Inv.:			\$ 15,014,585									
Incentive Installments Paid:			\$ 2,339									
Less: In Recapture Status:			\$ -									
Net Incentives Paid to Companies:			\$ 2,339									

## Supplemental Data: Active Applications

**Charts 5 through 13** illustrate several interesting data points about the 34 active projects in the program. Note that the data presented in charts 5-13 is generated *only* by the 34 approved-active applications (not all applications ever considered). **Charts 5 through 7** cover issues related to the program guidelines. **Charts 8-10** show data that counters some assumptions that are often made about the program applicants and the projects that are approved. **Charts 11-13** are related to regional distribution of incentives and jobs.

**Chart 5** shows the wage ranges of the projected 2,611 new, qualifying jobs, in \$10,000 increments. This data relates to Guideline 2, regarding wages and benefits. While the largest segment of jobs, at 30% of total, are in the \$25,000 - \$29,000 range, the chart shows that the majority of the jobs (70% of total) will pay wages well above the state average and more than half of the jobs will pay above \$40,000 per year. Additionally, the companies project creating only 105 jobs that will pay wages at or below the VEGI Wage Threshold (160% of Vermont minimum wage; these jobs cannot be used to calculate the VEGI incentive). This data shows that the applicants to this program are creating very well-paying jobs, the majority of which far exceed the VEGI Wage Threshold. None of the applicants projected the creation of jobs at or even near the Vermont minimum wage.

**Chart 6** shows the breakdown of jobs projected to be created by various job categories. Predictably, the largest category of jobs is production, at 50% of the total. Other jobs are about equally divided between management, IT, R&D, engineering, and administration/support.

**Chart 7** illustrates one aspect of the fringe benefits that are and/or will be offered by the applicant companies (related to Guideline 2). The average of the benefits ratios (benefits as percentage of total compensation) for applicants is 24%. This means that the weighted average wage paid, \$48,996, is supplemented by an average benefits package valued at \$11,514 for a total compensation of \$60,510. All approved applicant companies in the VEGI program pay some portion of employee health care costs. Only one company offers less than 30% coverage by the employer. One company offers 12% and one company offers 33%. All other companies offer 50% or more coverage. The majority of the companies (82%) cover 61% or more of health care costs for their employees.

**Chart 8** shows the size of the company, by number of full-time employees, at the time of application. As the chart illustrates, the majority of the applicant companies are small to medium size companies. In fact, 28 (85%) of the companies had under 100 employees, with 21 (or 64%) of those companies actually having under 20 employees. Only two applicants had 500 or more employees at the time of application. Almost 59% of the applicants are Vermont-based/owned companies. These are companies that were started by, and are owned by Vermonters and their families.

**Chart 9** illustrates the types of economic development projects applying for incentives. It shows 44% of companies are recruitment types that are starting, expanding into or relocating to Vermont. Forty-one percent of the projects are retaining and expanding existing Vermont companies or divisions. Another 9% are start-ups by Vermont entrepreneurs and 6% are re-starts of previously closed companies. This data, when viewed together with **Chart 8**, indicates that the VEGI program is now providing almost equal incentive percentages to the retention and expansion of small, Vermont companies as to the recruitment of small and medium-size companies to Vermont.



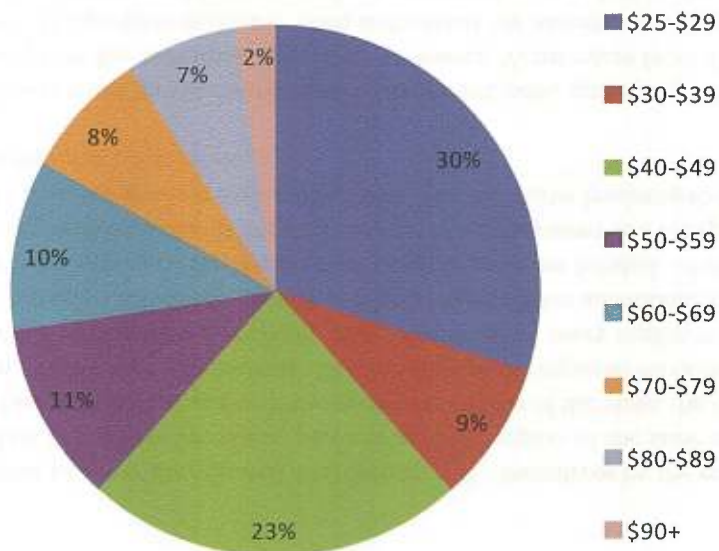
**Chart 10** summarizes the type of facility expansions occurring because of the incentives. As the data shows, the program has been very successful in providing incentives for the acquisition and/or reuse of existing buildings in Vermont that are un- or under-utilized. This type of project represents 64% of the active projects. Another 12% did not involve any facility expansion and 12% will expand the facility they currently occupy. A total of 88% of the projects will *not* involve building new facilities. Most will involve substantial investment in renovations to facilities, having a very positive impact on local construction companies. Four companies (12%) proposed projects that will involve new construction, but all of them will occur within existing industrial or commercial parks or within sites zoned for that purpose.

**Charts 11 and 12** show the regional distribution of the incentives by the number of active-approved applications per region (**Chart 11**) and by incentive dollars per region (**Chart 12**). There are active projects in every region of the state except the Northeast Kingdom. The largest number of applications are from Chittenden County, which is expected as this is the economic engine of the state, the current location of most applicants, and the desired location for most companies recruited to Vermont. VEPC staff makes every effort to educate all regional economic development practitioners about the VEGI program. VEPC staff visits all regions regularly and VEGI informational seminars were conducted in every region at the start of the program. Additionally, in accordance with Program Guideline 1, applications from outside Chittenden County can be authorized for additional incentives. However, the Council and staff have no control over where existing Vermont companies (who represent the largest pool of applicants) are located, where new companies want to locate, or from which regions applications are submitted. Additionally, regional boundaries are meaningless to employment at a company. While most employees will come from the immediate area, many Vermonters cross county and regional borders for employment. The extensive business-to-business relationships developed by applicant companies within the state also occur regardless of regional boundaries.

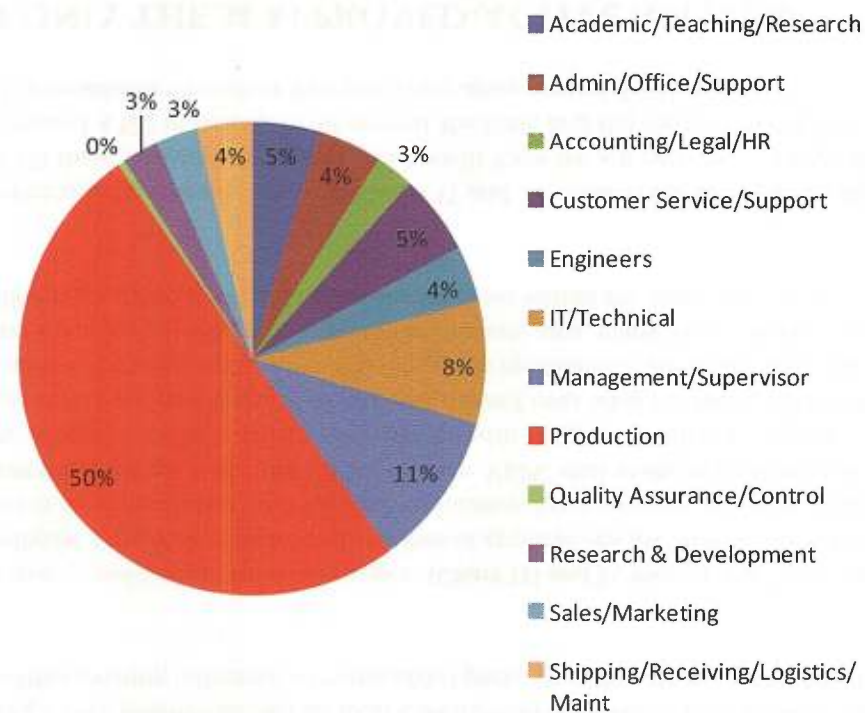
**Chart 13** shows the regional distribution of the direct, new, qualifying jobs that are projected to be created. As with Charts 11 and 12, there is direct impact in all regions except for the Northeast Kingdom. However, Vermonters from all regions will fill these jobs and all regions will benefit from the job creation and capital investments. The projects that have been authorized for incentives will generate an estimated 4,123 indirect jobs all around the State and the companies estimate over \$108 million in annual business-to-business (vendor, supplier, customer, and client) interactions with other Vermont companies around the State.

**NOTE: THE DATA PRESENTED IN CHARTS 5-13 ARE FOR ONLY THE 34 APPROVED-ACTIVE APPLICATIONS THROUGH DECEMBER 2010, NOT ALL APPLICATIONS CONSIDERED.**

**Chart 5:  
Wage Levels for Projected Jobs  
(Wage Ranges in 000's)**



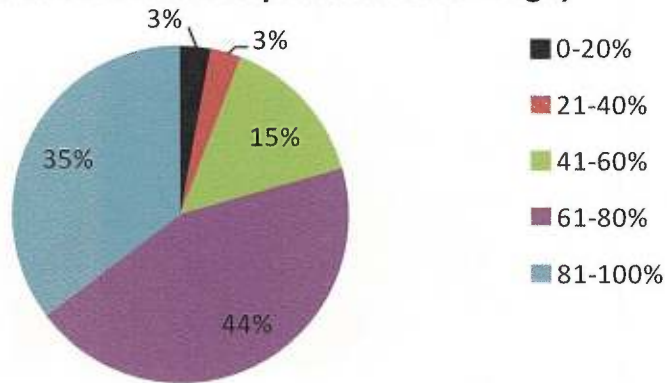
**Chart 6:  
Projected Job Types**



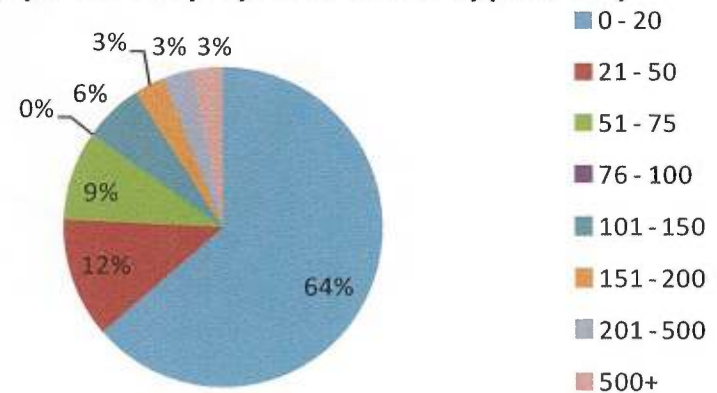
Data includes 34 Approved, Active applications only.



**Chart 7:**  
**Percent of Health Care Paid by Employer**  
 (By percent of total companies in each range)

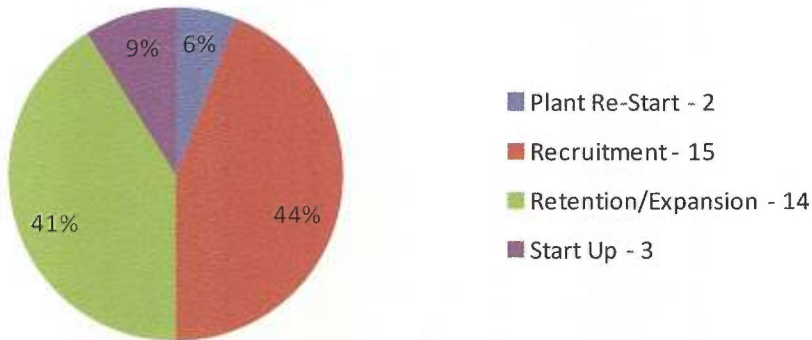


**Chart 8:**  
**Size of Business**  
 (by # of FT employees at time of application)

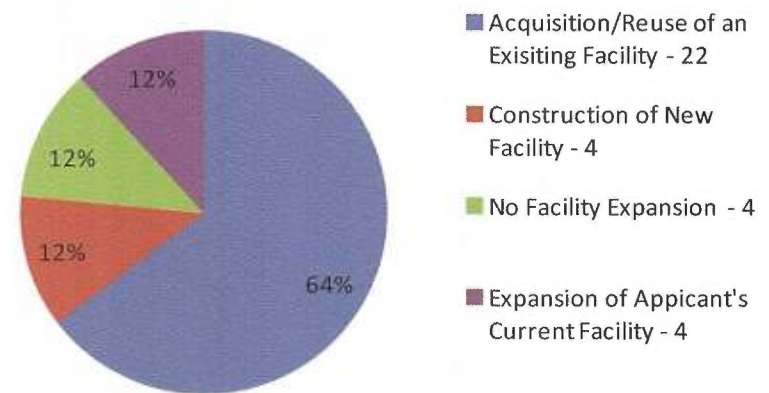


Data includes 34 Approved, Active applications only.

**Chart 9:**  
**Type of Economic Development Project**  
(Percentage of total number of projects)



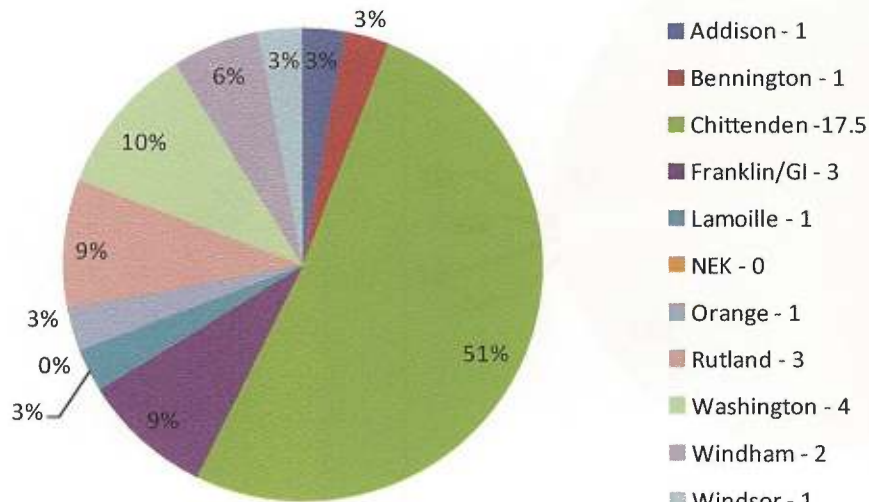
**Chart 10:**  
**Type of Facility Expansion**  
(Percentage of total number of projects)



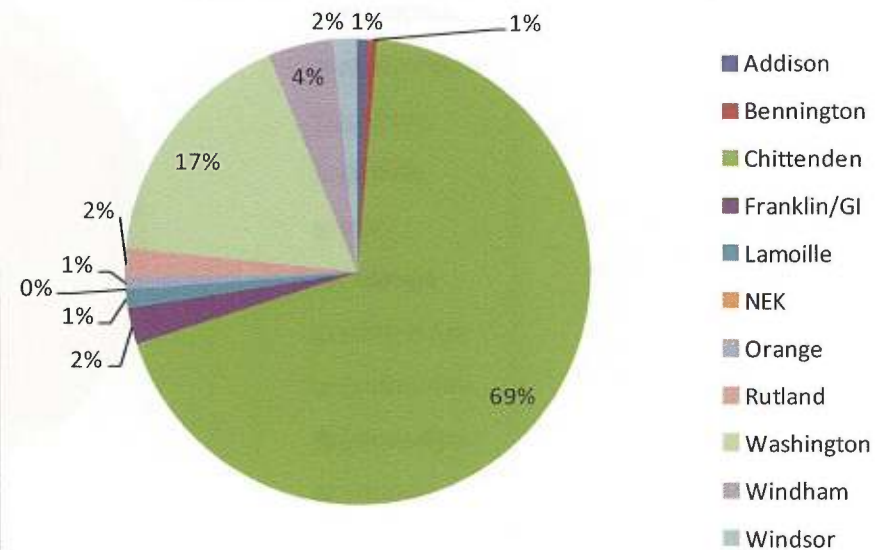
Data includes 34 Approved, Active applications only.



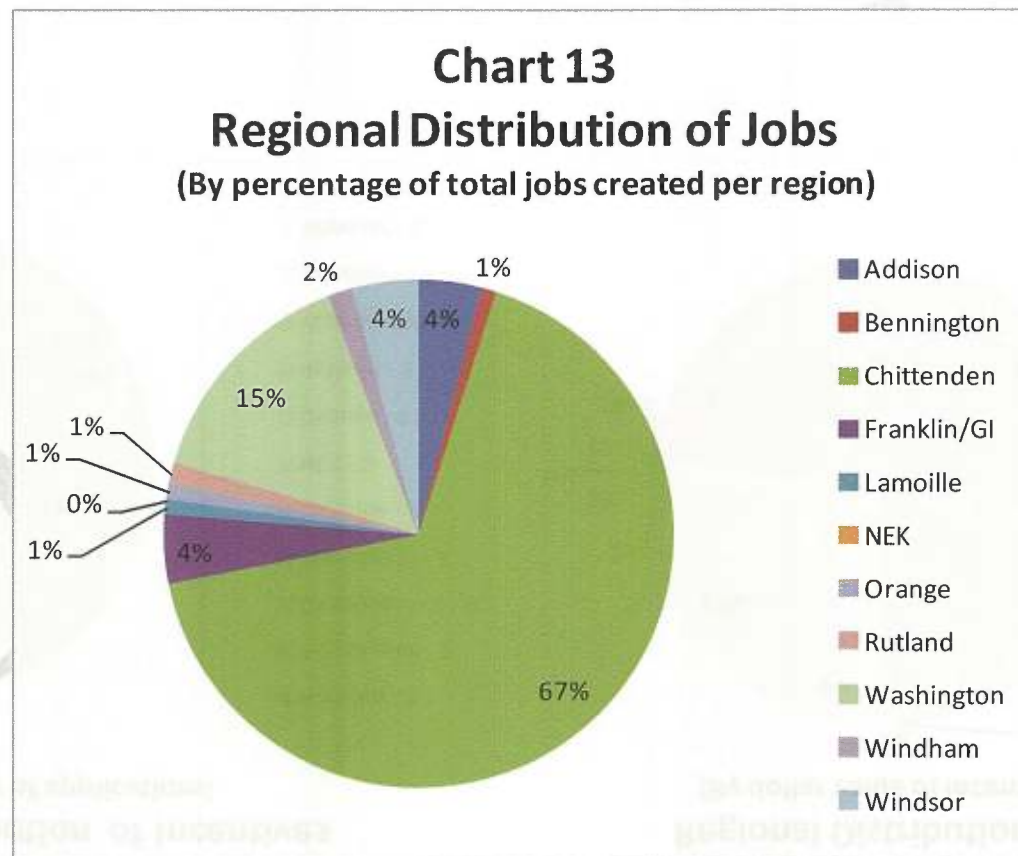
**Chart 11:**  
**Regional Distribution of Incentives**  
(By number of applications)



**Chart 12:**  
**Regional Distribution of Incentives**  
(By dollar value of incentives authorized)



Data includes 34 Approved, Active applications only.



Data includes 34 Approved, Active applications only.



	2009 Bench- mark	2009 Actual	2010 Bench- mark	2010 Actual	2011 Bench- mark	2011 Actual	2012 Bench- mark	2012 Actual
<b>Outcome:</b>								
(NOTE: All Outcome Measures are set by aggregated data from authorized companies) DATA AS OF DECEMBER 31, 2010								
<b>For Incentive Level of:</b>	\$617,000	\$401,000	\$1.344 M		\$2.327 M		\$3.181 M	
Incremental Qualifying Jobs	207	200	434		464		523	
Percentage of New Qualifying That are Vermont Residents	91%	99%	91%		91%		91%	
Incremental Qualifying Payroll	\$10.4 M	\$11.7 M	\$22.3 M		\$24.4 M		\$27.0 M	
Incremental Qualifying Capital Investments	\$23.7	\$25.9 M	\$40.4 M		\$61.0 M		\$71.6 M	
Incremental Net Revenues	\$1.0 M		\$2.0 M		\$3.1 M		\$3.4 M	
<b>Output:</b>								
Net Revenue Generated Per New Qualifying Job	\$4830		\$4608		\$6681		\$6501	
Number of Applications Considered	22	26	22	23	25		30	
<b>Efficiency:</b>								
Modeling Cost Per Application Modeled (FY basis)	\$365	\$365	\$365	\$322	\$350		\$325	
Budgetary Cost per New Qualifying Job Created	\$1067	\$1105	\$509		\$476		\$422	

## Footnotes

1	It is not possible to know this information until a company has completed an entire earning period. No company has completed an earning period yet. Table 5 includes information on the aggregate number of companies that met targets each year.
2	"Green VEG" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
3	Status: "Active" indicates that an application was approved. "Active-Initial" indicates that an Initial Application was approved and the applicant still needs to file a Final Application for incentives to be authorized. "Active-Final" indicates a Final Application has been submitted and approved and incentives are authorized. "Denied" indicates that an application was submitted and was denied by the VEPC Board. "Rescinded" indicates that an application was approved, but the authorization to earn incentives was subsequently rescinded but no incentives were ever earned or paid. A rescission can occur for many reasons, including failure to file a VEGI claim, failure to meet targets, or if the applicant pulls out of the program because a project did not or will not occur. "Revoked" indicates that the authority to earn incentives is terminated after the company earned and was paid some incentives but there is no recapture. "Revoked-Recapture" indicates the authority to earn incentives is terminated and the company has earned some incentives, which must be recaptured.
4	Includes Initial and Final Applications
5	See footnote 3
6	"Green VEG" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
7	Cap is \$10,000,000 for each calendar year. Cap balances do not carry forward to the next year.
8	Fiscal benefits and costs are estimated by an economic model. Majority of costs and benefits occur during the first five years of each project. The costs include not only the cost of the incentive, but also other revenue costs to the state such as new students in school and other services incurred by adding new people and buildings. Cost to pay incentive, if earned, continues for four years after the incentives are earned. Therefore, State of Vermont receives the benefit of each project before all incentive costs are incurred. The revenue benefits of the new jobs and payroll continue to accrue to the state after the five year earning period, but that benefit is not accounted for in the modeling. Therefore, the net revenue benefit is conservative. For a breakdown of estimated costs and benefits, by year, see Table 3.
9	The VEGI program cannot provide incentives for job retention. However, if a Vermont company receives incentives to expand in Vermont, an additional benefit is the retention of current employment.
10	VEGI incentives can only be authorized for new jobs that exceed a statutory wage threshold (160% of Vermont minimum wage). This number represents the new full-time jobs projected which will pay a wage at or under the VEGI wage threshold. The jobs occur because of the incentive, but cannot be counted toward the incentive calculation.
11	Indirect jobs are estimated by the VEGI cost-benefit model according to a multiplier factor for the particular region and sector of the project. These are the jobs created at other businesses in Vermont because of the project receiving the incentive.
12	All new payroll projected as new to Vermont due to the incentive, including for companies recruited to Vermont, is subject to a background growth calculation. This calculation discounts a portion of the new payroll that will be generated because of the incentive according to a factor for each business sector, thereby reducing the level of new payroll that is used to calculate the amount of incentive the applicant can earn. This payroll is considered "background" or "organic" or payroll that would have been created anyway. This number represents the amount of new payroll projected to be created in Vermont because of the incentive program, but for which no incentive will be earned or paid.
13	See Chart 6 for more detail on the level of health care paid by employers. This number represents the percentage of the health care costs for employees that are paid by the applicant companies.
14	This represents an estimate of the level of interaction by applicant companies with other Vermont companies as vendors, suppliers, and customers.



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# **Vermont Employment Growth Incentive Program**

**Annual Report  
2011**

**VERMONT ECONOMIC PROGRESS COUNCIL**

**VERMONT DEPARTMENT OF TAXES**



## **VEGI Program Summary**

### **ACTUAL ECONOMIC IMPACT** **(January 1, 2007 - December 31, 2009)**

New Qualifying Jobs Created	726
Total New Jobs (Direct & Indirect)	1,346
New Qualifying Payroll Created	\$30,782,958
New Qualifying Capital Investments	\$61,632,992
Incentives Earned and Paid	\$920,161
Estimated Net Revenue Benefit	\$2,937,700

### **APPLICATION VOLUME** **(January 1, 2007—December 31, 2010)**

	<u># of Applications</u>	<u>Incentive Value</u>
Applications Considered	54	\$38,043,159
Applications Denied	4	\$ 783,181
Applications Rescinded/Terminated	16	\$ 8,536,198
Net Approved-Active Applications	34	\$28,723,780





In January 2007, the Vermont Employment Growth Incentive (VEGI) program began offering new incentives for business recruitment, growth and expansion. The VEGI program provides a cash incentive that comes from the incremental tax revenues generated by the new jobs created and investments made by an approved company, only after the incremental jobs are created and investments are made. To earn the incentive, a company must apply to the Vermont Economic Progress Council (VEPC), a citizen board that determines:

- Whether the economic activity would not occur or would occur in a significantly different and/or less desirable manner without the incentive (But For);
- Whether the economic activity will generate more incremental tax revenue for the state than is foregone through the incentive (cost-benefit modeling); and
- Whether the company and economic activity are consistent with a set of nine program guidelines.

VEGI incentives are earned over a period of up to five years and paid out over a period of up to nine years. The incentives are earned only if payroll, employment, and capital investment performance measures are met by the company each year. If the company earns the incentive by meeting performance measures in a particular year, the incentive is then paid out in five annual installments, if the new jobs and payroll are maintained. Claims for VEGI incentive installments are examined annually by the Vermont Department of Taxes.

1. Total authorized amount of incentives during preceding year (Table 2)
2. Amounts actually earned and paid out from inception to date of report (Tables 3 and 4)
3. Date and amount of authorization (Table 1)
4. Expected calendar year or years in which the authorization will be exercised (Table 1)
5. Whether the authorization is currently available (Table 1)
6. Amount and date of all incentives exercised (Tables 3 and 4)
7. Recipient performance in the year in which the incentives were applied (Tables 3 and 4)

This report presents the applications considered from the start of the program on January 1, 2007 through December 31, 2010, the status of those applications and incentives as of December 31, 2010, and the economic activity projected by the active applications. The report also includes the actual economic activity that has occurred from January 2007 - December 31, 2009, as reported on claims filed and examined by the Tax Department.

Table 1 provides a complete list of all applications considered from the start of the program in 2007 through December 2010 and the status as of December 31, 2010. The projected economic and fiscal impact of the incremental jobs, payroll and capital investments, as estimated by a cost-benefit model, are presented in Table 2. The activity projected to occur because of the incentives and the actual activity that occurred are summarized in Table 3 and detailed by class and year in Table 4. The data presented on Tables 1 and 2 is updated each month following each VEPC Board meeting and is always available on the VEGI website. Charts 5-13 are included to provide further detail and perspective on the data represented by the 34 approved and active applications.

Further information on VEPC and the Vermont Employment Growth Incentive Program is available at: <http://economicdevelopment.vermont.gov/Programs/VEPC/tabid/124/Default.aspx>. Further information on the Department of Taxes is available at: [www.state.vt.us/tax](http://www.state.vt.us/tax). Vermont Statute (32 VSA §5930(b)(e)) requires the following elements of the program to be reported annually. The table in which each requirement is addressed is noted below:

8. Number of applications for incentives (Table 2)
9. Number of approved applicants who complied with ALL their requirements for the incentive (Not Included<sup>1</sup>)
10. Aggregate number of jobs created (Tables 3 and 4)
11. Aggregate payroll (Tables 3 and 4)
12. Date the authorization will expire (Table 1)
13. Identity of the business whose applications were approved (Table 1)





**Table 1** shows every application that has been considered by the Vermont Economic Progress Council (VEPC) since the inception of the Vermont Employment Growth Incentive (VEGI) program in January 2007. It includes the name of the applicant company, the date the application was considered, the authorization (or earning) period, the current status of the incentives, the maximum level of incentives considered, the estimated minimum net revenue benefit to the State of Vermont, the location of the project, and the type of economic development project.

The date listed for when applications are considered is the date a Final Application was considered if the company filed both an Initial and Final Application. If a Final Application has not yet been filed, the applicant's status is listed as "Active-Initial." Incentives are not considered authorized until a Final Application has been approved. However, the amount of incentives listed when an application has received Initial Approval is booked against that year's cap.

An application is "Rescinded" if the company never files a Final Application. An incentive is "terminated" if, after Final Approval, the Council or the Department of Taxes takes action to terminate the company's authorization to earn further incentive payments. Authorizations can be terminated for several reasons, including when a project does not occur or when the company fails to file an annual VEGI claim by the statutory filing date. Incentives are listed as "Terminated- Recapture" if the company has earned and/or been paid some of the incentives and something occurs that causes the incentives to be terminated and recapture of incentives paid is carried out by the Department of Taxes.

The maximum incentive amount considered is the maximum level of incentives the company could possibly earn if the project occurs. If the project status indicates a rescission or termination, the maximum incentive amount is listed only for reference in this report but the incentive is no longer available to the company.

**Table 2** summarizes the application volume, application status, the total incentives considered and authorized, the annual level of incentives compared to the annual cap for each calendar year, and the direct and indirect fiscal and economic impacts estimated by the VEGI cost-benefit model.

VEPC has considered 89 applications since the inception of the VEGI program in January 2007, an average of 22 per year. The 54 applications summarized in this report are the Final Applications submitted and considered by each company (unless a Final application has not yet been submitted). Statute allows a company to file an Initial Application followed later by a Final Application. Both are formal applications considered and either approved or denied by VEPC. A company may file a Final Application without filing an Initial Application.

As of December 31, 2010, of the 54 Final Applications authorized, 34 (63%) are active, 16 (30%) have been rescinded/terminated, and 4 (7%) were denied. The rescissions and terminations are due primarily to projects not going forward because of the economic downturn. It should not be surprising that these project delays or cancellations are occurring during the worst economic downturn in decades. More project delays and cancellations, and companies not meeting targets on schedule should be expected until there is a turnaround in the economy.

### QUICK DATA FACT #1

#### HOW MUCH NET TAX REVENUE HAS THE VEGI PROGRAM GENERATED TO DATE?

(Estimated for 2007 - 2009, After Cost of Incentives Paid)

**\$2,937,700**



In 2007, the General Assembly approved an enhancement to the VEGI program for companies that will create jobs in certain environmental technology sectors. Since its passage, 9 applications have been considered for the "Green VEGI" enhancement, 6 of which remain active. These companies plan to employ over 832 Vermonters to design, research, develop, and produce wind turbines, capacitors for electric vehicles, energy efficient transformers, innovative water treatment technologies, recyclable plastic packaging, and flexible solar component production.

As the summary data in Table 2 show, the net (not including denied and rescinded/terminated) incentives authorized through December 2010 total just over \$28 million. These incentives will be earned by 33 companies for 34 projects planned to occur between 2007 and 2015 *only if* payroll, employment and capital investment performance measures are met. Incentives are not paid out on a pro-rata basis if annual performance measures are not met.

As Table 2 indicates, the projects that have been approved through December 2010 are projected to create **2,611 new, direct, qualifying jobs** (full-time, permanent, paying over 160% of Vermont minimum wage), over **\$125 million in new qualifying payroll** (above and beyond "background growth" payroll), and over **\$344 million in capital investments** in machinery and equipment and building construction and renovation. The new jobs to be created are projected to have a weighted average wage of \$48,996 and **average total compensation of \$60,511** (including benefits). This economic activity, scheduled to occur between 2007 and 2015, is the basis for the incentives calculated and the incremental revenue projected to be generated.

The incentives will be paid out between 2008 and 2020, only if performance measures are met and maintained. The dollars to pay these incentives comes from the new tax revenue these companies generate to the state when the economic activity summarized in Table 2 occurs. Each company was approved only because a determination was made that the activity would not occur, or would occur in a materially different and less desirable manner, unless the incentive was authorized (But For). Therefore, the tax revenue to pay the in-

centive to the companies are generated by those companies and are revenues that would never have occurred, except for the incentive being approved.

In addition to the But For criteria, application consideration includes an extensive and detailed modeling of the economic and fiscal (revenue) benefits and costs to the State of Vermont. Net new revenues are generated primarily from payroll withholding taxes. But new revenues are also generated from new personal and corporate income taxes, sales and use taxes on machinery and equipment and building materials, transportation fees, property taxes, and other fees and taxes paid by the company, employees, contractors and their employees, and other companies involved in the project. The model also accounts for economic and fiscal costs to the State such as the costs of new students attending school and other additional services that will be required.

As Table 2 summarizes, the projects that have been approved will generate estimated new revenues to the State totaling \$63.8 million, and the revenue costs, including the incentive payments will be about \$48 million. In addition to the new jobs, payroll and capital investments, the State of Vermont will realize net new revenues totaling **\$15.4 million**.

The fiscal estimates included in this report cover only the five-year earning period (revenue benefits, job creation, payroll generation, capital investments) and the nine year incentive payment period (revenue costs, incentive costs) that are included in the cost-benefit model. New revenues will continue to be generated to the State after this modeling period and jobs may continue to be created that are not accounted for in the modeling.

### QUICK DATA FACT #2

#### HOW MANY NEW JOBS HAVE VEGI COMPANIES CREATED TO DATE? (2007-2009)

Estimated All New Jobs, Direct and Indirect:	<b>1,346</b>
Actual New Qualifying jobs:	<b>726</b>





## Application Activity

**Table 2** also includes summary data on related and indirect economic activity that is projected to occur because of the incentives. The VEGI program is not a job retention program. However, the expansion projects approved will mean that *at least 2,219 existing jobs will be retained*. The projects will also create about 105 non-qualifying full-time jobs (pay below 160% of Vermont minimum wage) and *over 4,000 indirect jobs* throughout the state.

The projects will also generate almost \$20.4 million in new payroll that is considered “background” or “organic” growth payroll. The calculation of the incentive for *all* applications includes the discounting of a certain level of the new payroll that will be generated. This is considered background growth payroll or payroll that would have occurred anyway. This is done even for applications from new or start-up companies and companies that are being recruited to Vermont, neither of which ever had payroll in Vermont before the application date. The projects approved will create about \$20.4 million in new payroll because of the incentive that will not be counted in the incentive calculation because it is considered “background growth.”

In addition to the But For and cost-benefit criteria for approval, applications are also considered against a set of nine program guidelines. One of the guidelines (Guideline 7) involves the interaction of the applicant with other Vermont companies in customer, supplier, and vendor relationships. The greater these interactions, the more indirect economic impact the incentives will have. Table 2 shows that the expected business-to-business relationships of applicants is estimated at over \$108 million each year.

Also summarized in **Table 2** is the median level of employee health care costs that are paid by the employers approved for VEGI incentives, at 80%. Further detail on this and other data related to the Program Guidelines are contained in Charts 5-13.



Governor Shumlin cuts the ribbon to open the new eCorp English Headquarters in Middlebury. Also pictured are Salvatore Zizza, Chairman of the Board and Deborah Schwarz, President, eCorp English.

eCorp received Initial Approval for VEGI incentives in August 2010, after which the company made the decision to relocate their international English language teaching facility and headquarters from Malta to Vermont. The company was considered staying in Malta, or expanding in New York City, Portland, Oregon, or to a location in Vermont. In December 2010, an incentive package was finalized and the company opened in Middlebury in March 2011.

TABLE 1: INCENTIVE APPLICATIONS CONSIDERED, AND STATUS, THROUGH DECEMBER 31, 2010

Company Name	Date Application Considered	Authorization (Earning) Period	Status <sup>2</sup>	Maximum Incentive Considered	Minimum Net Revenue Benefit	Green or Subsection 6	Location	Type of Project
Ink Jet Machinery of Vermont	25-Jan-07	n/a	Terminated Jan 24, 2008	\$ 336,065	\$ -	n/a	Dorset	Startup
Olympic Precision, Inc./WIC/Town of Windsor	26-Jan-07	n/a	Terminated Sept 6, 2007	\$ 474,428	\$ -	n/a	Windsor	Recruitment
Monahan SR, LLC	15-Feb-07	n/a	Term-Recap Sept 28, 2009	\$ 791,277	\$ -	n/a	Middlebury	Plant Restart
Qilmonda North America Corp.	15-Feb-07	n/a	Terminated Mar 27, 2008	\$ 229,672	\$ -	n/a	So. Burl	Ret./Expansion
Rehab Gym, Inc.	22-Mar-07	n/a	Denied	\$ 266,439	\$ -	n/a	Colchester	Ret./Expansion
Applejack Art Partners	3-May-07	n/a	Terminated Oct 26, 2007	\$ 85,639	\$ -	n/a	Manchester	Recruitment
Omni Measurement Systems	3-May-07	n/a	Terminated Mar 26, 2010	\$ 677,944	\$ -	n/a	Milton	Ret./Expansion
Vermont Timber Frames	3-May-07	2007 - 2011	Active - Final	\$ 166,126	\$ 70,611	n/a	Bennington	Recruitment/Exp.
Battenkill Technologies, Inc.	28-Jun-07	n/a	Terminated Jun 26, 2008	\$ 79,064	\$ -	n/a	Manchester	Recruitment
Burton Corporation	28-Jun-07	n/a	Terminated Mar 26, 2010	\$ 1,653,965	\$ -	n/a	Burlington	Ret./Expansion
Energizer Battery Manufacturing, Inc.	28-Jul-07	n/a	Terminated May 28, 2009	\$ 607,347	\$ -	n/a	St Albans	Ret./Expansion
NIHPP, Inc.	26-Oct-07	2007 - 2011	Active - Final	\$ 182,396	\$ 94,388	n/a	Williston	Ret./Expansion
Green Mountain Coffee Roasters	26-Oct-07	2007 - 2011	Active - Final	\$ 1,786,828	\$ 2,129,672	n/a	Waterbury/Essex	Ret./Expansion
Know Your Source, LLC	6-Dec-07	n/a	Denied	\$ 71,302	\$ -	n/a	Burlington	Start-up
Mascoma Corporation	26-Oct-07	n/a	Rescinded Jun 26, 2008	\$ 1,942,989	\$ -	Green	WRJ	Recruitment/Exp.
CNC North, Inc.	6-Mar-08	n/a	Terminated Mar 26, 2010	\$ 70,533	\$ -	n/a	Springfield	Ret./Expansion
Vermont College of Fine Arts	27-Mar-08	2008-2012	Active - Final	\$ 206,737	\$ 126,260	n/a	Montpelier	Start-up
Isovolta, Inc.	26-Jun-08	n/a	Terminated May 28, 2009	\$ 688,330	\$ -	n/a	Rutland	Ret./Expansion
Vermont Castings Holding Company	18-Sep-08	n/a	Terminated May 28, 2009	\$ 488,000	\$ -	Green	Bethel	Ret./Expansion
New England Precision, Inc./Clifford Properties, Inc.	18-Sep-08	2008-2012	Active - Final	\$ 241,236	\$ 350,926	n/a	Randolph	Ret./Expansion
Utility Risk Management Corp	23-Oct-08	2008-2012	Active - Final	\$ 377,371	\$ 186,973	n/a	Stowe	Recruitment
Helix Global Solutions, Inc.	4-Dec-08	n/a	Rescinded Dec 4, 2008	\$ 53,739	\$ -	n/a	Burlington Area	Recruitment/Exp.
Vermont Wood Energy Corp	4-Dec-08	n/a	Denied	\$ 293,967	\$ -	Green	Rutland	Start-up
Tata's Natural Alchemy	4-Dec-08	n/a	Terminated Mar 26, 2010	\$ 231,631	\$ -	n/a	Whiting/Shoreham	Start-up
Biotech Instruments, Inc./Lionheart Technologies, Inc.	4-Dec-08	2009-2013	Active - Final	\$ 692,854	\$ 1,059,543	n/a	Winooski	Ret./Expansion
Dominion Diagnostics, LLC	22-Jan-09	2009-2010	Active - Final	\$ 103,300	\$ 52,239	n/a	Williston	Recruitment/Exp.
Albany College of Pharmacy	22-Jan-09	2009-2013	Active - Final	\$ 630,869	\$ 346,716	n/a	Colchester	Recruitment/Exp.
ASK-IntTag, LLC	26-Mar-09	2009-2013	Active - Final	\$ 653,722	\$ 263,998	n/a	Essex	Recruitment/SU
Vermont Transformers, Inc.	26-Mar-09	2009-2013	Active - Final	\$ 267,569	\$ 56,910	Green	St. Albans	Recruitment/Exp.
Project Graphics, Inc.	30-Apr-09	2009-2013	Active - Final	\$ 230,414	\$ 112,162	n/a	So. Burlington	Recruitment
Durasol Awnings, Inc.	28-May-09	n/a	Terminated Mar 26, 2010	\$ 246,796	\$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Yogurt, Inc.	25-Jun-09	2009-2013	Active - Final	\$ 1,201,154	\$ 614,505	n/a	Brattleboro	Start-up/Recruit
AirBoss Defense USA, Inc.	24-Sep-09	2009-2013	Active - Final	\$ 243,280	\$ 116,725	n/a	Milton	Recruitment/Exp.
MyWebGrocer, Inc.	22-Oct-09	2010-2014	Active - Final	\$ 143,436	\$ 59,867	n/a	Colchester	Start-up
Maple Mountain Woodworks, LLC	17-Dec-09	2009-2011	Active - Final	\$ 126,296	\$ 53,440	n/a	Richford	Recruitment
Northern Power Systems, Inc.	17-Dec-09	2009-2013	Active - Final	\$ 808,104	\$ 236,796	Green	Burlington	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	17-Dec-09	2009-2011	Active - Final	\$ 292,307	\$ 1,736,611	n/a	Barre	Ret./Expansion
SBE, Inc.	17-Dec-09	2010-2014	Active - Final	\$ 3,048,671	\$ 817,673	Green	Chittenden County	Ret./Expansion
Seldon Technologies, Inc.	17-Dec-09	2010-2014	Active - Final	\$ 478,396	\$ 136,972	Green	Windsor	Ret./Expansion
Business Financial Publishing, Inc.	28-Jan-10	n/a	Denied	\$ 162,473	\$ -	n/a	Burlington	Recruitment
New England Supply, Inc.	26-May-10	2010-2014	Active-Final	\$ 67,963	\$ 36,088	n/a	Williston	Start-up
The Original Vermont Wood Products, Inc.	27-May-10	2010-2011	Active-Final	\$ 100,604	\$ 35	Sub 6	Pittsfield	SU/Plant Restart
Westminster Cracker Company, Inc.	22-Jul-10	2010-2014	Active-Final	\$ 236,246	\$ 96,360	Sub 6	Rutland	Ret./Expansion
Revision Eyewear, Ltd.	28-Oct-10	2010-2013	Active - Final	\$ 552,193	\$ 449,055	n/a	Essex	Ret./Expansion
Organic Trade Association	28-Oct-10	2010	Active-Final	\$ 76,569	\$ 36,795	n/a	Brattleboro	Recruitment
Dealer.com, Inc.	16-Dec-10	2010-2012	Active-Final	\$ 4,929,487	\$ 2,644,946	n/a	Burlington	Ret./Expansion
Pinnacle Sales Accelerators, LLC	16-Dec-10	2010-2014	Active-Final	\$ 111,635	\$ 53,490	n/a	Burlington	Ret./Expansion
Swan Valley Cheese Company of Vermont	16-Dec-10	2010-2012	Active-Final	\$ 306,830	\$ -	Sub 6	Swanton	Start-up/Recruit
Hayward Tyler, Inc.	16-Dec-10	2011-2015	Active-Initial	\$ 1,103,117	\$ 579,415	n/a	Milton	SU/Plant Restart
Ellison Surface Technologies, Inc.	16-Dec-10	2011-2015	Active-Initial	\$ 227,775	\$ 104,261	Sub 6	Rutland	Ret./Expansion
eCorporate English, Ltd.	16-Dec-10	2011-2015	Active-Initial	\$ 234,288	\$ 106,940	n/a	Middlebury	Recruitment/Exp.
Skipoint Solar	16-Dec-10	2011-2015	Active-Initial	\$ 7,900,114	\$ 2,286,537	Green	Burlington	Start-up/Recruit
Alpis, Inc.	16-Dec-10	2011-2015	Active-Initial	\$ 664,438	\$ 181,670	Green	TBD	Recruitment/Exp.



**TABLE 2: INCENTIVE AUTHORIZATION DATA SUMMARY  
FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2010**

Application Count	Total Considered	Approved - Active <sup>4</sup>	Rescinded/ Terminated <sup>6</sup>	Denied	
Total Applications Considered:	54	34	16	4	
Percent of Total Applications		63%	30%	7%	
Regular VEGI Applications:	45	28	14	3	
Green VEGI Applications <sup>6</sup> :	9	6	2	1	
Subsection 5 Applications:	4	4	0	0	
Authorization Summary:		Direct Estimated Economic Impact:			
Total Incentives Considered To Date:	\$ 38,043,159	New Qualifying FT Jobs Projected:			2,611
Total Incenitves Denied To Date:	\$ 783,181	New Qualifying FT Payroll Projected:			\$ 125,766,169
Total Incentives Rescinded/Revoked to Date:	\$ 8,536,198	Weighted Average Wage of New Qualifying Jobs:			\$ 48,996
Net Incentives Authorized to Date:	\$ 28,723,780	Average Total Compensation for New Qualifying Jobs			\$ 60,511
		New Qualified Capital Investment Projected:			\$ 344,820,785
Authorizations, by Year/Cap Balances <sup>7</sup> :		Related Estimated Economic Activity:			
2007 Authorizations:	\$ 2,125,350	Retained Full-time Jobs <sup>8</sup> :			2,219
2007 Cap Balance:	\$ 7,874,650	Full-time Non-Qualifying Job Creation <sup>9</sup> :			105
2008 Authorizations:	\$ 825,344	Indirect Job Creation <sup>10</sup> :			4,123
2008 Cap Balance:	\$ 9,174,656	Total Full-time Job Creation:			6,839
2009 Authorizations:	\$ 5,293,295	New Payroll Considered Background Growth <sup>11</sup> :			\$ 20,432,204
2009 Cap Balance:	\$ 4,706,705	Median Health Care Premium Paid by Employer <sup>12</sup> :			80%
2010 Authorizations:	\$ 10,360,059	Approximate Value of VT Biz-to-Biz Interactions <sup>13</sup> :			\$ 108,117,415
2010 Cap Balance:	\$ 12,639,941	Direct Estimated Fiscal Impact <sup>14</sup>			
2011 Authorizations:	\$ 10,119,732	Total Revenue Benefits to the State:			\$ 63,872,361
2011 Cap Balance:	\$ (119,732)	Total Revenue Costs to the State, Including Incentives			\$ 48,392,351
Annual SubSection 5 Cap:		Net Fiscal Return to the State:			\$ 15,480,010
2007 - 2009 Cap Per Year	\$ 1,000,000	Incentive Enhancements:			
2007 - 2009 SubSection 5 Utilization	\$ -	Increase in Incentives Due to Enhancements:			
2007 - 2009 Cap Balance Per Year	\$ 1,000,000	Green VEGI			\$ 1,740,172
2010 Cap	\$ 1,000,000	Subsection 5			\$ 344,192
2010 SubSection 5 Utilization	\$ 228,453	Total			\$ 2,084,364
2010 Cap Balance	\$ 771,547	Decrease in Net Revenue Return Due to Enhancements:			
2011 Cap	\$ 1,000,000	Green VEGI			\$ 1,456,529
2011 SubSection 5 Utilization	\$ 115,739	Subsection 5			\$ 309,870
2011 Cap Balance	\$ 884,261	Total			\$ 1,766,399

**Table 3** summarizes, by calendar year, the number of claims expected and filed, the projected and actual qualifying job creation, qualifying payroll generation, capital investments made, incentive payments disbursed, and the net revenue benefit for the State.

**Table 4** details the same information by “class” or “cohort.” This data breaks down the projected and actual activity and incentives earned for each group of companies by their earning period. The earning period is the five-year period during which the economic activity is projected to occur and incentives earned. For example, all companies whose projects occur from 2007–2011 are in the Class of 2007. VEGI claims must be filed by the last day of April (changed from February in 2010) each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2009 were filed in February 2010 and will be examined by the Tax Department during 2010 and incentive payments, if earned, were paid in late 2010. Therefore, there is a one year delay before the claim and actual activity data is available. This is why this report includes application data through December 2010, but actual earning and economic activity for 2007–2009.

In 2007, seven claims were filed. The Vermont Department of Taxes determined that four of these companies met their performance requirements by the end of the year and three did not. In 2008, ten were filed, and three met performance measures. For 2009, 16 were filed and 5 met performance requirements. Only the companies that met performance measures were paid the incentives indicated in **Tables 3 and 4**. The projected and actual data included in **Table 4** summarized in **Table 3** are for the companies that both met and did not meet targets. Companies are not included if their incentives were rescinded or terminated in subsequent years. Data for companies that did not meet performance requirements are included because a company is not re-

moved from the program if they do not meet their requirements by the due date (December 31 of each year). These companies created jobs, generated payroll, and made capital investments, but not to the extent that met the performance measures. Note that no incentive is paid to such a company until and unless the requirements are met. This economic activity, however, must be counted and is included in the calculation of the actual net revenue benefit to the State. If a company never meets the required targets after 24 months, no incentive for that year is earned and any future incentives are terminated, and the data for that company is removed.

**Table 4** shows that the companies with expected activity in 2007 created more jobs, generated more payroll, and invested more in capital investments than projected. The incentives earned and the first installment reflects the success of this first year. However, starting in 2008 more companies had difficulty meeting performance requirements and the incentives earned and installments paid were far below expectations. Also, in 2008, one company closed. The impact of this is reflected in the data, including the level of incentive installments that are in recapture status. This closure, and the difficulty companies faced meeting targets in 2008 and 2009 corresponds with the downturn in the economy.

### QUICK DATA FACT #3

#### HOW MUCH HAVE VEGI COMPANIES INVESTED IN VERMONT TO DATE? (2007 – 2009)

New Qualifying Payroll:	<b>\$30.7 Million</b>
New Qualifying Capital Investments:	<b>\$61.6 Million</b>





The data in **Table 3 and 4** also indicate how the structure of the VEGI program protects the state. In the third year of the program, the total new jobs created is below what was projected. Companies in the program created 200 new qualifying jobs (compared to 207 projected). However, the gross level of incentives paid were about \$401,000 (compared to \$498,000 projected).

Because absolute performance measures must be met before incentives are paid, the net revenue benefit to the State is greater than projected because a certain level of projected activity is occurring, even though performance requirements are not met, and no incentive is paid unless and until the performance measures are met. The state gets the benefit of the job creation, payroll generation, and capital investment, but no incentives are paid until and unless the targets are met. The net revenue benefit to the State of Vermont from economic activity and incentive payments through December 2009 was estimated at \$1.4 million. The economic activity that has actually occurred, and the incentives installments paid was re-modeled using the same cost-benefit model used for the application approval process. The model estimates a **net revenue benefit to the State of \$2,937,700** for 2007-2009 only.

### QUICK DATA FACT #4

HOW MUCH HAS BEEN PAID OUT IN VEGI INCENTIVES TO DATE? (2007 – 2009)

**\$920,161**

It should be noted that the economic activity of the rescinded and terminated companies was not included in the modeling for the revenue impact, but those companies may have contributed jobs and investments during this period. For example, a company was authorized for incentives to move from another state to Vermont and create more jobs. The move occurred, jobs were created, but not at a level that met performance requirements to earn the incentive. Therefore, economic activity occurred and new tax revenues were generated to the State, but no incentives were paid.

### QUICK DATA FACT #5

HOW MUCH HAS BEEN AUTHORIZED IN VEGI INCENTIVES TO DATE?

(Potentially Earned Between 2007 – 2015 and Paid out Between 2008 - 2019)

**\$28,723,780**



TABLE 3: PROJECTED AND ACTUAL ACTIVITY - SUMMARY

YEAR	2007	2008	2009	TOTALS
<b>Claim Activity:</b>				
Claims Expected:	7	14	22	43
Claims Filed:	7	10	16	33
Met Targets:	4	3	5	12
Did Not Meet Targets:	3	7	11	21
Net Included in Projected and Actual Data:	7	10	16	33
<b>Projected Activity:</b>				
New Qualifying Employees:	114	233	207	554
New Qualifying Payroll:	\$ 3,842,588	\$ 7,897,077	\$ 10,417,072	\$ 22,156,737
New Qualifying Capital Investments:	\$ 14,317,077	\$ 13,299,891	\$ 23,727,561	\$ 51,344,529
Est. Incentive Installments to be Paid:	\$ 50,574	\$ 253,487	\$ 498,173	\$ 751,660
Net Revenue Benefit:	\$ 93,216	\$ 394,582	\$ 1,059,890	\$ 1,454,472
<b>Actual Activity:</b>				
New Qualifying Employees:	265	261	200	726
New Qualifying Payroll:	\$ 10,141,803	\$ 8,920,051	\$ 11,721,104	\$ 30,782,958
New Qualifying Capital Investments:	\$ 22,546,350	\$ 13,344,162	\$ 25,942,480	\$ 61,832,992
Incentive Installments Paid:	\$ 208,653	\$ 310,139	\$ 401,369	\$ 920,161
Less: In Recapture Status:	\$ 132,613	\$ 132,613	\$ -	\$ 132,613
Net Incentives Paid to Companies:	\$ 76,040	\$ 177,526	\$ 399,030	\$ 652,596
Net Revenue Benefit:	\$ 947,900	\$ 969,800	\$ 1,020,000	\$ 2,937,700



## Actual Economic Activity

TABLE 4: PROJECTED AND ACTUAL ACTIVITY - BY CLASS

YEAR:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>CLASS OF 2007: (Incentives earned between 2007 and 2011 and paid out between 2008 and 2016)</b>											
YEAR:	1	2	3	4	5	6	7	8	9	10	
<b>Claim Activity:</b>											
Claims Expected:	7	7	6								
Claims Filed:	7	6	3								
Met Targets:	4	1	1								
Did Not Meet Targets:	3	5	2								
Net Included in Projected and Actual Data	7	6	3								
<b>Projected Activity:</b>											
New Qualifying Employees:	114	198	33	41	40						
New Qualifying Payroll:	\$ 3,842,588	\$ 5,911,240	\$ 1,130,736	\$ 1,255,992	\$ 1,183,672						
New Qualifying Capital Inv.:	\$ 14,317,077	\$ 11,886,270	\$ 5,242,000	\$ 3,096,400	\$ 1,113,680						
Est. Incentive Installments to be Paid:	\$ 50,574	\$ 227,200	\$ 396,047	\$ 411,260	\$ 420,207	\$ 282,360	\$ 36,127	\$ 21,486	\$ 9,709		
<b>Actual Activity:</b>											
New Qualifying Employees:	265	220	101								
New Qualifying Payroll:	\$ 10,141,803	\$ 6,908,636	\$ 5,407,359								
New Qualifying Capital Inv.:	\$ 22,546,350	\$ 12,445,210	\$ 9,958,138								
Incentive Installments Paid:	\$ 208,653	\$ 276,650	\$ 357,683								
Less: In Recapture Status:	\$ 132,613	\$ 132,613	\$ -								
Net Incentives Paid to Companies:	\$ 76,040	\$ 144,037	\$ 357,683								
<b>CLASS OF 2008: (Incentives earned between 2008 and 2012 and paid out between 2009 and 2017)</b>											
YEAR:	1	2	3	4	5	6	7	8	9	10	
<b>Claim Activity:</b>											
Claims Expected:	7	4									
Claims Filed:	4	2									
Met Targets:	2	1									
Did Not Meet Targets:	2	1									
Net Included in Projected and Actual Data:	4	2									
<b>Projected Activity:</b>											
New Qualifying Employees:	35	19	11	8	6						
New Qualifying Payroll:	\$ 1,985,837	\$ 1,035,000	\$ 554,000	\$ 355,000	\$ 340,000						
New Qualifying Capital Inv.:	\$ 1,413,621	\$ 2,100,000	\$ 575,000	\$ 500,000	\$ 500,000						
Est. Incentive Installments to be Paid:	\$ 26,287	\$ 102,125	\$ 130,563	\$ 144,980	\$ 156,336	\$ 86,205	\$ 41,608	\$ 23,584	\$ 13,100		
<b>Actual Activity:</b>											
New Qualifying Employees:	41	4									
New Qualifying Payroll:	\$ 2,011,415	\$ 246,811									
New Qualifying Capital Inv.:	\$ 898,952	\$ 969,757									
Incentive Installments Paid:	\$ 33,489	\$ 41,347									
Less: In Recapture Status:	\$ -	\$ -									
Net Incentives Paid to Companies:	\$ 33,489	\$ 41,347									

TABLE 4: PROJECTED AND ACTUAL ACTIVITY - BY CLASS (Cont.)

YEAR:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>CLASS OF 2009: (Incentives earned between 2009 and 2013 and paid out between 2010 and 2018)</b>												
YEAR:			1	2	3	4	5	6	7	8	9	10
<b>Claim Activity:</b>												
Claims Expected:			12									
Claims Filed:			11									
Met Targets:			3									
Did Not Meet Targets:			8									
Net Included in Projected and Actual Data:			11									
<b>Projected Activity:</b>												
New Qualifying Employees:			155	177	122	95	42					
New Qualifying Payroll:			\$ 8,251,336	\$ 8,324,637	\$ 6,412,752	\$ 4,753,904	\$ 2,519,236					
New Qualifying Capital Inv.:			\$ 16,385,561	\$ 16,502,825	\$ 3,716,050	\$ 4,343,792	\$ 2,430,000					
Est. Incentive Installments to be Paid:			\$ 118,410	\$ 505,452	\$ 758,893	\$ 908,004	\$ 1,035,157	\$ 759,157	\$ 383,318	\$ 217,014	\$ 92,544	
<b>Actual Activity:</b>												
New Qualifying Employees:			95									
New Qualifying Payroll:			\$ 6,066,934									
New Qualifying Capital Inv.:			\$ 15,014,585									
Incentive Installments Paid:			\$ 2,339									
Less: In Recapture Status:			\$ -									
Net Incentives Paid to Companies:			\$ 2,339									



## Supplemental Data: Active Applications

**Charts 5 through 13** illustrate several interesting data points about the 34 active projects in the program. Note that the data presented in charts 5-13 is generated *only* by the 34 approved-active applications (not all applications ever considered). **Charts 5 through 7** cover issues related to the program guidelines. **Charts 8-10** show data that counters some assumptions that are often made about the program applicants and the projects that are approved. **Charts 11-13** are related to regional distribution of incentives and jobs.

**Chart 5** shows the wage ranges of the projected 2,611 new, qualifying jobs, in \$10,000 increments. This data relates to Guideline 2, regarding wages and benefits. While the largest segment of jobs, at 30% of total, are in the \$25,000 - \$29,000 range, the chart shows that the majority of the jobs (70% of total) will pay wages well above the state average and more than half of the jobs will pay above \$40,000 per year. Additionally, the companies project creating only 105 jobs that will pay wages at or below the VEGI Wage Threshold (160% of Vermont minimum wage; these jobs cannot be used to calculate the VEGI incentive). This data shows that the applicants to this program are creating very well-paying jobs, the majority of which far exceed the VEGI Wage Threshold. None of the applicants projected the creation of jobs at or even near the Vermont minimum wage.

**Chart 6** shows the breakdown of jobs projected to be created by various job categories. Predictably, the largest category of jobs is production, at 50% of the total. Other jobs are about equally divided between management, IT, R&D, engineering, and administration/support.

**Chart 7** illustrates one aspect of the fringe benefits that are and/or will be offered by the applicant companies (related to Guideline 2). The average of the benefits ratios (benefits as percentage of total compensation) for applicants is 24%. This means that the weighted average wage paid, \$48,996, is supplemented by an average benefits package valued at \$11,514 for a total compensation of \$60,510. All approved applicant companies in the VEGI program pay

some portion of employee health care costs. Only one company offers less than 30% coverage by the employer. One company offers 12% and one company offers 33%. All other companies offer 50% or more coverage. The majority of the companies (82%) cover 61% or more of health care costs for their employees.

**Chart 8** shows the size of the company, by number of full-time employees, at the time of application. As the chart illustrates, the majority of the applicant companies are small to medium size companies. In fact, 28 (85%) of the companies had under 100 employees, with 21 (or 64%) of those companies actually having under 20 employees. Only two applicants had 500 or more employees at the time of application. Almost 59% of the applicants are Vermont-based/owned companies. These are companies that were started by, and are owned by Vermonters and their families.

**Chart 9** illustrates the types of economic development projects applying for incentives. It shows 44% of companies are recruitment types that are starting, expanding into or relocating to Vermont. Forty-one percent of the projects are retaining and expanding existing Vermont companies or divisions. Another 9% are start-ups by Vermont entrepreneurs and 6% are re-starts of previously closed companies. This data, when viewed together with **Chart 8**, indicates that the VEGI program is now providing almost equal incentive percentages to the retention and expansion of small, Vermont companies as to the recruitment of small and medium-size companies to Vermont.

### QUICK DATA FACT #6

WHAT IS THE AVERAGE COMPENSATION FOR THE NEW  
JOBS TO BE CREATED BY VEGI COMPANIES?

**\$60,511**



**Chart 10** summarizes the type of facility expansions occurring because of the incentives. As the data shows, the program has been very successful in providing incentives for the acquisition and/or reuse of existing buildings in Vermont that are un- or under-utilized. This type of project represents 64% of the active projects. Another 12% did not involve any facility expansion and 12% will expand the facility they currently occupy. A total of 88% of the projects will *not* involve building new facilities. Most will involve substantial investment in renovations to facilities, having a very positive impact on local construction companies. Four companies (12%) proposed projects that will involve new construction, but all of them will occur within existing industrial or commercial parks or within sites zoned for that purpose.

**Charts 11 and 12** show the regional distribution of the incentives by the number of active-approved applications per region (**Chart 11**) and by incentive dollars per region (**Chart 12**). There are active projects in every region of the state except the Northeast Kingdom. The largest number of applications are from Chittenden County, which is expected as this is the economic engine of the state, the current location of most applicants, and the desired location for most companies recruited to Vermont. VEPC staff makes every effort to educate all regional economic development practitioners about the VEGI program. VEPC staff visits all regions regularly and VEGI informational seminars were conducted in every region at the start of the program. Additionally, in accordance with Program Guideline 1, applications from outside Chittenden County can be authorized for additional incentives. However, the Council and staff have no control over where existing Vermont companies (who represent the largest pool of applicants) are located, where new companies want to locate, or from which regions applications are submitted. Additionally, regional boundaries are meaningless to employment at a company. While most employees will come from the immediate area, many Vermonters cross county and regional borders for employment. The extensive business-to-business relationships developed by applicant companies within the state also occur regardless of regional boundaries.

**Chart 13** shows the regional distribution of the direct, new, qualifying jobs that are projected to be created. As with Charts 11 and 12, there is direct impact in all regions except for the Northeast Kingdom. However, Vermonters from all regions will fill these jobs and all regions will benefit from the job creation and capital investments. The projects that have been authorized for incentives will generate an estimated 4,123 indirect jobs all around the State and the companies estimate over \$108 million in annual business-to-business (vendor, supplier, customer, and client) interactions with other Vermont companies around the State.

**NOTE: THE DATA PRESENTED IN CHARTS 5-13 ARE FOR ONLY THE 34 APPROVED-ACTIVE APPLICATIONS THROUGH DECEMBER 2010, NOT ALL APPLICATIONS CONSIDERED.**

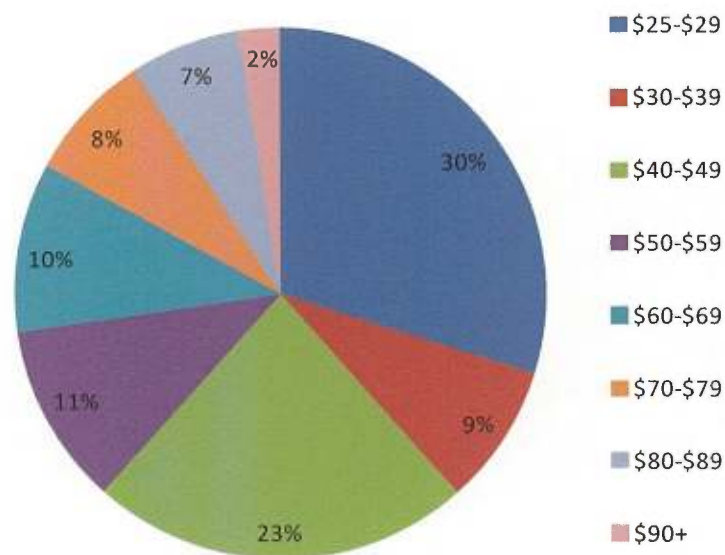
### QUICK DATA FACT #7

WHAT PERCENTAGE OF VEGI COMPANIES ARE:

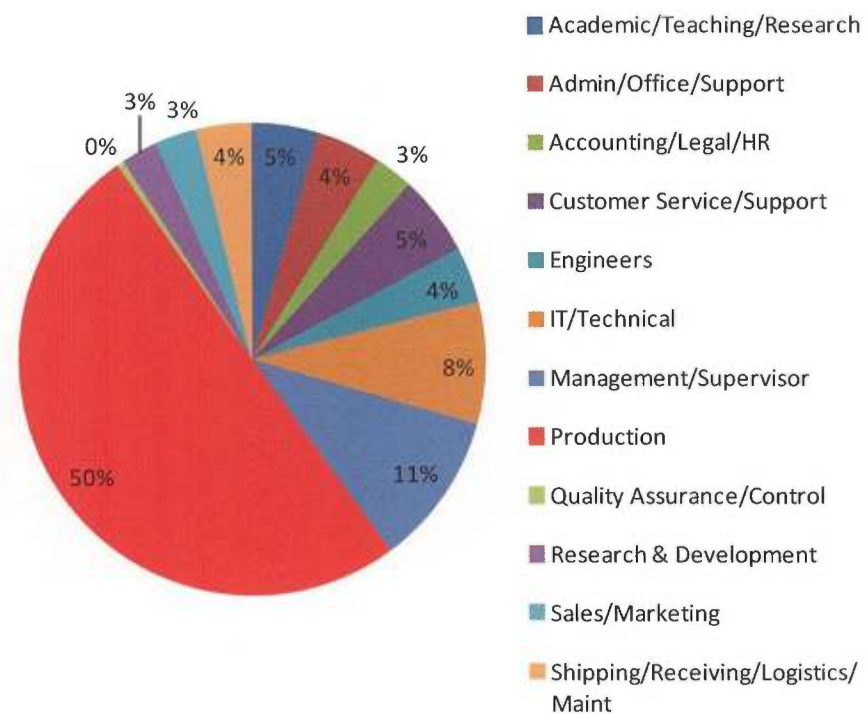
RE-UTILIZING EXISTING FACILITIES?	<b>64%</b>
BUILDING NEW FACILITIES:	<b>12%</b>



**Chart 5:  
Wage Levels for Projected Jobs  
(Wage Ranges in 000's)**



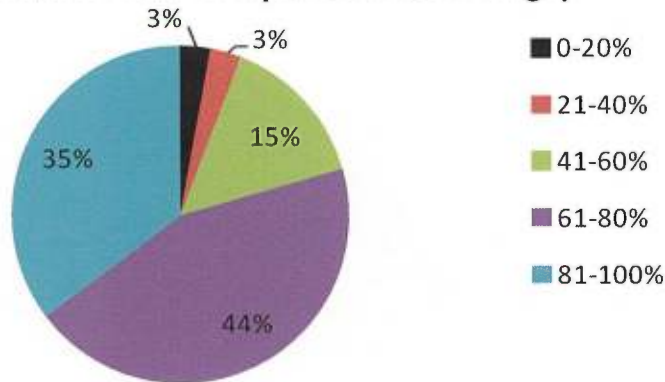
**Chart 6:  
Projected Job Types**



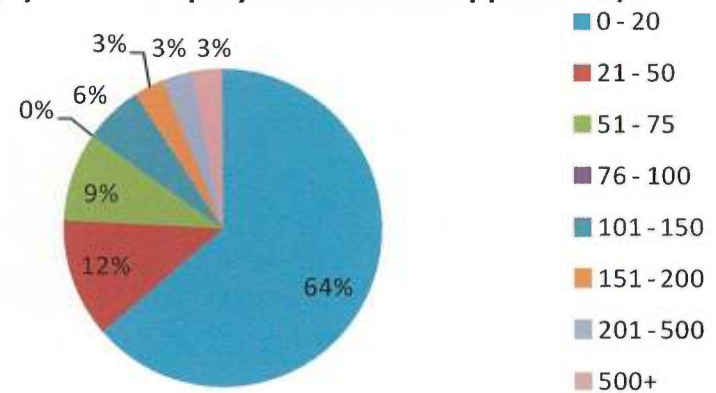
Data includes 34 Approved, Active applications only.



**Chart 7:**  
**Percent of Health Care Paid by Employer**  
 (By percent of total companies in each range)

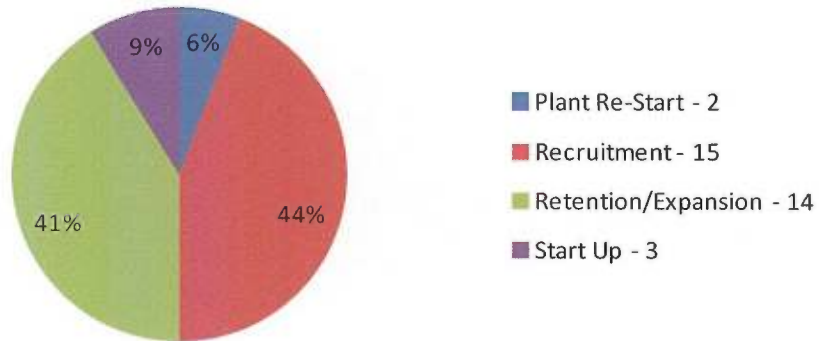


**Chart 8:**  
**Size of Business**  
 (by # of FT employees at time of application)

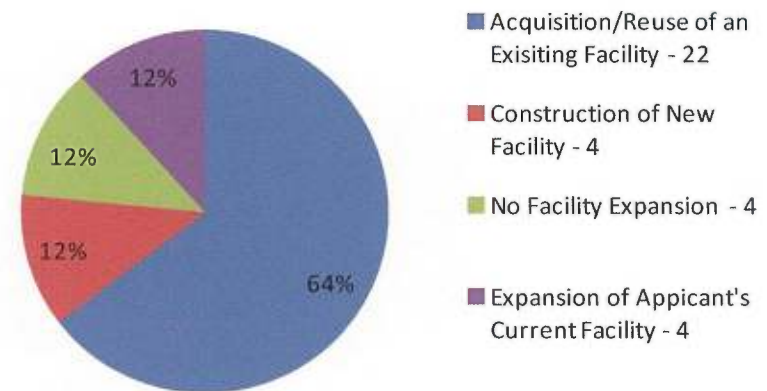


Data includes 34 Approved, Active applications only.

**Chart 9:**  
**Type of Economic Development Project**  
(Percentage of total number of projects)

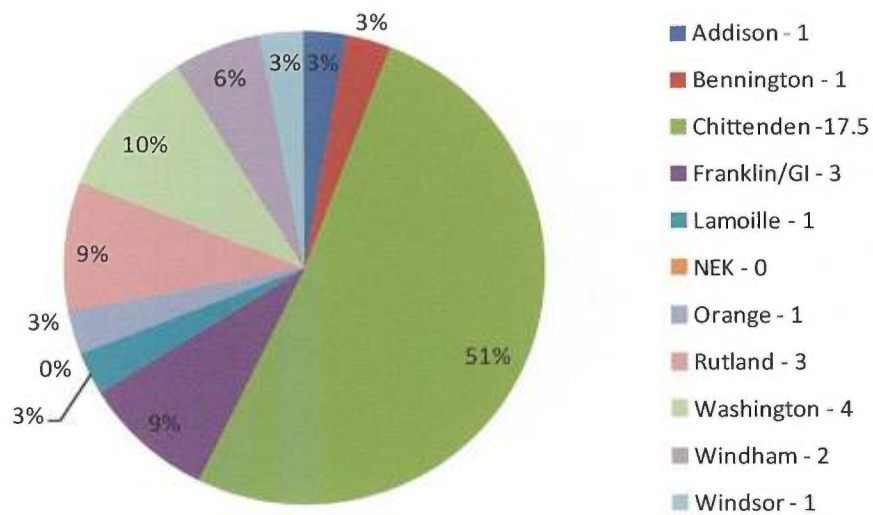


**Chart 10:**  
**Type of Facility Expansion**  
(Percentage of total number of projects)

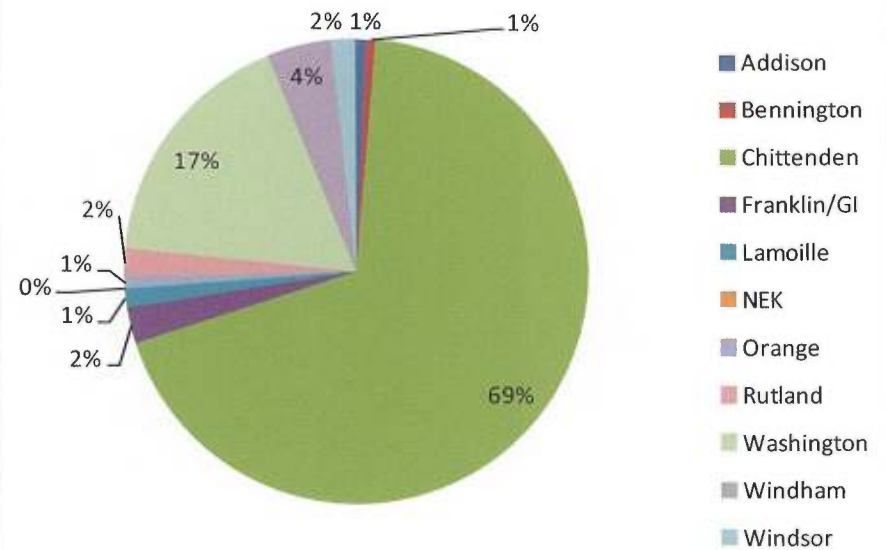


Data includes 34 Approved, Active applications only.

**Chart 11:**  
**Regional Distribution of Incentives**  
(By number of applications)

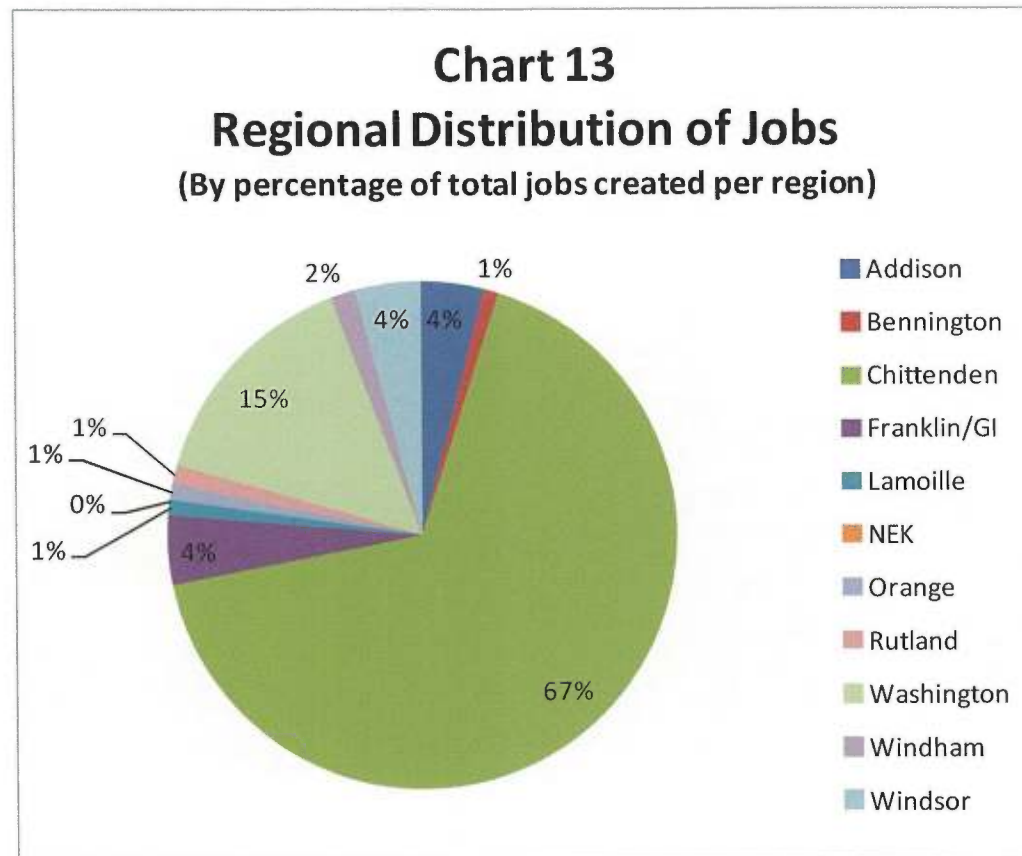


**Chart 12:**  
**Regional Distribution of Incentives**  
(By dollar value of incentives authorized)



Data includes 34 Approved, Active applications only.





Data includes 34 Approved, Active applications only.

	2009 Bench- mark	2009 Actual	2010 Bench- mark	2010 Actual	2011 Bench- mark	2011 Actual	2012 Bench- mark	2012 Actual
<b>Outcome:</b>								
(NOTE: All Outcome Measures are set by aggregated data from authorized companies) DATA AS OF DECEMBER 31, 2010								
<b>For Incentive Level of:</b>	\$617,000	\$401,000	\$1.344 M		\$2.327 M		\$3.181 M	
Incremental Qualifying Jobs	207	200	434		464		523	
Percentage of New Qualifying That are Vermont Residents	91%	99%	91%		91%		91%	
Incremental Qualifying Payroll	\$10.4 M	\$11.7 M	\$22.3 M		\$24.4 M		\$27.0 M	
Incremental Qualifying Capital Investments	\$23.7	\$25.9 M	\$40.4 M		\$61.0 M		\$71.6 M	
Incremental Net Revenues	\$1.0 M	\$1,020,000	\$2.0 M		\$3.1 M		\$3.4 M	
<b>Output:</b>								
Net Revenue Generated Per New Qualifying Job	\$4830	\$5,100	\$4608		\$6681		\$6501	
Number of Applications Considered	22	26	22	23	25		30	
<b>Efficiency:</b>								
Modeling Cost Per Application Modeled (FY basis)	\$365	\$365	\$365	\$322	\$350		\$325	
Budgetary Cost per New Qualifying Job Created	\$1067	\$1105	\$509		\$476		\$422	

## Footnotes

1	It is not possible to know this information until a company has completed an entire earning period. No company has completed an earning period yet. Table 5 includes information on the aggregate number of companies that met targets each year.
2	"Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
3	Status: "Active" indicates that an application was approved. "Active-Initial" indicates that an Initial Application was approved and the applicant still needs to file a Final Application for incentives to be authorized. "Active-Final" indicates a Final Application has been submitted and approved and incentives are authorized. "Denied" indicates that an application was submitted and was denied by the VEPC Board. "Rescinded" indicates that an application was approved, but the authorization to earn incentives was subsequently rescinded but no incentives were ever earned or paid. A rescission can occur for many reasons, including failure to file a VEGI claim, failure to meet targets, or if the applicant pulls out of the program because a project did not or will not occur. "Revoked" indicates that the authority to earn incentives is terminated after the company earned and was paid some incentives but there is no recapture. "Revoked-Recapture" indicates the authority to earn incentives is terminated and the company has earned some incentives, which must be recaptured.
4	Includes Initial and Final Applications
5	See footnote 3
6	"Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
7	Cap is \$10,000,000 for each calendar year. Cap balances do not carry forward to the next year.
8	Fiscal benefits and costs are estimated by an economic model. Majority of costs and benefits occur during the first five years of each project. The costs include not only the cost of the incentive, but also other revenue costs to the state such as new students in school and other services incurred by adding new people and buildings. Cost to pay incentive, if earned, continues for four years after the incentives are earned. Therefore, State of Vermont receives the benefit of each project before all incentive costs are incurred. The revenue benefits of the new jobs and payroll continue to accrue to the state after the five year earning period, but that benefit is not accounted for in the modeling. Therefore, the net revenue benefit is conservative. For a breakdown of estimated costs and benefits, by year, see Table 3.
9	The VEGI program cannot provide incentives for job retention. However, if a Vermont company receives incentives to expand in Vermont, an additional benefit is the retention of current employment.
10	VEGI incentives can only be authorized for new jobs that exceed a statutory wage threshold (160% of Vermont minimum wage). This number represents the new full-time jobs projected which will pay a wage at or under the VEGI wage threshold. The jobs occur because of the incentive, but cannot be counted toward the incentive calculation.
11	Indirect jobs are estimated by the VEGI cost-benefit model according to a multiplier factor for the particular region and sector of the project. These are the jobs created at other businesses in Vermont because of the project receiving the incentive.
12	All new payroll projected as new to Vermont due to the incentive, including for companies recruited to Vermont, is subject to a background growth calculation. This calculation discounts a portion of the new payroll that will be generated because of the incentive according to a factor for each business sector, thereby reducing the level of new payroll that is used to calculate the amount of incentive the applicant can earn. This payroll is considered "background" or "organic" or payroll that would have been created anyway. This number represents the amount of new payroll projected to be created in Vermont because of the incentive program, but for which no incentive will be earned or paid.
13	See Chart 6 for more detail on the level of health care paid by employers. This number represents the percentage of the health care costs for employees that are paid by the applicant companies.
14	This represents an estimate of the level of interaction by applicant companies with other Vermont companies as vendors, suppliers, and customers.



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## MEMORANDUM

**TO:** Joint Fiscal Committee

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

**DATE:** September 26, 2011

**RE:** Health Information Technology Fund Update

The Department of Vermont Health Access (DVHA) administers the Health Information Technology (HIT) Fund. This Memo responds to the requirement for an annual report to the Joint Fiscal Committee on the status of the Fund per 32 V.S.A. chapter 241 § 10301 (g). Because the DVHA provided a more detailed summary of HIT Fund activities (past and anticipated) to JFC in June responding to Act 63 of 2011, Sec. G.100: Report on the Health Care Information Technology Reinvestment Fee, and because Act 48 of 2011, Sec. 10. Health Information Technology Plan will provide an even greater level of detail in a report due January 15, 2012, this Memo provides only a short update on the Fund status.

As noted in past reports, there is opportunity for confusion because the Fund was established – and payments from insurers are billed and collected – on the federal fiscal year (October – September). On that calendar, we are currently in the final quarter of the third year of the Fund. However, since the Fund is appropriated, and grants from the Fund are dispersed, on the state fiscal year, DVHA manages the Fund on the state fiscal year and this report reflects that. Summary totals for SFY09 & SFY10 are included for context.

<b><u>SFY09* Revenue:</u></b>	<b>\$1,725,506</b>
<b><u>SFY09* Expenses:</u></b>	<b>\$1,404,447</b>
* - Q2-Q3-Q4 only	
<b>SFY10: Cash Balance at 07/01/2009</b>	<b><u>\$321,059</u></b>
<b><u>SFY10 Revenue:</u></b>	<b>\$2,462,828</b>
<b><u>SFY10 Expenses:</u></b>	<b>\$127,389</b>
<b><u>Total SFY10 Activity:</u></b>	<b>\$2,335,439</b>
<b>SFY10: Cash Balance at 06/30/2010</b>	<b><u>\$2,656,498</u></b>

**SFY11 Revenue:**

Provider Payments Qtr Ended 09/30/2010	\$	495,876	
Provider Payments Qtr Ended 12/31/2010	\$	1,030,811	
Provider Payments Qtr Ended 03/31/2011	\$	403,795	
Provider Payments Qtr Ended 06/30/2011	\$	941,840	\$ 2,872,322
Interest income			\$ 4,755
Total Revenue			\$ 2,877,077

**SFY11 Expenses:**

VITL	\$	221,447	
Bi-State	\$	58,713	
Technology & Other	\$	5,194	
AHS Transfer + CAP	\$	304,049	
Total Expenses			\$ 589,402

**Total SFY11 Activity:** \$ 2,287,675

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**SFY11: Cash Balance at 6/30/2011** \$ 4,944,173

**SFY12 Revenue:**

Provider Payments as of 09/15/2011	\$	672,151	
Provider Payments Qtr Ended 12/31/2011	\$	-	
Provider Payments Qtr Ended 03/31/2012	\$	-	
Provider Payments Qtr Ended 06/30/2012	\$	-	
Interest income			
Total Revenue			\$ 672,151

**SFY12 Expenses: As of 9/26/11**

VITL	\$	39,335	
HP (MAPIR)	\$	32,606	
Bi-State	\$	80,320	
Technology & Other	\$	2,076	
AHS Transfer + CAP	\$	396,414	
Total Expenses			\$ 550,752

**Total SFY12 Activity: As of 9/26/11** \$ 121,399

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**SFY11: Unencumbered Cash Balance at 09/26/2011** \$ 5,065,572



MCO Investment Expenditures

33VSA 51901e(c)

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Department	Criteria	Investment Description	SFY06 Actuals - 3/4 SFY	SFY07 Actuals	SFY08 Actuals	SFY09 Actuals	SFY10 Actuals	SFY11 Actuals
DOE	2	School Health Services	\$ 6,397,319	\$ 8,956,247	\$ 8,956,247	\$ 8,956,247	\$ 8,956,247	\$ 4,478,124
AOA	4	Blueprint Director	\$ -	\$ -	\$ 70,000	\$ 68,879	\$ 179,284	\$ -
BISHCA	2	Health Care Administration	\$ 983,637	\$ 914,629	\$ 1,340,728	\$ 1,871,651	\$ 1,713,959	\$ 1,898,342
DII	4	Vermont Information Technology Leaders	\$ 266,000	\$ 105,000	\$ 105,000	\$ 339,500	\$ -	\$ -
VVH	2	Vermont Veterans Home	\$ 747,000	\$ 913,047	\$ 913,047	\$ 881,043	\$ 837,225	\$ 1,410,956
VSC	2	Health Professional Training	\$ 283,154	\$ 391,698	\$ 405,407	\$ 405,407	\$ 405,407	\$ 405,407
UVM	2	Vermont Physician Training	\$ 2,798,070	\$ 3,870,682	\$ 4,006,152	\$ 4,006,156	\$ 4,006,152	\$ 4,006,156
AHSCO	2	Designated Agency Underinsured Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,510,099
AHSCO	4	2-1-1 Grant	\$ -	\$ -	\$ -	\$ 415,000	\$ 415,000	\$ 415,000
VDH	2	Emergency Medical Services	\$ 174,482	\$ 436,642	\$ 626,728	\$ 427,056	\$ 425,870	\$ 333,488
VDH	2	AIDS Services/HIV Case Management	\$ 152,945	\$ -	\$ -	\$ -	\$ -	\$ -
VDH	2	TB Medical Services	\$ 27,052	\$ 29,129	\$ 15,872	\$ 28,359	\$ 41,313	\$ 36,284
VDH	3	Epidemiology	\$ 326,708	\$ 427,075	\$ 416,932	\$ 204,646	\$ 241,932	\$ 315,135
VDH	3	Health Research and Statistics	\$ 276,673	\$ 403,244	\$ 404,431	\$ 217,178	\$ 254,828	\$ 289,420
VDH	2	Health Laboratory	\$ 1,369,982	\$ 1,908,982	\$ 2,012,252	\$ 1,522,578	\$ 1,875,487	\$ 1,912,034
VDH	4	Tobacco Cessation: Community Coalitions	\$ 938,056	\$ 1,647,129	\$ 1,144,713	\$ 1,016,685	\$ 535,573	\$ 94,089
VDH	3	Statewide Tobacco Cessation	\$ -	\$ -	\$ -	\$ 230,985	\$ 484,998	\$ 507,543
VDH	2	Family Planning	\$ 365,320	\$ 122,961	\$ 169,392	\$ 300,876	\$ 300,876	\$ 275,803
VDH	4	Physician/Dentist Loan Repayment Program	\$ 810,716	\$ 439,140	\$ 930,000	\$ 1,516,361	\$ 970,000	\$ 900,000
VDH	2	Renal Disease	\$ 15,000	\$ 7,601	\$ 16,115	\$ 15,095	\$ 2,053	\$ 13,689
VDH	2	Newborn Screening	\$ 74,899	\$ 166,795	\$ 136,577	\$ -	\$ -	\$ -
VDH	2	WIC Coverage	\$ 161,804	\$ 1,165,699	\$ 562,446	\$ 86,882	\$ -	\$ 36,959
VDH	4	Vermont Blueprint for Health	\$ 92,049	\$ 1,975,940	\$ 753,087	\$ 1,395,135	\$ 1,417,770	\$ 752,375
VDH	4	Area Health Education Centers (AHEC)	\$ -	\$ 35,000	\$ 310,000	\$ 565,000	\$ 725,000	\$ 500,000
VDH	4	Community Clinics	\$ -	\$ -	\$ -	\$ 640,000	\$ 468,154	\$ 640,000
VDH	4	FQHC Lookalike	\$ -	\$ -	\$ 30,000	\$ 105,650	\$ 81,500	\$ 87,900
VDH	4	Patient Safety - Adverse Events	\$ -	\$ -	\$ 190,143	\$ 100,509	\$ 44,573	\$ 16,829
VDH	4	Coalition of Health Activity Movement Prevention Program (CHAMPPS)	\$ -	\$ 100,000	\$ 291,298	\$ 486,466	\$ 412,043	\$ 290,661
VDH	2	Substance Abuse Treatment	\$ 1,466,732	\$ 2,514,963	\$ 2,744,787	\$ 2,997,668	\$ 3,000,335	\$ 1,693,198
VDH	4	Recovery Centers	\$ 171,153	\$ 287,374	\$ 329,215	\$ 713,576	\$ 716,000	\$ 648,350
VDH	2	Immunization	\$ -	\$ -	\$ -	\$ 726,264	\$ -	\$ -
VDH	2	DMH Investment Cost in CAP	\$ -	\$ -	\$ -	\$ 64,843	\$ -	\$ 752
VDH	4	Poison Control	\$ -	\$ -	\$ -	\$ -	\$ 176,340	\$ 115,710
DMH	2	Special Payments for Treatment Plan Services	\$ 101,230	\$ 131,309	\$ 113,314	\$ 164,356	\$ 149,068	\$ 134,791
DMH	2	MH Outpatient Services for Adults	\$ 775,899	\$ 1,393,395	\$ 1,293,044	\$ 1,320,521	\$ 864,815	\$ 522,595
DMH	2	Mental Health Elder Care	\$ 38,563	\$ 37,682	\$ 38,970	\$ -	\$ -	\$ -
DMH	4	Mental Health Consumer Support Programs	\$ 451,606	\$ 546,987	\$ 673,160	\$ 707,976	\$ 802,579	\$ 582,397
DMH	2	Mental Health CRT Community Support Services	\$ 2,318,668	\$ 602,186	\$ 807,539	\$ 1,124,728	\$ -	\$ 1,935,344
DMH	2	Mental Health Children's Community Services	\$ 1,561,396	\$ 3,066,774	\$ 3,341,602	\$ 3,597,662	\$ 2,569,759	\$ 1,775,120
DMH	2	Emergency Mental Health for Children and Adults	\$ 1,885,014	\$ 1,988,548	\$ 2,016,348	\$ 2,165,648	\$ 1,797,605	\$ 2,309,810
DMH	2	Respite Services for Youth with SED and their Families	\$ 385,581	\$ 485,586	\$ 502,237	\$ 412,920	\$ 516,677	\$ 543,635
DMH	2	CRT Staff Secure Transportation	\$ -	\$ -	\$ 52,242	\$ -	\$ -	\$ -
DMH	2	Recovery Housing	\$ -	\$ -	\$ 235,267	\$ -	\$ 332,635	\$ 512,307
DMH	2	Transportation - Children in Involuntary Care	\$ 4,768	\$ 1,075	\$ -	\$ -	\$ -	\$ -
DMH	2	Vermont State Hospital Records	\$ -	\$ -	\$ -	\$ -	\$ 19,590	\$ -
DMH	4	Challenges for Change: DMH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,512
DMH	2	Seriously Functionally Impaired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,713
DVHA	4	Vermont Information Technology Leaders/HIT/HIE	\$ -	\$ -	\$ -	\$ -	\$ 339,500	\$ 646,220
DVHA	4	Vermont Blueprint for Health	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,616,211
DVHA	1	Buy-In	\$ 4,594	\$ 314,376	\$ 419,951	\$ 248,537	\$ 200,868	\$ 50,605
DVHA	1	Vscript Expanded	\$ 1,695,246	\$ -	\$ -	\$ -	\$ -	\$ -
DVHA	1	HIV Drug Coverage	\$ 31,172	\$ 42,347	\$ 44,524	\$ 48,711	\$ 38,904	\$ 39,176
DVHA	1	Civil Union	\$ 373,175	\$ 543,986	\$ 671,941	\$ 556,811	\$ 627,976	\$ 999,084
DVHA	1	Vpharm	\$ -	\$ -	\$ -	\$ 278,934	\$ 210,796	\$ -
DVHA	4	Hospital Safety Net Services	\$ -	\$ -	\$ 281,973	\$ -	\$ -	\$ -
DVHA	2	Patient Safety Net Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,112
DCF	2	Family Infant Toddler Program	\$ -	\$ 199,064	\$ 326,424	\$ 335,235	\$ 81,086	\$ 624
DCF	2	Medical Services	\$ 69,893	\$ 91,569	\$ 120,494	\$ 65,278	\$ 45,216	\$ 64,496
DCF	2	Residential Care for Youth/Substitute Care	\$ 9,181,386	\$ 10,536,996	\$ 10,110,441	\$ 9,392,213	\$ 8,033,068	\$ 7,853,100
DCF	2	AABD Admin	\$ 988,557	\$ -	\$ -	\$ -	\$ -	\$ -
DCF	2	AABD	\$ 2,415,100	\$ -	\$ -	\$ -	\$ -	\$ -
DCF	2	Aid to the Aged, Blind and Disabled CCL Level III	\$ 96,000	\$ 2,617,350	\$ 2,615,023	\$ 2,591,613	\$ 2,827,617	\$ 2,661,246
DCF	2	Aid to the Aged, Blind and Disabled Res Care Level III	\$ -	\$ 143,975	\$ 170,117	\$ 172,173	\$ 137,356	\$ 136,466
DCF	2	Aid to the Aged, Blind and Disabled Res Care Level IV	\$ 210,989	\$ 312,815	\$ 349,887	\$ 366,161	\$ 299,488	\$ 265,812
DCF	2	Essential Person Program	\$ 542,382	\$ 675,860	\$ 614,974	\$ 620,052	\$ 485,536	\$ 736,479
DCF	2	GA Medical Expenses	\$ 254,154	\$ 339,928	\$ 298,207	\$ 380,000	\$ 583,080	\$ 492,079
DCF	2	CUPS/Early Childhood Mental Health	\$ -	\$ -	\$ 52,825	\$ 499,143	\$ 166,429	\$ 112,619
DCF	2	VCRHYP/Vermont Coalition for Runaway and Homeless Youth Program	\$ -	\$ -	\$ 1,764,400	\$ -	\$ -	\$ -
DCF	2	HBKF/Healthy Babies, Kids & Families	\$ -	\$ -	\$ 318,321	\$ 63,921	\$ -	\$ -
DCF	1	Catamount Administrative Services	\$ -	\$ -	\$ -	\$ 339,894	\$ -	\$ -
DCF	2	Therapeutic Child Care	\$ -	\$ -	\$ -	\$ 978,886	\$ 577,259	\$ 570,493
DCF	2	Lund Home	\$ -	\$ -	\$ -	\$ 325,516	\$ 175,378	\$ 196,159
DCF	2	GA Community Action	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,762
DCF	3	Prevent Child Abuse Vermont	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,119
DCF	4	Challenges for Change: DCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,622
DDAIL	2	Elder Coping with MMA	\$ 441,234	\$ -	\$ -	\$ -	\$ -	\$ -
DDAIL	2	Mobility Training/Other Svcs.-Elderly Visually Impaired	\$ 187,500	\$ 250,000	\$ 250,000	\$ 250,000	\$ 245,000	\$ 245,000
DDAIL	2	DS Special Payments for Medical Services	\$ 394,055	\$ 192,111	\$ 880,797	\$ 522,058	\$ 469,770	\$ 757,070
DDAIL	2	Flexible Family/Respite Funding	\$ 1,086,291	\$ 1,135,213	\$ 1,341,698	\$ 1,364,896	\$ 1,114,898	\$ 1,103,748
DDAIL	4	Quality Review of Home Health Agencies	\$ -	\$ 77,467	\$ 186,664	\$ 126,306	\$ 90,227	\$ 103,598
DOC	2	Intensive Substance Abuse Program (ISAP)	\$ 382,230	\$ 299,602	\$ 310,610	\$ 200,000	\$ 591,004	\$ 591,000
DOC	2	Intensive Sexual Abuse Program	\$ 72,439	\$ 46,078	\$ 85,542	\$ 88,523	\$ 68,350	\$ 70,002
DOC	2	Intensive Domestic Violence Program	\$ 109,692	\$ 134,663	\$ 230,353	\$ 229,166	\$ 173,938	\$ 174,000
DOC	2	Women's Health Program (Tapestry)	\$ 460,130	\$ 487,344	\$ 487,231	\$ 527,956	\$ -	\$ -
DOC	2	Community Rehabilitative Care	\$ 1,038,114	\$ 1,982,456	\$ 2,031,408	\$ 1,997,499	\$ 2,190,924	\$ 2,221,448
DOC	2	Return House	\$ -	\$ -	\$ -	\$ 51,000	\$ -	\$ -
DOC	2	Northern Lights	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
			\$ 45,455,809	\$ 55,495,719	\$ 59,918,097	\$ 62,419,988	\$ 55,554,314	\$ 56,275,877

Department of Vermont Health Access

SFY 11 Catamount Health Actual Revenue and Expense Tracking  
Monday, September 19, 2011

	SFY '11 BAA			Consensus Estimates for SFY to Date			Actuals thru 6/30/11			
	<=200%	>200%	Total	<=200%	>200%	Total	<=200%	>200%	Total	% of SFY to-Date
<b>TOTAL PROGRAM EXPENDITURES</b>										
Catamount Health	41,787,258	15,432,576	57,219,834	41,787,258	15,432,576	57,219,834	36,315,217	17,286,247	53,601,464	93.68%
Catamount Eligible Employer-Sponsored Insurance	1,557,244	802,257	2,359,501	1,557,244	802,257	2,359,501	1,128,644	500,744	1,629,388	69.06%
<b>Subtotal New Program Spending</b>	<b>43,344,502</b>	<b>16,234,833</b>	<b>59,579,335</b>	<b>43,344,502</b>	<b>16,234,833</b>	<b>59,579,335</b>	<b>37,443,861</b>	<b>17,786,991</b>	<b>55,230,851</b>	<b>92.70%</b>
Catamount and ESI Administrative Costs	1,554,749	1,142,276	2,697,025	1,554,749	1,142,276	2,697,025	1,554,749	1,142,276	2,697,025	100.00%
<b>TOTAL GROSS PROGRAM SPENDING</b>	<b>44,899,251</b>	<b>17,377,109</b>	<b>62,276,360</b>	<b>44,899,251</b>	<b>17,377,109</b>	<b>62,276,360</b>	<b>38,998,610</b>	<b>18,929,267</b>	<b>57,927,876</b>	<b>93.02%</b>
<b>TOTAL STATE PROGRAM SPENDING</b>	<b>17,616,897</b>	<b>7,316,623</b>	<b>24,933,521</b>	<b>17,616,897</b>	<b>7,316,623</b>	<b>24,933,521</b>	<b>12,569,783</b>	<b>7,814,923</b>	<b>20,384,707</b>	<b>81.76%</b>
<b>TOTAL OTHER EXPENDITURES</b>										
Immunizations Program	-	2,500,000	2,500,000	-	2,500,000	2,500,000	-	2,510,319	2,510,319	100.41%
VT Dept. of Labor Admin Costs Assoc. With Employer Assess.	-	394,072	394,072	-	394,072	394,072	-	374,677	374,677	95.08%
Marketing and Outreach	500,000	-	500,000	500,000	-	500,000	500,000	-	500,000	100.00%
Blueprint	-	1,846,713	1,846,713	-	1,846,713	1,846,713	2,866,366	-	2,866,366	155.21%
<b>TOTAL OTHER SPENDING</b>	<b>500,000</b>	<b>4,740,785</b>	<b>5,240,785</b>	<b>500,000</b>	<b>4,740,785</b>	<b>5,240,785</b>	<b>3,366,366</b>	<b>2,884,996</b>	<b>6,251,361</b>	<b>119.28%</b>
<b>TOTAL STATE OTHER SPENDING</b>	<b>206,350</b>	<b>4,740,785</b>	<b>4,947,135</b>	<b>206,350</b>	<b>4,740,785</b>	<b>4,947,135</b>	<b>1,122,793</b>	<b>2,884,996</b>	<b>4,007,789</b>	<b>81.01%</b>
<b>TOTAL STATE SPENDING</b>	<b>19,823,247</b>	<b>12,057,408</b>	<b>31,880,655</b>	<b>19,823,247</b>	<b>12,057,408</b>	<b>31,880,655</b>	<b>13,692,576</b>	<b>10,700,000</b>	<b>24,392,576</b>	<b>76.56%</b>
<b>TOTAL REVENUES</b>										
Catamount Health Premiums	5,775,190	4,653,264	10,428,454	5,775,190	4,653,264	10,428,454	5,311,846	4,773,426	10,085,272	96.71%
Catamount Eligible Employer-Sponsored Insurance Premiums	411,090	355,978	767,068	411,090	355,978	767,068	345,284	270,294	615,578	80.25%
<b>Subtotal Premiums</b>	<b>6,186,279</b>	<b>5,009,242</b>	<b>11,195,522</b>	<b>6,186,279</b>	<b>5,009,242</b>	<b>11,195,522</b>	<b>5,657,130</b>	<b>5,043,720</b>	<b>10,700,850</b>	<b>95.58%</b>
Federal Share of Premiums	(3,632,255)	(2,941,928)	(6,574,183)	(3,632,255)	(2,941,928)	(6,574,183)	(3,826,853)	(2,961,404)	(6,788,258)	103.26%
<b>TOTAL STATE PREMIUM SHARE</b>	<b>2,554,024</b>	<b>2,067,314</b>	<b>4,621,339</b>	<b>2,554,024</b>	<b>2,067,314</b>	<b>4,621,339</b>	<b>1,830,277</b>	<b>2,082,316</b>	<b>3,912,592</b>	<b>84.66%</b>
Cigarette Tax Increase (\$.60 / \$.80)			9,408,500			9,408,500			10,289,455	109.36%
Employer Assessment			7,600,000			7,600,000			9,316,000	122.58%
Interest			-			-			3,284	0.00%
<b>TOTAL OTHER REVENUE</b>			<b>17,008,500</b>			<b>17,008,500</b>			<b>19,608,739</b>	<b>115.29%</b>
<b>TOTAL STATE REVENUE</b>			<b>21,629,839</b>			<b>21,629,839</b>			<b>23,521,331</b>	<b>108.74%</b>
State-Only Balance			(8,250,817)			(8,250,817)			(871,164)	
Carryforward			793,641			793,641			793,641	
<b>CA</b>			<b>793,641</b>			<b>793,641</b>			<b>793,641</b>	
General Fund BAA to GC on Behalf of Catamount			7,822,019			7,822,019			7,822,019	100.00%
<b>ALL FUNDS THAT SUPPORT CATAMOUNT (DEFICIT)/SURPLUS</b>			<b>364,843</b>			<b>364,843</b>			<b>7,744,496</b>	

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

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

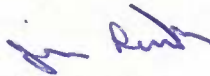
September 7, 2011

Joint Fiscal Committee  
One Baldwin Street  
Montpelier, VT 05633

In accordance with 2003 Act 66 § 12, the Commissioner of Finance & Management is authorized to charge departments for recurrent VISION processing errors. To date, the Department of Finance and Management has not developed a schedule of charges nor have any charges been made. The level of errors that prompted this language continues to decrease. Therefore, in FY2011 we did not bill departments for recurrent errors in VISION.

Our primary goal continues to be elimination of the recurrent errors rather than charging for them. If the recurrent errors continue to decrease in volume as they have in prior years, the Department of Finance and Management is not likely to develop a process in FY2012 either. Nonetheless, we believe having the latitude to charge departments for the costs of mistakes has had some deterrent effect.

Sincerely,



Jim Reardon  
Commissioner





**Global Commitment SFY11  
AHS GC Closeout Adjustments**

VII

Department	Dept ID	Fund Codes	General 10000	Federal 22005	ARRA Federal 22040	Global Commitment 20405
DRS	3400008000	<b>Division of Rate Setting</b>				
		neutral transfer from DVHA GC to DRS - 27th Payroll				25,000
<b>TOTAL AHS/DRS/DOC</b>			0	0	0	25,000
DVHA	3410015000	<b>Global Commitment</b>				
		neutral transfer from DVHA GC to DRS - 27th Payroll				(25,000)
		DVHA GC: cash out GC for GF to State Only & Non-Waiver				(575,374)
		net neutral from DVHA GC to DVHA State Only				(125,000)
	3410017000	<b>State Only</b>				
		DVHA GC: cash out GC for GF to State Only & Non-Waiver	100,000			
		net neutral from DVHA GC to DVHA State Only				125,000
	3410018000	<b>Non-Waiver Matched</b>				
		DVHA GC: cash out GC for GF to State Only & Non-Waiver	100,000			
<b>TOTAL DVHA</b>			200,000	0	0	(600,374)
VDH	3420021000	<b>Public Health</b>				
		Public Inebriate DOC funded program covered by PH underspend				(431,500)
	3420060000	<b>ADAP</b>				
		Public Inebriate DOC funded program covered by PH underspend				431,500
<b>TOTAL VDH</b>			0	0	0	0
DMH	3150070000	<b>Mental Health</b>				
		neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations				(15,473)
		neutral transfer from DAIL Grants to DMH - Elder Care				8,168
		neutral transfer from DAIL DS to DMH - VR JOBS program				191,125
		neutral transfer from DCF FS to DMH - ISBs and Waivers - Increase in Children's Services purchased from DMH				498,387
		neutral transfer from DMH to DCF FS - Prevent Child Abuse Vermont				(7,000)
<b>TOTAL DMH</b>			0	0	0	675,207
DDAIL	3460010000	<b>Administration &amp; Support</b>				
		neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations				15,473
		neutral transfer from DAIL DS to DAIL Admin				700,000
	3460020000	<b>DAIL Grants</b>				
		neutral transfer from DAIL DS to DAIL Grants for potential need in Adult Day Service or Personal Care				150,000
		neutral transfer from DAIL Grants to DMH - Elder Care				(8,168)
	3460050000	<b>Developmental Services</b>				
		neutral transfer from DAIL DS to DAIL Admin				(700,000)
		neutral transfer from DAIL DS to DAIL Grants for potential need in Adult Day Service or Personal Care				(150,000)
		neutral transfer from DAIL DS to DMH - VR JOBS program				(191,125)
		neutral transfer from DAIL DS to DAIL TBI: caseload need				(150,000)
		neutral transfer from DAIL DS to DCF FS: 30% decreased need for Children's Services from DS				(1,103,855)
		neutral transfer from DAIL DS to DCF FS - Prevent Child Abuse Vermont				(31,000)
	3460070000	<b>TBI, Home &amp; Comm. Based Waiver</b>				
		neutral transfer from DAIL DS to DAIL TBI: caseload need				150,000
<b>TOTAL DDAIL</b>			0	0	0	(1,318,675)
DCF	3440020000	<b>Family Services</b>				
		neutral transfer from DAIL DS to DCF FS: 30% decreased need for Children's Services from DS				1,103,855
		neutral transfer from DAIL DS to DCF FS - Prevent Child Abuse Vermont				31,000
		neutral transfer from DCF FS to DMH - ISBs and Waivers - Increase in Children's Services purchased from DMH				(498,387)
		neutral transfer from DMH to DCF FS - Prevent Child Abuse Vermont				7,000
		neutral transfer from DCF FS to DCF AABD - caseload pressure				(50,000)
		neutral transfer from DCF FS to DCF GA - new MCO Investment: Community Action				(247,129)
		neutral transfer from DCF FS to DCF GA - Medical Expenses caseload pressures				(20,000)
		neutral transfer from DCF FS to DCF Woodside - earlier recertification than BAA budgeted				(100,000)
	3440120000	<b>Woodside</b>				
		neutral transfer from DCF FS to DCF Woodside - earlier recertification than BAA budgeted				100,000
	3440050000	<b>Aid to Aged, Blind, and Disabled</b>				
		neutral transfer from DCF FS to DCF AABD - caseload pressure				50,000
	3440060000	<b>General Assistance</b>				
		neutral transfer from DCF FS to DCF GA - new MCO Investment: Community Action				247,129
		neutral transfer from DCF FS to DCF GA - Medical Expenses caseload pressures				20,000
<b>TOTAL DCF</b>			0	0	0	643,468
		<b>Net by fund:</b>	200,000	0	0	(575,374)
AHSCO	34000040000	<b>Secretary's Office</b>				
		<b>Global Commitment</b>				
		DVHA GC approp cash out - GF for State Only & Non Waiver	(200,000)	(337,802)	(37,572)	
<b>SUBTOTAL AHSCO</b>			(200,000)	(337,802)	(37,572)	0

# Global Commitment SFY11

## AHS GC Closeout Adjustment

	Fund Codes	Total
<b>Division of Rate Setting</b>		
neutral transfer from DVHA GC to DRS - 27th Payroll		25,000
		<b>25,000</b>
<b>Global Commitment</b>		
neutral transfer from DVHA GC to DRS - 27th Payroll		(25,000)
DVHA GC: cash out GC for GF to State Only & Non-Waiver		(575,374)
net neutral from DVHA GC to DVHA State Only		(125,000)
		0
<b>State Only</b>		0
DVHA GC: cash out GC for GF to State Only & Non-Waiver		100,000
net neutral from DVHA GC to DVHA State Only		125,000
		0
<b>Non-Waiver Matched</b>		0
DVHA GC: cash out GC for GF to State Only & Non-Waiver		100,000
		0
		<b>(400,374)</b>
<b>Public Health</b>		
Public Inebriate DOC funded program covered by PH underspend		(431,500)
		0
<b>ADAP</b>		
Public Inebriate DOC funded program covered by PH underspend		431,500
		0
		<b>0</b>
<b>Mental Health</b>		
neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations		(15,473)
neutral transfer from DAIL Grants to DMH - Elder Care		8,168
neutral transfer from DAIL DS to DMH - VR JOBS program		191,125
neutral transfer from DCF FS to DMH - ISBs and Waivers - increase in Children's Services purchased from DMH		498,387
neutral transfer from DMH to DCF FS - Prevent Child Abuse Vermont		(7,000)
		0
		<b>675,207</b>
<b>Administration &amp; Support</b>		
neutral transfer from DMH to DAIL Admin for Elderly Guardianship evaluations		15,473
neutral transfer from DAIL DS to DAIL Admin		700,000
		0
<b>DAIL Grants</b>		0
neutral transfer from DAIL DS to DAIL Grants for potential need in Adult Day Service or Personal Care		150,000
neutral transfer from DAIL Grants to DMH - Elder Care		(8,168)
		0
<b>Developmental Services</b>		0
neutral transfer from DAIL DS to DAIL Admin		(700,000)
neutral transfer from DAIL DS to DAIL Grants for potential need in Adult Day Service or Personal Care		(150,000)
neutral transfer from DAIL DS to DMH - VR JOBS program		(191,125)
neutral transfer from DAIL DS to DAIL TBI: caseload need		(150,000)
neutral transfer from DAIL DS to DCF FS: 30% decreased need for Children's Services from DS		(1,103,855)
neutral transfer from DAIL DS to DCF FS - Prevent Child Abuse Vermont		(31,000)
		0
<b>TBI, Home &amp; Comm. Based Waiver</b>		0
neutral transfer from DAIL DS to DAIL TBI: caseload need		150,000
		<b>(1,318,675)</b>
<b>Family Services</b>		
neutral transfer from DAIL DS to DCF FS: 30% decreased need for Children's Services from DS		1,103,855
neutral transfer from DAIL DS to DCF FS - Prevent Child Abuse Vermont		31,000
neutral transfer from DCF FS to DMH - ISBs and Waivers - increase in Children's Services purchased from DMH		(498,387)
neutral transfer from DMH to DCF FS - Prevent Child Abuse Vermont		7,000
neutral transfer from DCF FS to DCF AABD - caseload pressure		(50,000)
neutral transfer from DCF FS to DCF GA - new MCO Investment: Community Action		(247,129)
neutral transfer from DCF FS to DCF GA - Medical Expenses caseload pressures		(20,000)
neutral transfer from DCF FS to DCF Woodside - earlier recertification than BAA budgeted		(100,000)
		0
<b>Woodside</b>		
neutral transfer from DCF FS to DCF Woodside - earlier recertification than BAA budgeted		100,000
<b>Aid to Aged, Blind, and Disabled</b>		
neutral transfer from DCF FS to DCF AABD - caseload pressure		50,000
<b>General Assistance</b>		
neutral transfer from DCF FS to DCF GA - new MCO Investment: Community Action		247,129
neutral transfer from DCF FS to DCF GA - Medical Expenses caseload pressures		20,000
		<b>643,468</b>
<b>Net by fund:</b>		<b>(375,374)</b>
<b>Secretary's Office</b>		
<b>Global Commitment</b>		
DVHA GC approp cash out - GF for State Only & Non Waiver		(575,374)
		0
		<b>(575,374)</b>



Vermont Agency of Transportation

All Programs

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Transportation  
(JTOC)

Program		Actual Total	Projected FY2012 Costs	FY2012 Budget	FY2012 Over/(Under)	Non-FY2012 Budget
INTERSTATE BRIDGES		\$4,119,306	\$300,000	\$418,564	(\$118,564)	\$3,819,306
INTERSTATE BRIDGES		\$3,000,000	\$0	\$2,500,000	(\$2,500,000)	\$3,000,000
INTERSTATE BRIDGES		\$2,449,040	\$1,770,000	\$2,332,000	(\$562,000)	\$679,040
INTERSTATE BRIDGES		\$6,236,000	\$285,000	\$161,000	\$124,000	\$5,951,000
INTERSTATE BRIDGES		\$2,534,349	\$1,370,700	\$2,200,000	(\$829,300)	\$1,163,649
INTERSTATE BRIDGES	WINDSOR IM BPNT(6)	\$1,740,295	\$1,300,000	\$0	\$1,300,000	\$440,295
INTERSTATE BRIDGES	RICHMOND-HIGHGATE IM BPNT(9)	\$4,100,000	\$1,075,000	\$3,000,000	(\$1,925,000)	\$3,025,000
INTERSTATE BRIDGES	SOUTH BURLINGTON-COLCHESTER IM CULV(23)	\$3,150,601	\$1,956,980	\$5,400,000	(\$3,443,020)	\$1,193,621
INTERSTATE BRIDGES	SOUTH BURLINGTON-WINOOSKI IM BPNT(5)	\$4,989,629	\$3,480,000	\$143,989	\$3,336,011	\$1,509,629
INTERSTATE BRIDGES	ST. JOHNSBURY IM MEMB(27)	\$2,433,338	\$740,000	\$2,422,050	(\$1,682,050)	\$1,693,338
INTERSTATE BRIDGES	WATERBURY IM 089-2(44)	\$919,202	\$904,202	\$255,000	\$649,202	\$15,000
INTERSTATE BRIDGES	WATERBURY IM 089-2(43)	\$3,100,000	\$238,018	\$1,026,000	(\$787,982)	\$2,861,982
INTERSTATE BRIDGES	WESTMINSTER-NORWICH IM BPNT(8)	\$3,483,000	\$1,565,000	\$2,041,000	(\$476,000)	\$1,918,000
INTERSTATE BRIDGES	WESTMINTSER-NORWICH IM MEMB(30)	\$2,115,299	\$727,800	\$0	\$727,800	\$1,387,499
INTERSTATE BRIDGES	WINDSOR IM 091-1(64)	\$18,680,000	\$725,000	\$605,000	\$120,000	\$17,955,000
<b>INTERSTATE BRIDGES TOTAL</b>					<b>(\$6,066,903)</b>	
PAVING	ADDISON-NEW HAVEN STP 9632(1)	\$8,341,239	\$1,050,000	\$5,270,000	(\$4,220,000)	\$7,291,239
PAVING	BARTON-IRASBURG IM 091-3(48)	\$6,007,985	\$951,985	\$20,000	\$931,985	\$5,056,000
PAVING	BLOOMFIELD-LEMINGTON STP 2610(1)	\$3,325,012	\$301,919	\$525,000	(\$223,081)	\$3,023,093
PAVING	BRATTLEBORO STP 2623(1)	\$3,549,554	\$150,000	\$0	\$150,000	\$3,399,554
PAVING	BURLINGTON STP 2722(1)	\$2,114,286	\$625,000	\$0	\$625,000	\$1,489,286
PAVING	BURLINGTON-SOUTH BURLINGTON NH 2624(1)	\$3,816,063	\$520,000	\$369,250	\$150,750	\$3,296,063
PAVING	CAMBRIDGE-BAKERSFIELD STP 2926(1)	\$10,266,500	\$390,000	\$0	\$390,000	\$9,876,500
PAVING	CASTLETON-WEST RUTLAND STP 2705(1)	\$3,016,085	\$530,000	\$420,000	\$110,000	\$2,486,085
PAVING	FAIR HAVEN-RUTLAND TOWN NH SURF(22)	\$5,175,048	\$1,010,000	\$810,000	\$200,000	\$4,165,048
PAVING	GLOVER-BARTON STP 2318(1)	\$2,900,525	\$1,700,000	\$2,000,000	(\$300,000)	\$1,200,525
PAVING	GUILFORD-BRATTLEBORO STP 2707(1)	\$2,908,340	\$1,500,000	\$2,000,000	(\$500,000)	\$1,408,340
PAVING	HARTFORD-SHARON IM 089-1(57)	\$5,052,837	\$3,500,000	\$4,000,000	(\$500,000)	\$1,552,837
PAVING	HARTLAND-NORWICH IM 091-1(59)	\$7,600,000	\$7,600,000	\$7,100,000	\$500,000	\$0
PAVING	IRASBURG-DERBY IM 091-3(47)	\$7,011,233	\$4,300,000	\$6,000,000	(\$1,700,000)	\$2,711,233
PAVING	MONTPELIER NH 2901(1)	\$1,215,000	\$1,215,000	\$1,000,000	\$215,000	\$0
PAVING	NEWPORT-COVENTRY-NEWPORT STP 2802(1)	\$4,666,358	\$626,358	\$4,000,000	(\$3,373,642)	\$4,040,000
PAVING	NORWICH-BRADFORD IM SURF(31)	\$3,655,000	\$655,000	\$0	\$655,000	\$3,000,000



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PAVING	RIPTON-HANCOCK STP 2803(1)	\$4,263,272	\$125,000	\$0	\$125,000	\$4,138,272
PAVING	RUTLAND CITY NH 2716(1)	\$2,775,000	\$75,000	\$325,000	(\$250,000)	\$2,700,000
PAVING	RUTLAND CITY STP 2728(1)	\$1,875,000	\$60,000	\$305,000	(\$245,000)	\$1,815,000
PAVING	SHARON-ROYALTON IM 089-1(58)	\$4,029,951	\$3,250,000	\$3,400,000	(\$150,000)	\$779,951
PAVING	STOCKBRIDGE-BETHEL STP 2910(1)	\$8,330,000	\$650,000	\$1,280,000	(\$630,000)	\$7,730,000
PAVING	SWANTON-HIGHGATE IM SURF(28)	\$2,045,000	\$325,000	\$0	\$325,000	\$1,720,000
PAVING	THETFORD-FAIRLEE STP 2710(1)	\$4,509,130	\$4,405,000	\$4,300,000	\$105,000	\$104,130
PAVING	VERSHIRE-THETFORD STP 2911(1)	\$7,410,000	\$240,000	\$75,000	\$165,000	\$7,170,000
PAVING	WARREN-WAITSFIELD STP 2506(1)	\$6,850,000	\$1,150,000	\$2,200,000	(\$1,050,000)	\$5,700,000
PAVING	WATERBURY STP 2201(1)	\$1,293,322	\$1,190,000	\$1,300,000	(\$110,000)	\$103,322
PAVING	WEATHERSFIELD STP 2913(1)	\$6,300,000	\$250,000	\$110,000	\$140,000	\$6,050,000
PAVING	WESTFIELD-TROY STP 2903(1)	\$6,150,000	\$50,000	\$1,125,000	(\$1,075,000)	\$5,100,000
PAVING	WESTMINSTER-SPRINGFIELD IM 091-1(62)	\$6,390,363	\$650,000	\$280,197	\$369,803	\$5,740,363
PAVING	WHITING-MIDDLEBURY STP 2629(1)	\$4,131,930	\$370,000	\$0	\$370,000	\$3,761,930
PAVING TOTAL					(\$8,799,185)	
ROADWAY PROJECTS	BARRE CITY FECC F 026-1(34)C/1	\$1,381,533	\$400,000	\$0	\$400,000	\$981,533
ROADWAY PROJECTS	BARRE CITY-BARRE TOWN MEGC M 6000(11)	\$5,000,000	\$520,000	\$410,000	\$110,000	\$4,480,000
ROADWAY PROJECTS	BRANDON NH 019-3(495)	\$13,687,496	\$770,000	\$3,000,000	(\$2,230,000)	\$12,917,496
ROADWAY PROJECTS	BRATTLEBORO STP 2000(24)	\$2,229,674	\$200,000	\$0	\$200,000	\$2,029,674
ROADWAY PROJECTS	BURLINGTON STP 5000(17)	\$3,718,750	\$2,981,000	\$520,000	\$2,461,000	\$737,750
ROADWAY PROJECTS	BURLINGTON STP 5000(16)	\$6,602,607	\$530,967	\$1,540,967	(\$1,010,000)	\$6,071,640
ROADWAY PROJECTS	BURLINGTON MEGC M 5000(1)	\$300,000	\$300,000	\$180,000	\$120,000	\$0
ROADWAY PROJECTS	BURLINGTON STP 5000(19)	\$974,000	\$20,000	\$402,000	(\$382,000)	\$954,000
ROADWAY PROJECTS	BURLINGTON STP 5000(16)C/4	\$1,941,308	\$1,000,000	\$0	\$1,000,000	\$941,308
ROADWAY PROJECTS	CABOT-DANVILLE FECC F 028-3(26)C/1	\$12,106,659	\$5,010,000	\$3,360,869	\$1,649,131	\$7,096,659
ROADWAY PROJECTS	CHARLOTTE FECC 019-4(20)	\$14,751,000	\$200,000	\$600,000	(\$400,000)	\$14,551,000
ROADWAY PROJECTS	COLCHESTER STP 5600(9)S	\$5,117,600	\$150,000	\$1,630,000	(\$1,480,000)	\$4,967,600
ROADWAY PROJECTS	COLCHESTER TCSP TCSE(7)	\$3,674,567	\$2,032,678	\$2,786,838	(\$754,160)	\$1,641,889
ROADWAY PROJECTS	DANVILLE FECC 028-3(32)	\$11,027,830	\$4,255,000	\$5,000,000	(\$745,000)	\$6,772,830
ROADWAY PROJECTS	ENOSBURG FALLS STP RWSS(2)	\$256,000	\$230,616	\$0	\$230,616	\$25,384
ROADWAY PROJECTS	ENOSBURG FALLS STP RWSS(1)	\$1,052,500	\$0	\$285,000	(\$285,000)	\$1,052,500
ROADWAY PROJECTS	JOHNSON STP 030-2(21)	\$1,964,000	\$1,010,819	\$455,059	\$555,760	\$973,181
ROADWAY PROJECTS	JOHNSON STP 030-2(25)	\$1,185,489	\$959,782	\$192,180	\$767,602	\$225,707
ROADWAY PROJECTS	MORRISTOWN STP F 029-1(2)	\$31,258,470	\$3,838,823	\$5,657,585	(\$1,818,762)	\$27,419,647
ROADWAY PROJECTS	PITTSFORD NH 019-3(491)	\$10,017,828	\$475,000	\$125,000	\$350,000	\$9,542,828
ROADWAY PROJECTS	PITTSFORD NH 019-3(493)	\$14,657,203	\$175,000	\$900,000	(\$725,000)	\$14,432,203

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ROADWAY PROJECTS	PITTSFORD-BRANDON NH 019-3(494)	\$12,130,000	\$50,000	\$750,000	(\$700,000)	\$12,080,000
ROADWAY PROJECTS	RUTLAND CITY STP 019-3(57)	\$3,653,645	\$145,527	\$2,685,073	(\$2,539,546)	\$3,508,118
ROADWAY PROJECTS	SOUTH BURLINGTON STP 5200(14)	\$3,337,500	\$500,000	\$1,326,619	(\$826,619)	\$2,837,500
ROADWAY PROJECTS	ST. ALBANS HPP 8000(17)	\$3,200,000	\$450,000	\$750,000	(\$300,000)	\$2,750,000
ROADWAY PROJECTS	STOWE STP 0235(10)	\$736,000	\$30,000	\$270,000	(\$240,000)	\$706,000
ROADWAY PROJECTS	SUDBURY-BRANDON STP 0158(3)	\$1,405,996	\$202,922	\$410,000	(\$207,078)	\$1,203,074
ROADWAY PROJECTS	WATERBURY-BOLTON IM 089-2(37)	\$4,505,950	\$275,000	\$0	\$275,000	\$4,230,950
ROADWAY PROJECTS	WINDSOR TCSP TCSE(008)	\$1,000,000	\$0	\$445,000	(\$445,000)	\$1,000,000
<b>ROADWAY PROJECTS TOTAL</b>					(\$6,969,056)	
STATE HIGHWAY BRIDGES	ADDISON-CROWN PT, NY VTNY(3)	\$6,300,000	\$1,155,185	\$0	\$1,155,185	\$5,144,815
STATE HIGHWAY BRIDGES	ADDISON-CROWN PT, NY 032-1(17)	\$8,760,000	\$3,594,360	\$0	\$3,594,360	\$5,165,640
STATE HIGHWAY BRIDGES	BERKSHIRE BHF 0283(9)S	\$2,168,019	\$264,637	\$403,539	(\$138,902)	\$1,904,382
STATE HIGHWAY BRIDGES	BETHEL BRP 022-1(14)	\$11,209,909	\$3,833,716	\$2,614,500	\$1,219,216	\$7,376,193
STATE HIGHWAY BRIDGES	BRIDGEWATER BRS 0149(4)	\$2,915,682	\$1,551,258	\$704,000	\$847,258	\$1,364,424
STATE HIGHWAY BRIDGES	BRIDPORT STP CULV(21)	\$205,491	\$108,153	\$0	\$108,153	\$97,338
STATE HIGHWAY BRIDGES	BRISTOL STP F 021-1(15)	\$10,033,000	\$354,600	\$148,600	\$206,000	\$9,678,400
STATE HIGHWAY BRIDGES	CAMBRIDGE BRP 027-1(4)	\$6,451,321	\$249,900	\$1,141,900	(\$892,000)	\$6,201,421
STATE HIGHWAY BRIDGES	CHESTER BRP 025-1(28)	\$1,460,187	\$810,000	\$1,900,000	(\$1,050,000)	\$650,187
STATE HIGHWAY BRIDGES	CHESTER BRP 025-1(37)	\$2,620,718	\$1,300,000	\$2,950,000	(\$1,650,000)	\$1,320,718
STATE HIGHWAY BRIDGES	CORNWALL BRS 0172(6)	\$6,688,672	\$221,000	\$1,368,000	(\$1,147,000)	\$6,487,672
STATE HIGHWAY BRIDGES	EAST HAVEN BRP 0269(11)	\$1,506,142	\$278,832	\$1,439,024	(\$1,160,192)	\$1,227,310
STATE HIGHWAY BRIDGES	FAIR HAVEN-RUTLAND BHF BPNT(10)	\$2,370,000	\$505,000	\$2,005,000	(\$1,500,000)	\$1,865,000
STATE HIGHWAY BRIDGES	HIGHGATE STP 0297(8)	\$295,000	\$10,674	\$295,000	(\$284,326)	\$284,326
STATE HIGHWAY BRIDGES	HIGHGATE BHF 0285(15)	\$1,285,000	\$1,265,000	\$1,778,000	(\$513,000)	\$20,000
STATE HIGHWAY BRIDGES	IRASBURG STP CULV(20)	\$331,114	\$213,400	\$55,000	\$158,400	\$117,714
STATE HIGHWAY BRIDGES	NEWBURY BHF ST 0113(64)	\$830,000	\$353,520	\$705,000	(\$351,480)	\$476,480
STATE HIGHWAY BRIDGES	RICHMOND STP RS 0284(11)	\$17,220,000	\$8,910,000	\$7,000,000	\$1,910,000	\$8,310,000
STATE HIGHWAY BRIDGES	RYEGATE STP CULV(10)	\$6,050,000	\$3,135,000	\$2,900,000	\$235,000	\$2,915,000
STATE HIGHWAY BRIDGES	SHOREHAM BHF ST 0164(2)	\$517,500	\$505,723	\$0	\$505,723	\$11,777
STATE HIGHWAY BRIDGES	ST. JOHNSBURY BHF MEMB(28)	\$666,926	\$610,500	\$963,164	(\$352,664)	\$296,426
STATE HIGHWAY BRIDGES	STOCKBRIDGE BRP 022-1(20)S	\$5,184,499	\$1,900,000	\$2,100,000	(\$200,000)	\$3,284,499
STATE HIGHWAY BRIDGES	WINHALL STP CULV(22)	\$428,608	\$300,525	\$101,791	\$198,734	\$128,083
<b>STATE HIGHWAY BRIDGES TOTAL</b>					\$858,465	
TOWN HIGHWAY BRIDGES	BRISTOL BRO 1445(32)	\$2,350,000	\$95,000	\$744,742	(\$649,732)	\$2,255,000
TOWN HIGHWAY BRIDGES	DUMMERSTON BHO 1442(28)	\$2,538,657	\$312,764	\$0	\$312,764	\$2,225,893
TOWN HIGHWAY BRIDGES	HARTFORD (WILDER) STP 1444(35)	\$2,826,869	\$1,930,641	\$1,466,000	\$464,644	\$896,225

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TOWN HIGHWAY BRIDGES	HARTFORD-LEBANON, NH BR# A000(627)	\$700,000	\$700,000	\$460,000	\$240,000	\$0
TOWN HIGHWAY BRIDGES	MIDDLEBURY-WEYBRIDGE BHO 1445(33)	\$3,658,867	\$2,546,217	\$2,696,217	(\$150,000)	\$1,142,650
TOWN HIGHWAY BRIDGES	NEWFAIR BR# 0106(3)S	\$2,336,302	\$757,500	\$1,405,735	(\$648,235)	\$1,578,802
TOWN HIGHWAY BRIDGES	NEWPORT CITY BRO 1449(25)	\$7,164,247	\$3,013,319	\$1,510,000	\$1,503,319	\$4,150,928
TOWN HIGHWAY BRIDGES	RANDOLPH BHO 1444(53)	\$654,000	\$654,000	\$309,576	\$344,424	\$0
TOWN HIGHWAY BRIDGES	ROCKINGHAM-WALPOLE BHF A000(687)	\$0	\$0	\$150,000	(\$150,000)	\$0
TOWN HIGHWAY BRIDGES	SPRINGFIELD BRO 1442(26)	\$2,027,000	\$579,467	\$1,934,890	(\$1,355,423)	\$1,447,533
TOWN HIGHWAY BRIDGES	THETFORD BHF 0177(9)	\$2,086,109	\$819,000	\$587,000	\$232,000	\$1,867,109
TOWN HIGHWAY BRIDGES	WOODSTOCK BHO 1444(52)	\$2,989,690	\$1,300,000	\$100,000	\$1,200,000	\$1,689,690
TOWN HIGHWAY BRIDGES TOTAL					\$1,343,761	
TOTAL					(\$19,632,918)	

**Key to Project Status Reports Columns:**

**ProjectTotal =** Current project total cost estimate.

**Projected FY2012 Costs =** Revised estimated costs for current fiscal year.

**FY2012 Budget =** Amount included in current fiscal year budget as passed.

**FY2012 Over(Under) =** Estimated amount over or (under) budget in current fiscal year (column D - column E)

**Non-FY2012 Budget =** Estimated costs budgeted in earlier or subsequent fiscal years (multi 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.



PROGRAM	PROJECT NAME & NUMBER	DESCRIPTION	AWARD	AMOUNT BID	CONTINGENCY, ROW, PE, ETC.	TOTAL ESTIMATE REVISED FOR BID RESULTS (E + F)	TOTAL ESTIMATE AS IN FY2012 BUDGET	AMOUNT ABOVE (BELOW) ESTIMATE (G - H)	% ABOVE (BELOW) ESTIMATE
ROADWAY	BARRE CITY FECC F 026-1 (34) C/2	RECONSTRUCTION INCLUDING SUBBASE, DRAINAGE, SEWER, WATER ON US	6/28/2011	\$10,615,573	\$4,721,863	\$15,337,436	\$18,387,633	(\$3,050,197)	-16.6%
BRIDGE	BETHLE BRP 022-1(14)	REPLACE BRIDGE 15 ON VT 107 OVER THE WHITE RIVER.	8/15/2011	\$6,481,729	\$3,142,577	\$9,624,306	\$10,595,046	(\$970,740)	-9.2%
BRIDGE	BRIDPORT STP CULV(21)	PARTIAL REMOVAL AND FILLING OF APPROX. 56' OF 72" DIA. CULVERT ON V	1/27/2011	\$96,223	\$109,267	\$205,491	\$185,500	\$19,991	10.8%
ROADWAY	CABOT-DANVILLE FECC F 028-3(26)C/1	RECONSTRUCT & WIDEN U.S. ROUTE 2 IN CABOT AND MITIGATION SITE	3/2/2011	\$7,706,709	\$4,399,950	\$12,106,659	\$12,830,578	(\$723,919)	-5.6%
TRAFFIC	CASTLETON-RUTLAND TOWN STPG SGNL(37)	VT3 AND VT4A NEW SIGNAL CONTROLLERS, HEADS AND CABINETS.	4/6/2011	\$38,075	\$21,711	\$59,786	\$59,786	\$0	0.0%
RAILROAD	CHESTER STP GMRC(4)	REHABILITATION OF GMRC BRIDGE NO. 114 OVER WILLIAMS RIVER	2/17/2011	\$152,925	\$62,939	\$215,864	\$215,864	\$30,151	16.2%
RAILROAD	CHESTER STP GMRC(5)	REHABILITATION OF GMRC BRIDGE NO. 121 OVER WILLIAMS RIVER	2/17/2011	\$191,300	\$74,695	\$265,995	\$234,621	\$31,374	13.4%
RAILROAD	CLARENDON STP GMRC(7)	REHABILITATION OF GMRC BRIDGE NO. 153 OVER COLD RIVER	3/9/2011	\$288,185	\$94,228	\$382,413	\$285,116	\$97,297	34.1%
ROADWAY	DANVILLE FECC 028-3(32)	RECONSTRUCTION OF US ROUTE 2	4/27/2011	\$6,673,826	\$4,354,004	\$11,027,830	\$12,414,892	(\$1,387,062)	-11.2%
PAVING	DORSET-DANBY NH SURF(24)	COLD PLANING, PRESURFACING, PATCHING & POTHOLE REPAIR, CRACK-SE	5/25/2011	\$1,783,452	\$275,611	\$2,059,062	\$2,317,026	(\$257,964)	-11.1%
PAVING	HARTLAND-NORWICH IM 091-1(59)	COLD PLANING, RESURFACING, PAVEMENT MARKINGS, GUARDRAIL & DRAIN	7/14/2011	\$6,442,338	\$1,016,484	\$7,458,822	\$7,182,800	\$276,022	3.8%
BRIDGE	HINESBURG STP 0199(2)	REPLACE BRIDGE 10 ON THE EXISTING ALIGNMENT ON SILVER STREET (TH	5/13/2011	\$848,509	\$302,014	\$1,150,523	\$1,510,902	(\$360,379)	-23.9%
TRAFFIC	HINESBURG-RICHMOND STPG SGNL(38)	US2 & VT 116 VIDEO VEHICLE DETECTION AND RADAR STOP BAR	4/12/2011	\$62,255	\$25,338	\$87,593	\$87,593	\$0	0.0%
TRAFFIC	HYDE PARK HES 030-2(23)	CONSTRUCTION OF A ROUNDABOUT AT INTERSECTION OF VT 100, VT 15 &	2/25/2011	\$1,460,875	\$348,220	\$1,809,095	\$2,837,397	(\$1,028,302)	-36.2%
BRIDGE	IRASBURG STP CULV(20)	INSTALLATION OF PIPE LINER & HEADWALLS BR 3 ON VT 58	1/19/2011	\$205,378	\$125,737	\$331,114	\$330,532	\$582	0.2%
RAILROAD	LEICESTER WCRS(11)	REPLACE BEARINGS, TIMBER DECK, REHAB BEARING SEATS, SCOUR PROT	6/2/2011	\$219,730	\$38,235	\$257,965	\$295,803	(\$37,838)	-12.8%
BRIDGE	LYNDON-IRASBURG IM MEMB(29)	REMOVE & REPLACE SHEET MEMBRANE WATERPROOFING, PAVEMENT ON	6/24/2011	\$2,071,209	\$377,831	\$2,449,040	\$3,510,600	(\$1,061,560)	-30.2%
RAILROAD	MIDDLEBURY WCRS(12)(RE-ADV)	REPLACE BEARINGS, REHAB BRIDGE BEARING SEATS AND REINFORCE TR	8/5/2011	\$326,580	\$55,987	\$382,567	\$221,284	\$161,283	72.9%
ROADWAY	MILTON STP 5800(2)	INTERSECTION REALIGNMENT, FULL DEPTH ROADWAY RECONSTRUCTION	5/13/2011	\$1,326,960	\$715,189	\$2,042,149	\$2,889,162	(\$847,013)	-29.3%
BRIDGE	MILTON-HIGHGATE IM MEMB(26)	REMOVE AND REPLACE PAVEMENT AND MEMBRANE ON 8 BRIDGES OVER I	7/19/2011	\$2,145,486	\$388,863	\$2,534,349	\$3,350,000	(\$815,651)	-24.3%
PAVING	MONTPELIER NH 2901(1), STP 2902(1), STP 2905(1)	COLD PLANING, RESURFACING, PAVEMENT MARKINGS, GUARDRAIL, SIGNS & INCIDENTAL ITEMS ON MONTPELIER STATE HIGHWAY, MONTPELIER JCT. STATE HIGHWAY AND US 2.	8/1/2011	\$1,818,497	\$479,117	\$2,297,614	\$3,223,448	(\$925,834)	-28.7%
RAILROAD	NEW HAVEN WCRS(13)	REPLACE BEARINGS, REHAB BEARING SEATS, CONCRETE AND REINFORCE	6/17/2011	\$243,885	\$43,583	\$287,468	\$175,330	\$112,138	64.0%
BRIDGE	RANDOLPH BHO 1444(53)	REHABILITATE BRIDGE 34 GIFFORD COVERED BRIDGE ON TH 66	1/31/2011	\$378,529	\$148,342	\$526,870	\$796,348	(\$269,478)	-33.8%
TRAFFIC	READING-WOODSTOCK STPG SIGN(38)	REMOVE & INSTALL SIGNS & POSTS ON VT 106	6/23/2011	\$60,386	\$31,097	\$91,483	\$91,483	\$0	0.0%
BRIDGE	RICHMOND BHF 0209(7)	CLEANING AND PAINTING THE EXISTING STEEL SUPERSTRUCTURE	7/28/2011	\$688,475	\$122,371	\$810,846	\$1,320,000	(\$509,154)	-38.6%
BRIDGE	RICHMOND IM BPNT(7)	CLEANING AND REPAINTING THE EXISTING STEEL SUPERSTRUCTURE OF B	7/11/2011	\$827,540	\$217,620	\$1,045,160	\$652,234	\$392,926	60.2%
RAILROAD	ROCKINGHAM STP GMRC(1)	REMOVE EXISTING RAILROAD BRIDGE, ROADWAY RELOCATION & RECONSTR	1/11/2011	\$1,301,773	\$562,643	\$1,864,416	\$1,975,100	(\$110,684)	-5.6%
RAILROAD	ROCKINGHAM STP GMRC(16)	PIER SCOUR AND SOUTH ABUTMENT EMBANKMENT STABILIZATION OF BR	1/26/2						



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Agency of Human Services

September 16, 2011

Senator Ann Cummings, Chair  
Legislative Joint Fiscal Committee  
One Baldwin Street  
Montpelier, VT 05633

Dear Senator Cummings,

Thank you for including the Medical Practice Board's web portal proposed fee for service grant #2514 on the September 26, 2011 Joint Fiscal Committee meeting agenda.

Upon review, the Department of Health has determined that no fee increase is required for the web portal at this time. The current licensing fees are expected to be sufficient for this purpose. Therefore, I request that you return the grant and withdraw this item from the agenda.

Please let me know if you have any questions or need additional information.

Thank you for your consideration.

Sincerely,

Harry L. Chen, MD  
Commissioner

cc: Michael Clasen, Deputy Secretary, Agency of Administration



MCO Investment Expenditures								
Department	Criteria	Investment Description	SFY06 Actuals - 3/4 SFY	SFY07 Actuals	SFY08 Actuals	SFY09 Actuals	SFY10 Actuals	SFY11 Actuals
DOE	2	School Health Services	\$ 6,397,319	\$ 8,956,247	\$ 8,956,247	\$ 8,956,247	\$ 8,956,247	\$ 4,478,124
AOA	4	Blueprint Director	\$ -	\$ -	\$ 70,000	\$ 68,879	\$ 179,284	\$ -
BISHCA	2	Health Care Administration	\$ 983,637	\$ 914,629	\$ 1,340,728	\$ 1,871,651	\$ 1,713,959	\$ 1,898,342
DII	4	Vermont Information Technology Leaders	\$ 266,000	\$ 105,000	\$ 105,000	\$ 339,500	\$ -	\$ -
VVH	2	Vermont Veterans Home	\$ 747,000	\$ 913,047	\$ 913,047	\$ 881,043	\$ 837,225	\$ 1,410,956
VSC	2	Health Professional Training	\$ 283,154	\$ 391,698	\$ 405,407	\$ 405,407	\$ 405,407	\$ 405,407
UVM	2	Vermont Physician Training	\$ 2,798,070	\$ 3,870,882	\$ 4,006,152	\$ 4,006,156	\$ 4,006,152	\$ 4,006,156
AHSCO	2	Designated Agency Underinsured Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,510,099
AHSCO	4	2-1-1 Grant	\$ -	\$ -	\$ -	\$ 415,000	\$ 415,000	\$ 415,000
VDH	2	Emergency Medical Services	\$ 174,482	\$ 436,642	\$ 626,728	\$ 427,056	\$ 425,870	\$ 333,488
VDH	2	AIDS Services/HIV Case Management	\$ 152,945	\$ -	\$ -	\$ -	\$ -	\$ -
VDH	2	TB Medical Services	\$ 27,052	\$ 29,129	\$ 15,872	\$ 28,359	\$ 41,313	\$ 36,284
VDH	3	Epidemiology	\$ 326,708	\$ 427,075	\$ 416,932	\$ 204,646	\$ 241,932	\$ 315,135
VDH	3	Health Research and Statistics	\$ 276,673	\$ 403,244	\$ 404,431	\$ 217,178	\$ 254,828	\$ 289,420
VDH	2	Health Laboratory	\$ 1,369,982	\$ 1,908,982	\$ 2,012,252	\$ 1,522,578	\$ 1,875,487	\$ 1,912,034
VDH	4	Tobacco Cessation: Community Coalitions	\$ 938,056	\$ 1,647,129	\$ 1,144,713	\$ 1,016,685	\$ 535,573	\$ 94,089
VDH	3	Statewide Tobacco Cessation	\$ -	\$ -	\$ -	\$ 230,985	\$ 484,998	\$ 507,543
VDH	2	Family Planning	\$ 365,320	\$ 122,961	\$ 169,392	\$ 300,876	\$ 300,876	\$ 275,803
VDH	4	Physician/Dentist Loan Repayment Program	\$ 810,716	\$ 439,140	\$ 930,000	\$ 1,516,361	\$ 970,000	\$ 900,000
VDH	2	Renal Disease	\$ 15,000	\$ 7,601	\$ 16,115	\$ 15,095	\$ 2,053	\$ 13,689
VDH	2	Newborn Screening	\$ 74,899	\$ 166,795	\$ 136,577	\$ -	\$ -	\$ -
VDH	2	WIC Coverage	\$ 161,804	\$ 1,165,699	\$ 562,446	\$ 86,882	\$ -	\$ 36,959
VDH	4	Vermont Blueprint for Health	\$ 92,049	\$ 1,975,940	\$ 753,087	\$ 1,395,135	\$ 1,417,770	\$ 752,375
VDH	4	Area Health Education Centers (AHEC)	\$ -	\$ 35,000	\$ 310,000	\$ 565,000	\$ 725,000	\$ 500,000
VDH	4	Community Clinics	\$ -	\$ -	\$ -	\$ 640,000	\$ 468,154	\$ 640,000
VDH	4	FOHC Lookalike	\$ -	\$ -	\$ 30,000	\$ 105,650	\$ 81,500	\$ 87,900
VDH	4	Patient Safety - Adverse Events	\$ -	\$ -	\$ 190,143	\$ 100,509	\$ 44,573	\$ 16,829
VDH	4	Coalition of Health Activity Movement Prevention Program (CHAMPPS)	\$ -	\$ 100,000	\$ 291,298	\$ 486,466	\$ 412,043	\$ 290,661
VDH	2	Substance Abuse Treatment	\$ 1,466,732	\$ 2,514,963	\$ 2,744,787	\$ 2,997,668	\$ 3,000,335	\$ 1,693,198
VDH	4	Recovery Centers	\$ 171,153	\$ 287,374	\$ 329,215	\$ 713,576	\$ 716,000	\$ 648,350
VDH	2	Immunization	\$ -	\$ -	\$ -	\$ 726,264	\$ -	\$ -
VDH	2	DMH Investment Cost in CAP	\$ -	\$ -	\$ -	\$ 64,843	\$ -	\$ 752
VDH	4	Poison Control	\$ -	\$ -	\$ -	\$ -	\$ 176,340	\$ 115,710
DMH	2	Special Payments for Treatment Plan Services	\$ 101,230	\$ 131,309	\$ 113,314	\$ 164,356	\$ 149,068	\$ 134,791
DMH	2	MH Outpatient Services for Adults	\$ 775,899	\$ 1,393,395	\$ 1,293,044	\$ 1,320,521	\$ 864,815	\$ 522,595
DMH	2	Mental Health Elder Care	\$ 38,563	\$ 37,682	\$ 36,970	\$ -	\$ -	\$ -
DMH	4	Mental Health Consumer Support Programs	\$ 451,606	\$ 546,987	\$ 673,160	\$ 707,976	\$ 802,579	\$ 582,397
DMH	2	Mental Health CRT Community Support Services	\$ 2,318,668	\$ 602,186	\$ 807,539	\$ 1,124,728	\$ -	\$ 1,935,344
DMH	2	Mental Health Children's Community Services	\$ 1,561,396	\$ 3,066,774	\$ 3,341,602	\$ 3,597,662	\$ 2,569,759	\$ 1,775,120
DMH	2	Emergency Mental Health for Children and Adults	\$ 1,885,014	\$ 1,988,548	\$ 2,016,348	\$ 2,165,648	\$ 1,797,605	\$ 2,309,810
DMH	2	Respite Services for Youth with SED and their Families	\$ 385,581	\$ 485,586	\$ 502,237	\$ 412,920	\$ 516,677	\$ 543,635
DMH	2	CRT Staff Secure Transportation	\$ -	\$ -	\$ 52,242	\$ -	\$ -	\$ -
DMH	2	Recovery Housing	\$ -	\$ -	\$ 235,267	\$ -	\$ 332,635	\$ 512,307
DMH	2	Transportation - Children in Involuntary Care	\$ 4,768	\$ 1,075	\$ -	\$ -	\$ -	\$ -
DMH	2	Vermont State Hospital Records	\$ -	\$ -	\$ -	\$ -	\$ 19,590	\$ -
DMH	4	Challenges for Change: DMH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,512
DMH	2	Seriously Functionally Impaired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,713
DVHA	4	Vermont Information Technology Leaders/HIT/HIE	\$ -	\$ -	\$ -	\$ -	\$ 339,500	\$ 646,220
DVHA	4	Vermont Blueprint for Health	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,616,211
DVHA	1	Buy-In	\$ 4,594	\$ 314,376	\$ 419,951	\$ 248,537	\$ 200,868	\$ 50,605
DVHA	1	Vscript Expanded	\$ 1,695,246	\$ -	\$ -	\$ -	\$ -	\$ -
DVHA	1	HIV Drug Coverage	\$ 31,172	\$ 42,347	\$ 44,524	\$ 48,711	\$ 38,904	\$ 39,176
DVHA	1	Civil Union	\$ 373,175	\$ 543,986	\$ 671,941	\$ 556,811	\$ 627,976	\$ 999,084
DVHA	1	Vpharm	\$ -	\$ -	\$ -	\$ 278,934	\$ 210,796	\$ -
DVHA	4	Hospital Safety Net Services	\$ -	\$ -	\$ 281,973	\$ -	\$ -	\$ -
DVHA	2	Patient Safety Net Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,112
DCF	2	Family Infant Toddler Program	\$ -	\$ 199,064	\$ 326,424	\$ 335,235	\$ 81,086	\$ 624
DCF	2	Medical Services	\$ 69,893	\$ 91,569	\$ 120,494	\$ 65,278	\$ 45,216	\$ 64,496
DCF	2	Residential Care for Youth/Substitute Care	\$ 9,181,386	\$ 10,536,996	\$ 10,110,441	\$ 9,392,213	\$ 8,033,068	\$ 7,853,100
DCF	2	AABD Admin	\$ 988,557	\$ -	\$ -	\$ -	\$ -	\$ -
DCF	2	AABD	\$ 2,415,100	\$ -	\$ -	\$ -	\$ -	\$ -
DCF	2	Aid to the Aged, Blind and Disabled CCL Level III	\$ 96,000	\$ 2,617,350	\$ 2,615,023	\$ 2,591,613	\$ 2,827,617	\$ 2,661,246
DCF	2	Aid to the Aged, Blind and Disabled Res Care Level III	\$ -	\$ 143,975	\$ 170,117	\$ 172,173	\$ 137,356	\$ 136,466
DCF	2	Aid to the Aged, Blind and Disabled Res Care Level IV	\$ 210,989	\$ 312,815	\$ 349,887	\$ 366,161	\$ 299,488	\$ 265,812
DCF	2	Essential Person Program	\$ 542,382	\$ 675,860	\$ 614,974	\$ 620,052	\$ 485,536	\$ 736,479
DCF	2	GA Medical Expenses	\$ 254,154	\$ 339,928	\$ 298,207	\$ 380,000	\$ 583,080	\$ 492,079
DCF	2	CUPS/Early Childhood Mental Health	\$ -	\$ -	\$ 52,825	\$ 499,143	\$ 166,429	\$ 112,619
DCF	2	VCRHYP/Vermont Coalition for Runaway and Homeless Youth Program	\$ -	\$ -	\$ 1,764,400	\$ -	\$ -	\$ -
DCF	2	HBKF/Healthy Babies, Kids & Families	\$ -	\$ -	\$ 318,321	\$ 63,921	\$ -	\$ -
DCF	1	Catamount Administrative Services	\$ -	\$ -	\$ -	\$ 339,894	\$ -	\$ -
DCF	2	Therapeutic Child Care	\$ -	\$ -	\$ -	\$ 978,886	\$ 577,259	\$ 570,493
DCF	2	Lund Home	\$ -	\$ -	\$ -	\$ 325,516	\$ 175,378	\$ 196,159
DCF	2	GA Community Action	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,762
DCF	3	Prevent Child Abuse Vermont	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,119
DCF	4	Challenges for Change: DCF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,622
DDAIL	2	Elder Coping with MMA	\$ 441,234	\$ -	\$ -	\$ -	\$ -	\$ -
DDAIL	2	Mobility Training/Other Svcs.-Elderly Visually Impaired	\$ 187,500	\$ 250,000	\$ 250,000	\$ 250,000	\$ 245,000	\$ 245,000
DDAIL	2	DS Special Payments for Medical Services	\$ 394,055	\$ 192,111	\$ 880,797	\$ 522,058	\$ 469,770	\$ 757,070
DDAIL	2	Flexible Family/Respite Funding	\$ 1,086,291	\$ 1,135,213	\$ 1,341,698	\$ 1,364,896	\$ 1,114,898	\$ 1,103,748
DDAIL	4	Quality Review of Home Health Agencies	\$ -	\$ 77,467	\$ 186,664	\$ 126,306	\$ 90,227	\$ 103,598
DOC	2	Intensive Substance Abuse Program (ISAP)	\$ 382,230	\$ 299,602	\$ 310,610	\$ 200,000	\$ 591,004	\$ 591,000
DOC	2	Intensive Sexual Abuse Program	\$ 72,439	\$ 46,078	\$ 85,542	\$ 88,523	\$ 68,350	\$ 70,002
DOC	2	Intensive Domestic Violence Program	\$ 109,692	\$ 134,663	\$ 230,353	\$ 229,166	\$ 173,938	\$ 174,000
DOC	2	Women's Health Program (Tapestry)	\$ 460,130	\$ 487,344	\$ 487,231	\$ 527,956	\$ -	\$ -
DOC	2	Community Rehabilitative Care	\$ 1,038,114	\$ 1,982,456	\$ 2,031,408	\$ 1,997,499	\$ 2,190,924	\$ 2,221,448
DOC	2	Return House	\$ -	\$ -	\$ -	\$ 51,000	\$ -	\$ -
DOC	2	Northern Lights	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
			\$ 45,455,809	\$ 55,495,719	\$ 59,918,097	\$ 62,419,988	\$ 55,554,314	\$ 56,275,877