ONE BALDWIN STREET
MONTPELIER, VT 05633-5701

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SEN. RICHARD SEARS, JR.
REP. DAVID SHARPE

STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Thursday, November 15, 2012

Room: 10, State House

1:00 p.m. Call Meeting to Order and Approve Minutes of September 19, 2012 meeting

1:05 p.m. A. Irene Recovery Updates
1. FEMA
   a. FEMA Update [Sec. E.100 of Act 162 of 2012] [Received]
   b. State Match for Tropical Storm Irene or 2011 Spring Flooding FEMA grants; FEMA Payments to Municipalities [Sec. 77a(b) of Act 75 of 2012] [Received]
   Michael Clasen, Deputy Secretary, and Sue Minter, Irene Recovery Officer, Agency of Administration
2. Mental Health System Update
   Patrick Flood, Commissioner, Department of Mental Health

1:30 p.m. B. Recess the Legislative Joint Fiscal Committee and Convene the Special Committee on Waterbury Complex (includes Senator Bob Hartwell and Representative Alice Emmons, Chairs of the Senate and House Institutions Committees) [Sec. 3 of Act 104 of 2012]
Waterbury State Complex Revised Action Plan – Post Irene **[APPROVED]**
Michael Obuchowski, Commissioner, and Michael Stevens, Special Projects Administrator, Department of Buildings & General Services
Jesse Beck, President and AIA NCARB, Freeman French Freeman

2:05 p.m. Adjourn Special Committee on the Waterbury Complex and Reconvene the Joint Fiscal Committee

2:10 p.m. C. Basic Needs Budget Methodology [2 V.S.A. Sec. 505(d)] **[APPROVED]**
Sara Teachout, Joint Fiscal Office

2:20 p.m. D. Administrative Updates/Issues
1. Tax Issues/Updates
   a. Tax Computer System Modernization Fund Receipts
   [Act 63, Sec. C.103 of 2011] Mary Peterson, Commissioner, Department of Taxes, and Richard Boes, CIO and Commissioner, Department of Information & Innovation
   b. Impact of Federal Legislation on State Remote Sales Tax Collection
   Susan Mesner, Economist, Department of Taxes

2:50 p.m. 2. LIHEAP Update – Richard Giddings, Deputy Commissioner of Economic Services, and Richard Moffi, Fuel Assistance Program Chief, Department for Children & Families

[Continued on next page]

3:00 p.m.

3. Finance Updates/Issues – James Reardon, Commissioner, Department of Finance & Management
   a. FY2014 Budget Building Process and Report on Open Meetings
   b. FY2013 Budget Adjustment Update

3:30 p.m.

E. Joint Fiscal Office Updates/Issues – Fiscal Officer's Report
1. Committee/Office Policies Amendment [2 V.S.A. Sec. 502(a)]
   Stephen Klein, Chief Fiscal Officer
   a. Fiscal Notes Policy **[APPROVED]**
   b. Records Retention Guidelines
   c. Internal Policy Between the Joint Fiscal Office and Legislative Council
2. Education Fund Update – Mark Perrault
3. Results First Update – Nathan Lavery and Nancy Greenewalt

4:00 p.m. Adjourn

Other Reports/Information:

General Government:

I. Report on allocation of funds contained in annual pay acts. [3 V.S.A. § 2281(4)] [Administration] [Received]

II. Quarterly (Q1) Report on excess receipts [32 V.S.A. § 511] [Administration] [Received]

III. Report on special funds created and special fund balances [32 V.S.A. § 588(6)] [Administration] [Received]

IV. Challenges for Change – Quarterly Report and Implementation [Sec. H4(a) of Act 146 of 2010] [Administration] [Memo Received]

V. Small Grants Quarterly Report [32 V.S.A. § 5(a)(3)] [Joint Fiscal Office] [Received]

VI. Progress Report reflecting the outcomes and measures as applied to the projects funded under this section. [Sec. 49(i) of Act 40 of 2011] [Vermont Telecommunications Authority] [Received]

Human Services:

I. Quarterly progress report on joint prescriptions agreements. [33 V.S.A. § 1998 (c)(6)] [Department of Vermont Health Access] [Memo to JFC to waive the report requirement - July 20, 2012]

II. Quarterly Report on the progress for completion of the state hospital facility and development of residential recovery program. [Sec. 31(f)(3) of Act 43 of 2009] [Department of Mental Health] [See agenda item A.2 and July 23, 2013 report submission]

III. Report on the Distribution of Funds to Child Care Programs. [Sec. E.318(a) of Act 162 of 2012] [Department for Children & Families] [Received]

IV. Medicaid Cost Shifting Reporting. [Sec. 117b(b) of Act 152 of 2000] [BISHCA (FR) and Green Mountain Care Board] [Received but delayed until April 2013: http://gmcboard.vermont.gov/sites/gmcboard/files/CostShift2013.pdf]

Protection:

I. Quarterly Report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission. [30 V.S.A. § 20(b)(9)] [Public Service Board and Department] [Received]

II. Traffic Safety Enforcement Costs Study Update [Sec. 38 of Act 153 of 2012] [Department of Public Safety] [Received]

Transportation:

I. Vermont Strong Motor Vehicle Plates Report [Sec. 1(b)(2) of Act 71 of 2012] [Department of Motor Vehicles] [Received]

II. Alternative Fuel Vehicles; User Pay Principle [Sec. 39 of Act 153 of 2012] [Agency of Transportation] [Received]

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STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Thursday, November 15, 2012

Minutes

Members present: Representatives Ancel, Heath, and Sharpe, and Senators Cummings, Kitchel, Sears, and Snelling.

Other Attendees: Administration, 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 1:08 p.m. Senator Heath moved to accept the minutes of September 19, 2012, and Senator Kitchel seconded the motion with corrections. The Committee adopted the minutes as corrected.

A. Irene Recovery Updates – 1.a. FEMA, State Match; b. 2011 Spring Flooding grants.

Michael Clasen, Deputy Secretary, and Sue Minter, Irene Recovery Officer, Agency of Administration, introduced themselves and staff, and Ms. Minter gave a brief summary of enclosed reports on Tropical Storm Irene recovery and the 2011 Spring Flooding. She explained there were over 3,000 worksheets in the Federal Emergency Management Administration (FEMA) system of which 98 percent have been obligated. Mr. Clasen gave a brief update on the Administration's work with FEMA to resolve project worksheets on the state hospital and the Waterbury complex. The state was still gathering data on the temporary facilities for the state hospital and was hopeful the facilities would be eligible for federal funding. The new state hospital site in Berlin had been cleared by FEMA for environmental impacts. All eligible costs associated with the Waterbury complex repairs were being listed to maximize funding from FEMA and the insurance company. More information on the Waterbury complex will be available for discussion in the 2013 legislative session. Senator Kitchel asked if the Administration were feeling more comfortable with the direction and communication with FEMA. Mr. Clasen confirmed that communication and the overall work relationship with FEMA was positive.

2. Mental Health System Update

Patrick Flood, Commissioner, Department of Mental Heath, explained that the state had a positive forward momentum with its mental health system. The state was still waiting for the Morrisville site to open in a few weeks to take the pressure off the system. The Brattleboro Retreat and Rutland Hospital were scheduled to have additional beds in March 2013. The additional beds at the Rutland Hospital would allow level one patients to have easier access to care in the future. The new state hospital was on schedule and the Certificate of Need was not anticipated to have any issues. A mobile crisis unit was expanding operations throughout the state and would be operating throughout Vermont soon. Senator Sears inquired about the Brattleboro Retreat news story on layoffs of 31 employees and whether that would have an effect on its expansion. Commissioner Flood stated the Retreat was adjusting to a new world and he had confidence that the Retreat will follow through with its state contract; the Retreat assured the state that the changes would not affect patient care. Representative Heath questioned whether the issues with the new site in Middlesex had set the state back in its project schedule. The Commissioner responded that the appeal from a neighbor to stop the project in Middlesex had not changed the state's project schedule and that the state was planning to contest the appeal before the Environmental Board, because the state believed it had a strong case. Senator Snelling showed concerns for continuity in the mental health system with Commissioner Flood retiring his post. Commissioner Flood stated that he had the highest confidence in his deputy, Mary Moulton, and that she had a great deal of experience and compassion in her work.

Commissioner Flood gave an overview of the mental health budget and explained that additional funding would be proposed for the FY2013 Budget Adjustment, due to Irene Recovery costs for staff in the Springfield and Morrisville facilities.

Commissioner Flood asked Heidi Hall of his department to hand out an update on Act 79 of 2012 and he then gave an update on the inpatient rate review process. He stated that hospital rates were reasonable and accurate and the different facilities would be more aligned with each other once the no refusal law went into effect and there were dedicated beds in each facility for level one beds. Representative Heath asked what the daily rate was for the state hospital. The Commissioner explained that when the state hospital closed, it had an annual budget of $22.5 million for 54 beds. Heidi Hall added the total bed cost was $1,486 a bed per day, which includes some additional costs beyond the $22.5 million. Representative Sharpe queried what the impact of the U.S. Affordable Care Act will have on Vermont's mental health system. The Commissioner responded that the department had not done an analysis on the act's impact but agrees it is an analysis worth exploring. He expanded on the question by adding that it was also important to explore how mental health would fit into the new health care system.

The Committee recessed.

<u>B. Special Committee on Waterbury Complex</u>

A special committee on the Waterbury Complex was convened that included Senator Hartwell, Chair, Senate Committee on Institutions, and Representative Emmons, Chair, House Committee on Corrections and Institutions.

Senator Hartwell explained that a joint committee meeting of House and Senate institutions committees occurred on October 19, 2012 that included a quorum of members. The joint committee approved a Modified Plan B for the Waterbury Complex on a 10-1-5 vote and recommended that the special committee approve the proposal. He then summarized the four changes from the original Plan B. Representative Sharpe inquired why it was necessary to bank some of the buildings. Representative Emmons explained that there were two buildings, Hanks and Weeks, slated for this because of concern in the Legislature that there had been substantial investments in the buildings and it was deemed important to save them. Michael Obuchowski, Commissioner, Department of Buildings and General Services, offered that there was the possibility of entering into a public-private contract on the buildings. Senator Kitchel asked how many buildings were slated for demolition. Michael Stevens, Special Projects Administrator, Department of Buildings and General Services, responded there were 15 buildings planned for destruction. Representative Emmons explained the concerns and issues of her committee members who were not present at the time of the vote on the Modified Plan B.

Jesse Beck, President, Freeman French Freeman, explained the reason for the modified plan was due to a change in parking from under the building to above ground. Originally a topical chart of the historic core showed feasibility for the underground parking but after surveying and other assessments, it was evident that there would be additional digging of 8-9 feet further down for cars to park under the building. In addition, other issues around providing elevators or some type of access to deliver people from their cars to their work stations was discovered. Representative Ancel queried the number of employees to be housed at the new Waterbury site and if the Department of Health planned to collocate with the Agency of Human Services. Representative Emmons responded that the Department of Health would remain in Burlington and the Department of Vermont Health Access would move back to Waterbury.

Mr. Beck handed out a packet of information on the Waterbury State Complex revised action plan and explained the new flood zones and other factors shown on the design. The committee discussed the pros and cons of the new design and the financial and historical impacts.

Commissioner Obuchowski summarized the reasons for the Modified Plan B. Some modern concepts will accompany the new building, including 10% of the workforce teleworking. This is anticipated to save state funds and allow for greater efficiency of staff. Commissioner Obuchowski thanked the institutions committees for their motivation toward completing the plan.

Representative Heath moved to approve the Modified Plan B as presented and as approved by the joint House and Senate institutions committees and Senator Kitchel seconded the motion. The special committee approved the motion.

The special committee adjourned and the Joint Fiscal Committee reconvened.

C. Basic Needs Budget Methodology

Sara Teachout, Senior Fiscal Analyst, Joint Fiscal Office, distributed and summarized a proposal to adjust the Basic Needs Budget (BNB) methodology. The four calculation changes proposed included clothing and household expenses on a different indexing table based on family size; use of new data for telecommunications at the U.S. Census website; the use of the standard payroll tax rate, due to the uncertainty of the U.S. tax cut from an extension stimulus package. Senator Cummings asked if the Committee could give flexibility to the office depending on what was the federal tax policy change. Ms. Teachout offered that the Office would notify the Committee per a provision in the legislation for BNB stating that if there is a substantial change in any of the methodology, an interim proposal could be delivered to the JFC for possible change.

Ms. Teachout finished the summary with Health Care and a proposal to change the data source to Vermont data rather than a federal source. If proposals are adopted, they would be included in the January 2013 BNB report. Representative Sharpe asked for clarification on the table for the clothing and household expenses proposal. Ms. Teachout explained that currently expenses were based on income but the new table would base expenses on the size of the family. Representative Sharpe commented that he considered basing the household expenses on family size was equally flawed. Ms. Teachout agreed there was no perfect answer to the estimate but this was a small piece of a bigger calculation. Senator Kitchel asked if advocacy groups had a chance to comment on the proposal. Ms. Teachout responded that an electronic communication was sent to various local advocacy groups and those groups did not respond.

Representative Sharpe moved to accept the proposed recommendations put forth by the Joint Fiscal Office to change the Basic Needs Budget and Livable Wage methodology and Senator Kitchel seconded the motion. The Committee accepted the motion.

D. Administrative Updates/Issues – 1.a. Tax Computer Modernization Fund Receipts

Mary Peterson, Commissioner, Department of Taxes, and Richard Boes, Commissioner, Department of Information and Innovation, gave an update on the special self-funding mechanism authorized in 2007 and reauthorized in 2011 by Act 63. The intent was to modernize compliance efforts to reduce the tax gap, and, as enhanced revenue is realized, the department would use that revenue to fund investments in the processing system. The Integrated Tax System (ITS) could integrate and seamlessly work across the tax system. Commissioner Peterson gave a brief history of the tax system implementation. Because of the risks involved to the state with this type of software, the department planned to hire a project manager and business analyst to assess the current system. The business analyst would work on updating the departments' business requirements and possibly find an off-the-shelf product to fulfill its needs. The plan is to go out to bid by March of 2013 and have a contract in place by June the same year. The department realizes this is an aggressive schedule but would slow down if it became an issue; the goal was to minimize the amount of time the department continues to use the current ETM system. The target year to have the new system in place was 2015.

Representative Sharpe agreed with the concept of buying an off- the- shelf software but suggested the department have sufficient penalties for information technology (IT) disasters as part of those contracts. Commissioner Peterson stated that the state paid a low price for the current system and believes it got what it paid for. Commissioner Boes added that there have been issues over the years with holding vendors accountable for IT failures, but legislation was passed in the previous session to accomplish this goal. He added that it was difficult to hold a vendor accountable if a solution for software was not specifically outlined in the contract.

Commissioner Peterson distributed 2 documents and announced that the department would seek an amendment in the FY2013 Budget Adjustment bill. She summarized the tax systems budget since 2007 and stated that the proposed language speaks more to the information technology system instead of directly to the current ETM system. (There were no questions from the committee.)

b. Impact of Federal Legislation on State Remote Sales Tax Collection

Susan Mesner, Economist, Department of Taxes, distributed information to the Committee about draft federal language on a state remote sales tax collection. She gave the framework for how she analyzed the data within the handout. Senator Kitchel asked how vendor is defined in this context. Ms. Mesner answered that a vendor in this context was the seller and there would be software companies representing the sellers where the money would flow through. Representative

Sharpe inquired about the meaning of vendor compensation. Ms. Mesner explained that vendor compensation was a portion off-the-top of the sales that vendors kept for managing the tax receipts. Representative Ancel asked if the Legislature could address this topic prior to Congress passing the legislation. Ms. Mesner responded that the department had enough information to assist the Legislature to start work on legislation.

2. LIHEAP Update

Richard Moffi, Fuel Assistance Program Chief, Department for Children and Families, provided an update on the funding for the Low Income Home Energy Assistance Program (LIHEAP.) Vermont has received its first quarter block grant award of $17.6 million, which is 90% of the maximum amount that the federal government is allowing states to draw down in the first quarter of the current year. Vermont typically draws 97% of its block grant allocation during the first quarter to enable the majority of the benefit to be sent to clients during the month of November. In addition to the Federal block grant allocation, the Emergency Board approved $8.8 million of state funding to allow the average benefit to be $900, the same average benefit as last heating season. The Department has changed its payment system for the program and has delayed sending payments out for a couple of days to further test the system's functionality. The LIHEAP funding assists approximately 21,300 families. Benefit payments will be sent directly to fuel dealers through an electronic payments transfer system. With the new system, clients can apply for assistance, be approved in the same day, and have a payment to their dealer by that evening. This new system should help to reduce the amount of claims to the crisis fuel program. Representative Heath inquired as to when the $8.8 million would be disbursed. Mr. Moffi responded and noted that the funds would cover other things, such as the crisis fuel program and administrative costs.

3. Finance Updates/Issues – a. FY2014 Budget Building Process and Report on Open Meetings

James Reardon, Commissioner, Department of Finance and Management, discussed the Administration's first public hearing on the state budget and explained the process used for the open meetings. The next public hearing was scheduled for the following Monday evening. Issues raised included that the state analyze the amount of Vermont's needs and then raise revenue accordingly; and find ways to lower tuition rates for higher education to students. Senator Kitchel added that a comment at the hearing mentioned how the state was forgoing tax revenue that could fund the state more adequately than currently. Commissioner Reardon responded that the department planned to give a presentation at the next hearing on the subject of forgoing tax revenue.

Commissioner Reardon explained that the administration was currently meeting with departments and agencies on the budget building process for FY2014. The challenges for the FY2014 budget, even though revenues were slowly rebounding, were strong funding pressures within human services and retirement plans. Additional pressures were the increased usage of one-time funding for state expenses and the possible Sequestration cuts at the federal level.

b. Budget Adjustment Overview

Commissioner Reardon distributed information and explained the preliminary FY2013 Budget Adjustment (BAA) numbers and FY2014 budget gap. He suggested that the Legislature not rely so heavily every year on one-time monies to build the budget. There was a $9 million gap in the current budget that would need to be addressed in the FY2013 BAA. Some budget pressure areas included the Vermont Veteran's Home that may require additional funds for a mold issue within the facility; the Department of Corrections had an increased number of detainees that could be covered within the department's budget for BAA but may cause issues in the FY2014 Budget. Senator Kitchel asked if the Springfield prison's 28 beds were ready to be reoccupied since all mental health patients had been moved to other facilities that had opened after the damage sustained by Tropical Storm Irene. The Commissioner agreed with some of the Committee members who stated it was open. Representative Branagan inquired whether the state was seeing results from the infusion of funds into the Chittenden County methadone addiction treatment facility. Representative Heath clarified that the appropriation in the FY2013 budget was to increase the number of slots for people in the Chittenden County area but there were issues with moving the clinic to its new location. Commissioner Reardon chimed in that there were also issues with getting Rutland's facility up and running. Representative Heath added that the Department of Corrections had comparison data on transitional housing and information giving a snapshot of what occurs with drug addiction. Commissioner Reardon stated that $900,000 was borrowed from the corrections budget for the LIHEAP program, which would need to be replenished through the FY2013 BAA process.

Commissioner Reardon continued summarizing the remaining pressures to the FY2013 budget. Reach up and General Assistance were above what was estimated for FY2013. Judiciary may face a $2 million shortfall in the budget but he cautioned that number had not been confirmed. Medicaid closed with a positive balance. Representative Heath asked about whether there would be a request for additional funds for mosquito control and the EEE issue in Rutland. Commissioner Reardon stated there would be a request for funds in the BAA but that amount was not known. Representative Branagan queried what the tax revenue line item of $7 million on the handout included. Commissioner Reardon stated it was mostly due to personal income tax revisions.

Commissioner Reardon referred to a report on Pay Act allocations for FY2013 that was distributed prior to the meeting and explained there was a shortfall of $1.1 million in the Executive Branch after the use of carryforward funds. An area of the largest shortfall came from the State Police's anticipated shortfall of $1.3 million, which was due in part to an estimation issue in the transportation budget.

Senator Kitchel inquired whether all the special funds could be scrutinized and possibly consolidated. Commissioner Reardon stated that was done at one point in time but he agreed it should be done again.

E. Joint Fiscal Office Updates/Issues – 1. Committee/Office Policies Amendment – a. Fiscal Note Policy

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office, distributed the Fiscal Officer's Report and referred to the attachment that showed a proposed amendment to the Committee/Office fiscal notes policy. A clarification of fiscal notes requests must come from the JFC and that they became public documents once deemed ready for distribution. Senators Sears moved to accept the amendment presented by JFO, and Representative Ancel seconded the motion. The committee approved the motion.

b. Records Retention Policy

Mr. Klein referred to the proposed guidelines/policy of the Committee/Office for records retention attached to the Fiscal Officer's report. The committee discussed and decided that the proposed policy would become unofficial guidelines for the office. Senator Sears and Kitchel suggested that the office be consistent with Legislative Council when it creates its guidelines for records retention. Representative Sharpe showed concerns for the guideline for website content as too vague "until no longer relevant." Mr. Klein agreed and stated it was something the office would work to define.

c. Internal Policy Between the Joint Fiscal Office and Legislative Council

Mr. Klein referred to the policy attached to the Fiscal Officer's Report and stated it was just an internal policy that allowed for the sharing of information between the two entities and sets out a working relationship. Representative Sharpe inquired whether the policy had been written by legal staff. Mr. Klein responded it was a cooperative effort that took about five months and included some fiscal committee chairs.

2. Education Fund Update

Mark Perrault, Senior Fiscal Analyst, Joint Fiscal Office, distributed information on a preliminary education fund outlook for FY2014 and explained that the Office and the Department of Taxes were working on a consensus for the FY2014 base tax rate, due December 1. Senator Kitchel asked what the contributing factors were for the increase in the health care premiums that led to spending some of the education fund reserves. Representative Heath explained that over the last few years when school budgets were tight and there was pressure for schools to spend less, they chose to spend reserves rather than ask for a rate increase. The schools now are in the process of trying to refill those reserves and are also in negotiation with the Green Mountain Care Board on rates. Mr. Perrault added that health care rates were the biggest driver for FY2014. He stated that there was anticipated to be a $23 million surplus to the stabilization reserve for the end of FY2013.

Mr. Perrault stated that estimation revealed that due to the grand list dropping about 1.5%, tax rates would have to increase to keep pace with the previous fiscal year revenue receipts. The estimate for FY2015 shows that the grand list should be flat and start to increase out of previous years' decline. The combined issue of revenue declining and education costs increasing, such as teacher salaries and special education costs, showed an anticipated rate increase in education tax rates for FY2014. Mr. Perrault informed the committee that this was the last year for the two-vote requirement to school districts spending over the statewide cap and school budgets would increase by 5%. Because of this, there could be a few schools that hit the trigger of the two votes for the first time, eliciting a 3.2% penalty to those schools.

3. Results First Update

Nathan Lavery, Fiscal Analyst, and Nancy Greenewalt, Intern, Joint Fiscal Office, distributed a document and gave an explanation and update on the Results First project. Mr. Lavery gave an overview of the goals of the project. Ms. Greenewalt explained the handout and its content. Mr. Lavery stated the expectation was to be further along in the project with the analysis, and to have more refined numbers by January 2013. Senator Sears queried whether the office was familiar with Max Schlueter's study on this topic for Bennington County. Mr. Lavery stated that the office planned to evaluate any Vermont studies for information relevant to the project. Mr. Klein added that the office would analyze Mr. Schlueter's study for information relevant to the project. In responding to Representative Sharpe's question on whether the data were conclusive, Mr. Lavery explained that all numbers were subject to change while the department continues to refine its numbers and the Office continues to have ongoing dialogue with them. Representative Ancel asked if within the numbers whether a person could be double counted because of enrollment in more than one program. Mr. Lavery confirmed that could happen.

The Committee adjourned at 4:05 p.m.

Respectfully,

Theresa Utton-Jerman
Joint Fiscal Office

Legislative Joint Fiscal Committee

Statutory Language

FEMA Update [Sec. E.100 of Act 162 of 2012]
(a) The secretary of administration shall report to the joint fiscal committee at each of its scheduled meetings in fiscal year 2013 on the public assistance funding received from the Federal Emergency Management Agency (FEMA) for the damages due to Tropical Storm Irene. The report shall include:
(1) a projection of the total funding needs for the FEMA Public Assistance Program and to the extent possible, details about the projected funding by state agency or municipality;
(2) spending authority (appropriated and excess receipts) granted to date for the FEMA Public Assistance Program and the associated emergency relief and assistance funds match; and
(3) actual expenditures to date made from the spending authority granted and to the extent possible, details about the expended funds by state agency or municipality.
(b) Reports shall be posted on the legislative and administration websites after submission.

State Match for Tropical Storm Irene or 2011 Spring Flooding FEMA grants; FEMA Payments to Municipalities [Sec. 77a(b) of Act 75 of 2012]
Sec. 100. Sec. E.338(d) of No. 63 of the Acts of 2011 is added to read:
(d) In fiscal year 2012, the secretary of administration may, upon recommendation of the secretary of human services, transfer unexpended funds between the respective appropriations for correctional services and for correctional services – out-of-state beds. At least three days prior to any such transfer being made, the secretary of administration shall report the intended transfer to the joint fiscal office and shall report any completed transfers to the joint fiscal committee at its next scheduled meeting.

Special Committee on Waterbury Complex [Sec. 3 of Act 104 of 2012]
(SEE ENCLOSED SEPARATE PACKET)

Tax Computer System Modernization Fund Receipts [Act 63, Sec. C.103 of 2011]
The tax commissioner shall report to the joint fiscal committee on fund receipts at or prior to the November joint fiscal committee meeting each year until the fund is terminated.

Basic Needs Budget Methodology [2 V.S.A. Sec. 505(d)]
(a) For the purposes of this section:

(1) "Basic needs" means the essentials needed to run a household, including food, housing, transportation, child care, utilities, health and dental care, taxes, rental and life insurance, personal expenses, and savings.

(2) "Basic needs budget" is the amount of money needed by a Vermont household to maintain a basic standard of living, calculated using current state and federal data sources for the costs of basic needs.

(3) "Livable wage" means the hourly wage required for a full-time worker to pay for one-half of the basic needs budget for a two-person household with no children and employer-assisted health insurance averaged for both urban and rural areas.

(b) On or before January 15 of each new legislative biennium, beginning in 2009, the joint fiscal office shall report the calculated basic needs budgets of various representative household configurations and the calculated livable wage for the previous year. This calculation may serve as an additional indicator of wage and other economic conditions in the state and shall not be considered official state guidance on wages or other forms of compensation.

(c) The methodology for calculating basic needs budgets shall be built on methodology described in the November 9, 1999 livable income study committee report, modified as appropriate by any statutory changes made by the general assembly and subsequent modifications adopted by the joint fiscal committee under subsection (d) of this section.

(d) The joint fiscal committee may adopt modifications to the methodology used to determine the basic needs budget calculations under subsection (c) of this section to account for public policy changes, data availability, or any other factors that have had an impact on any aspects of the methodology. Changes or revisions in methodology adopted by the committee shall be effective no later than November in the year preceding the release of the report.

Committee/Office Policies [2 V.S.A. § 502]
(a) The joint fiscal committee shall meet immediately following the appointment of its membership to organize and conduct its business. The joint fiscal committee shall adopt rules for the operation of its personnel.

Other Reports/Information:

General Government

I. Report on allocation of funds contained in annual pay acts. [3 V.S.A. § 2281(4)]
The department of finance and management is created in the agency of administration and is charged with all powers and duties assigned to it by law, including the following:
(4) to **report on an annual basis to the joint fiscal committee at its November meetings on the allocation of funds contained in the annual pay acts and the allocation of funds in the annual appropriations act** which relate to those annual pay acts. The report shall include the formula for computing these funds, the basis for the formula, and the distribution of the different funding sources among state agencies. The report shall also be submitted to the members of the house and senate committees on government operations and appropriations;

II. Quarterly Report on excess receipts [32 V.S.A. § 511]
If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the commissioner of finance and management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the state to the expenditure of state funds, they may only be expended upon the approval of the legislature. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of state funds. **The commissioner of finance and management shall report to the joint fiscal committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.**

III. Report on special funds created and special fund balances [32 V.S.A. § 588(6)]
All special funds shall be organized and managed in accordance with the provisions of this section.
(6) Accounting and reporting.
(A) Each special fund shall be accounted for under the direction of the commissioner, and the balance at the end of the prior fiscal year **shall be reported to the joint fiscal committee on or before December 1 of each year.**

(B) In addition, the commissioner shall annually report a list of any special funds created during the fiscal year. The list shall furnish for each fund: its name; authorization; and revenue source or sources. The report for the prior fiscal year **shall be submitted to the general assembly through the joint fiscal committee on or before December 1 of each year.**

IV. Challenges for Change – Quarterly Report and Implementation [Act 146, Sec. H4(a) of 2010]
(a) On a quarterly basis, beginning with July 1, 2010, the administration shall report to the chairs of the house and senate committees of jurisdiction, the joint legislative government accountability committee, and the joint fiscal committee. Each report shall include a statement of the measures and milestones summarized by the government accountability committee for that Challenge, a brief summary of milestones met and progress made in that Challenge, and the data collected to measure that progress. Reports shall also include any modifications or additions proposed for the plan of implementation, and how these modifications or additions are designed to achieve the outcomes for that Challenge.

V. Small Grants Quarterly Report [32 V.S.A. § 5(a)(3)]
(3) This section shall not apply to the acceptance of grants, gifts, donations, loans, or other things of value with a value of $5,000.00 or less, or to the acceptance by the department of forests, parks and recreation of grants, gifts, donations, loans, or other things of value with a value of $15,000.00 or less, provided that such acceptance will not incur additional expense to the state or create an ongoing requirement for funds, services, of facilities. The secretary of administration and joint fiscal office shall be promptly notified of the source, value and purpose of any items received under this subdivision. **The joint fiscal office shall report all such items to the joint fiscal committee quarterly.**

VI. Progress Report reflecting the outcomes and measures as applied to the projects funded under this section. [Act 40, Sec. 49(i) of 2011]
(i) The VTA shall ensure that any investments made or grants awarded under this section are in furtherance of the goals stated in 30 V.S.A. § 8060(b) and shall use the telecommunications measures established pursuant to No. 146 of the Acts of the 2009 Adj. Sess. (2010) (an act relating to implementation of challenges for change) to track the progress made in attaining those goals through such investments and grants. Beginning October 1, 2011, and for the next succeeding two years, on a quarterly basis, the VTA **shall submit** to the house committees on commerce and economic development and on corrections and institutions, the senate committees on economic development, housing and general affairs and on finance, and the **joint fiscal committee a progress report reflecting the outcomes and measures** as applied to the projects funded under this section. This report shall include location-specific information on the progress of deployment of telecommunications technology that does not require the utilization of towers.

<u>Human Services</u>
I. Quarterly progress report on securing participation in joint purchasing agreements for pharmacy best practices and cost control program. [33 V.S.A. § 1998(c)(6)]
(c)(1) The commissioner may implement the pharmacy best practices and cost control program for any other health benefit plan within or outside this state that agrees to participate in the program. For entities in Vermont, the commissioner shall directly or by contract implement the program through a joint pharmaceuticals purchasing consortium. The joint pharmaceuticals purchasing consortium shall be offered on a voluntary basis no later than January 1, 2008, with mandatory participation by state or publicly funded, administered, or subsidized purchasers to the extent practicable and consistent with

the purposes of this chapter, by January 1, 2010. If necessary, the department of Vermont health access shall seek authorization from the Centers for Medicare and Medicaid to include purchases funded by Medicaid. "State or publicly funded purchasers" shall include the department of corrections, the department of mental health, Medicaid, the Vermont Health Access Program (VHAP), Dr. Dynasa
(6)The commissioners and the secretary shall report quarterly to the health access oversight committee and the joint fiscal committee on their progress in securing Vermont's participation in such joint purchasing agreements.

II. Quarterly Report on the progress for completion of the Vermont State Hospital facility and development of a Secure Residential Recovery Program [Act 43, Sec. 31(f)(3) of 2009]
(f) The agency of human services shall submit the response of CMS, if any, or the fact that CMS has not responded to the request, to the senate committee on institutions and the house committee on corrections and institutions, the senate and house committees on appropriations, the senate committee on health and welfare, the house committee on human services, the joint fiscal committee, and the mental health oversight committee.
(3) Outside the legislative session, the department of mental health shall provide quarterly updates to the joint fiscal committee and the mental health oversight committee on the progress toward completing the facility and developing the residential recovery program.

III. Distribution of Funds to Child Care Programs. [Sec. E.318(a) of Act 162 of 2012]
(a) The commissioner of the department for children and families shall reserve up to one-half of one percent of the child care family assistance program funds to assist child care facilities that may be closing due to financial hardship. The commissioner shall develop guidelines for providing assistance and shall prioritize relief to child care programs in areas of the state with high poverty and low access to high quality child care. If the commissioner determines that the operations of a child care program are not fiscally sustainable he or she may provide assistance to transition children served by the child care operator in an orderly fashion to help secure other child care opportunities for children served by the program in an effort to minimize a disruption of services. The commissioner has the authority to request tax returns and other financial documents to verify the financial hardship and ability to sustain operations. The commissioner shall report to the joint fiscal committee at its November 2012 meeting on the distribution of reserved funds.

IV. Medicaid Cost Shifting Reporting. [Sec. 117b of Act 152 of 2000]
Sec. 117b. MEDICAID COST SHIFT REPORTING
***
(b) By December 15, 2000, and annually thereafter, the commissioner of banking, insurance, securities, and health care administration, the secretary of human services, and each acute care hospital shall file with the joint fiscal committee, in the manner required by the committee, such information as is necessary to carry out the purposes of this section. Such information shall pertain to the provider delivery system to the extent it is available.
(c) By December 15, 2000, and annually thereafter, the report of hospitals to the joint fiscal committee under subsection (b) of this section shall include information on how they will manage utilization in order to assist the agency of human services in developing sustainable utilization growth in the Medicaid program.
***

Protections

I. Quarterly Report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission [30 V.S.A. § 20(b)(9)]

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

II. Traffic Safety Enforcement Costs [Sec. 38 of Act 153 of 2012]

The joint fiscal office, in consultation with the commissioner of public safety or designee, shall analyze and estimate the costs incurred by the state in enforcing the state's traffic safety laws, and study how these state police costs could be apportioned between the general fund and the transportation fund. The joint fiscal office shall submit a report of its findings to the joint transportation oversight committee and the joint fiscal committee prior to the joint fiscal committee's November 2012 meeting.

Transportation

I. Vermont Strong Motor Vehicle Plates [Sec. 1(b)(2) of Act 71 of 2012]

(b) Authority; accounting and reporting.
(2) A Vermont Strong commemorative plate fund (the "fund") is established. The fund shall be under the control of the commissioner of motor vehicles or designee, and shall consist of all receipts from the sales of Vermont Strong commemorative plates. The commissioner shall account for all proceeds of sales of commemorative plates and all receipts into and disbursements from the fund; shall track the number of plates distributed and sold; and shall track and collect payments owed for plates distributed. The commissioner shall transfer funds from the fund in accordance with subsection (d) of this section no less often than once per month. The department shall report its accounting of fund receipts and disbursements, plate inventory, and uncollected payments for plates distributed to the joint fiscal committee at its November 2012 meeting.

II. Alternative Fuel Vehicles; User Pay Principle [Sec. 39 of Act 153 of 2012]

The secretary of transportation or designee, in consultation with the commissioner of motor vehicles, commissioner of taxes, and commissioner of public service or their designees, shall analyze options for user fees and fee collection mechanisms for motor vehicles that use energy sources not currently taxed so as to contribute to the transportation fund. The secretary shall submit a report of his or her findings, and of options for user fees and fee collection mechanisms, to the joint transportation oversight committee and the joint fiscal committee prior to the joint fiscal committee's November 2012 meeting.

VERMONT A.1.a.

State of Vermont
Agency of Administration [phone] 802-828-3322 *Jeb Spaulding,*
Secretary
Office of the Secretary [fax] 802-828-3320
Pavilion Office Building
109 State Street
Montpelier, VT 056209-0201
www.adm.state.vt.us

MEMORANDUM

TO:	**Members of the Joint Fiscal Committee**
FROM:	**Jeb Spaulding, Agency of Administration**
RE:	**Federal Emergency Management Reporting and Oversight**
DATE:	**November 7, 2012**

Attached are the reports required in Sec. E. 100(a) of Act 162 of 2012 Legislative Session. Please find below the narrative from Act 162 followed by an explanation of the report attached.

FEDERAL EMERGENCY MANAGEMENT AGENCY REPORTING AND OVERSIGHT

(a) The secretary of administration shall report to the joint fiscal committee at each of its scheduled meetings in fiscal year 2013 on funding received from the Federal Emergency Management Agency (FEMA) Public Assistance Program and associated emergency relief and assistance funds match for the damages due to Tropical Storm Irene.

(1) a projection of the total funding needs for the FEMA Public Assistance Program and to the extent possible, details about the projected funding by state agency or municipality;

FEMA has projected, to date, approximately $180 million and has obligated $130 million. Approximately 98% of the project worksheets have been completed by FEMA.

(2) spending authority (appropriated and excess receipts) granted to date for the FEMA Public Assistance Program and the associated emergency relief and assistance funds match;

FEMA Public Assistance program	$126,271,153.39
Total to date the associated emergency relief and assistance funds match	$4,871,577.53
Total to date spending authority	$131,142,730.92

(3) actual expenditures to date made from the spending authority granted and to the extent possible, details about the expended funds by state agency or municipality.

The expenditures through October 30, 2012 from the spending authority by state agency or municipality detail are attached starting on page two of the report. A summary is below:

FEMA Public Assistance program expenditure	$85,999,326.63
Total to date the associated emergency relief and assistance funds match	$1,999,126.00
Total to date the spending authority is	$87,998,452.63

CC: Brian Searles, Agency of Transportation

VendorNameStars	Program	FEMA PA	ERAF	Cumulative Total
ADDISON TOWN TREASURER	59700	16,146.41	897.02	17,043.43
AGENCY OF COMMERCE &	59700	14,268.89	0.00	14,268.89
ALBANY TOWN TREASURER	59700	392,347.33	301.84	392,649.17
ANDOVER TOWN TREASURER	59700	266,527.19	11,975.49	278,502.68
ARLINGTON TOWN TREASURER	59700	179,805.99	1,266.63	181,072.62
ATHENS TOWN TREASURER	59700	131,297.82	7,294.33	138,592.15
BALTIMORE TOWN TREASURER	59700	15,335.02	0.00	15,335.02
BARNARD TOWN TREASURER	59700	404,150.49	20,235.11	424,385.60
BARNET TOWN TREASURER	59700	78,769.61	3,078.71	81,848.32
BARRE CITY TREASURER	59700	76,769.48	573.81	77,343.29
BARRE TOWN TREASURER	59700	52,229.82	2,901.65	55,131.47
BARTON TOWN TREASURER	59700	6,300.00	350.00	6,650.00
BARTON VILLAGE TREASURER	59700	16,015.24	192.07	16,207.31
BELLOWS FALLS VILLAGE TREASURER	59700	7,293.60	405.20	7,698.80
BENNINGTON TOWN TREASURER	59700	1,008,824.64	31,770.58	1,040,595.22
BENSON TOWN TREASURER	59700	145,415.92	1,567.82	146,983.74
BERLIN TOWN TREASURER	59700	447,722.85	24,873.49	472,596.34
BETHEL TOWN SCHOOL DISTRICT	59700	87,347.41	0.00	87,347.41
BETHEL TOWN TREASURER	59700	3,249,737.27	35,624.40	3,285,361.67
BOLTON TOWN TREASURER	59700	105,950.38	2,037.70	107,988.08
BRADFORD ID SCHOOL DISTRICT	59700	3,420.00	0.00	3,420.00
BRAINTREE TOWN TREASURER	59700	1,617,907.08	32,431.49	1,650,338.57
BRANDON FIRE DIST # 1	59700	53,977.21	0.00	53,977.21
BRANDON TOWN TREASURER	59700	173,639.22	4,906.79	178,546.01
BRATTLEBORO HOUSING AUTHORITY	59700	29,007.94	0.00	29,007.94
BRATTLEBORO TOWN TREASURER	59700	737,986.82	34,392.11	772,378.93
BRIDGEWATER TOWN TREASURER	59700	1,714,453.55	17,585.46	1,732,039.01
BRIDGEWATER VOLUNTEER FIRE DEPARTMENT	59700	11,496.86	0.00	11,496.86
BRIDPORT TOWN TREASURER	59700	288,667.24	686.06	289,353.30
BRIGHTON TOWN TREASURER	59700	27,850.36	1,547.24	29,397.60
BRISTOL TOWN TREASURER	59700	39,908.65	2,217.15	42,125.80
BROOKFIELD TOWN TREASURER	59700	62,556.43	185.86	62,742.29
BROOKLINE TOWN TREASURER	59700	38,592.80	2,144.06	40,736.86
BROWNINGTON TOWN TREASURER	59700	382,227.81	172.28	382,400.09
BURLINGTON CITY TREASURER	59700	14,850.86	825.05	15,675.91
CAMBRIDGE TOWN TREASURER	59700	22,450.69	1,247.27	23,697.96
CASTLETON TOWN TREASURER	59700	115,640.25	5,604.97	121,245.22
CAVENDISH FIRE DISTRICT # 1	59700	11,367.34	0.00	11,367.34
CAVENDISH TOWN TREASURER	59700	2,730,201.45	181,737.22	2,911,938.67
CHAMPION FIRE COMPANY # 5	59700	11,163.79	0.00	11,163.79
CHARLESTON TOWN TREASURER	59700	168,654.97	6,559.74	175,214.71
CHELSEA TOWN TREASURER	59700	5,886.15	327.02	6,213.17
CHESTER TOWN TREASURER	59700	1,080,558.11	53,542.27	1,134,100.38
CHESTER-ANDOVER ELEM U S D #29	59700	9,083.21	0.00	9,083.21
CHITTENDEN COUNTY TRANSPORTATION AUTH	59700	529,243.08	0.00	529,243.08
CHITTENDEN TOWN TREASURER	59700	123,671.27	70.41	123,741.68
CHITTENDEN VOLUNTEER FIRE DEPARTMENT	59700	1,979.79	0.00	1,979.79
CLARENDON TOWN TREASURER	59700	3,136.68	174.26	3,310.94
COLD BROOK FIRE DISTRICT # 1	59700	9,365.81	0.00	9,365.81
CORINTH TOWN TREASURER	59700	53,455.94	1,151.35	54,607.29
COVENTRY TOWN TREASURER	59700	17,828.33	334.60	18,162.93
CRAFTSBURY TOWN TREASURER	59700	16,264.71	0.00	16,264.71
DANBY TOWN TREASURER	59700	122,697.59	2,625.79	125,323.38
DANBY-MT TABOR FIRE COMPANY	59700	20,972.13	0.00	20,972.13
DANBY-MT TABOR FIRE DISTRICT #1	59700	4,790.75	0.00	4,790.75
DANVILLE TOWN TREASURER	59700	60,788.32	3,377.13	64,165.45

VendorNameStars	Program	FEMA PA	ERAF	Cumulative Total
DEPARTMENT OF PUBLIC SAFETY	59700	709,027.63	0.00	709,027.63
DORSET TOWN TREASURER	59700	13,240.75	735.60	13,976.35
DOVER TOWN SCHOOL DISTRICT	59700	3,973.99	0.00	3,973.99
DOVER TOWN TREASURER	59700	452,907.60	24,341.48	477,249.08
DUMMERSTON TOWN TREASURER	59700	52,266.11	2,891.67	55,157.78
DUXBURY TOWN TREASURER	59700	613,375.88	34,076.43	647,452.31
EAST MONTPELIER TOWN TREASURER	59700	32,134.75	1,785.26	33,920.01
ELMORE TOWN TREASURER	59700	46,317.87	2,573.21	48,891.08
ENOSBURG TOWN TREASURER	59700	3,141.38	174.52	3,315.90
FAIR HAVEN TOWN TREASURER	59700	1,857.41	103.19	1,960.60
FAYSTON TOWN TREASURER	59700	11,264.10	625.78	11,889.88
FISH & WILDLIFE, DEPARTMENT OF	59700	74,551.04	0.00	74,551.04
GOSHEN TOWN TREASURER	59700	38,522.14	1,349.15	39,871.29
GRAFTON TOWN TREASURER	59700	2,851,236.86	156,265.73	3,007,502.59
GRANVILLE TOWN TREASURER	59700	482,825.29	2,501.33	485,326.62
GRANVILLE VOLUNTEER FIRE DEPT. INC	59700	3,336.76	0.00	3,336.76
GREENSBORO TOWN TREASURER	59700	35,141.73	1,952.32	37,094.05
GROTON TOWN TREASURER	59700	111,968.53	4,276.14	116,244.67
GUILFORD TOWN TREASURER	59700	226,873.99	816.60	227,690.59
HALIFAX TOWN TREASURER	59700	2,562,068.54	14,328.28	2,576,396.82
HANCOCK TOWN TREASURER	59700	711,184.51	38,809.66	749,994.17
HARDWICK ELECTRIC DEPT	59700	14,421.21	0.00	14,421.21
HARDWICK TOWN TREASURER	59700	9,051.30	502.85	9,554.15
HARTFORD TOWN TREASURER	59700	1,058,150.77	35,414.85	1,093,565.62
HARTLAND TOWN TREASURER	59700	114,086.78	2,782.99	116,869.77
HOLLAND TOWN TREASURER	59700	13,459.51	323.14	13,782.65
HOUSING FOUNDATION INC	59700	36,228.58	0.00	36,228.58
HUBBARDTON TOWN TREASURER	59700	87,884.78	2,743.70	90,628.48
HUNTINGTON TOWN TREASURER	59700	117,431.80	1,020.14	118,451.94
IRA TOWN TREASURER	59700	49,840.54	1,084.42	50,924.96
IRASBURG TOWN TREASURER	59700	45,878.64	894.25	46,772.89
JACKSONVILLE VILLAGE ELECTRIC CO	59700	29,904.22	0.00	29,904.22
JAMAICA TOWN TREASURER	59700	2,148,893.80	20,476.86	2,169,370.66
JAY TOWN TREASURER	59700	79,460.70	1,810.79	81,271.49
JERICHO FIRE DISTRICT #1	59700	10,284.28	0.00	10,284.28
JOHNSON TOWN TREASURER	59700	6,471.59	359.53	6,831.12
JOHNSON VILLAGE TREASURER	59700	13,150.82	730.60	13,881.42
KILLINGTON TOWN TREASURER	59700	1,540,894.76	15,315.18	1,556,209.94
KIRBY TOWN TREASURER	59700	5,863.50	0.00	5,863.50
LANDGROVE TOWN TREASURER	59700	4,093.20	227.41	4,320.61
LANDMARK COLLEGE	59700	148,219.94	0.00	148,219.94
LEICESTER TOWN TREASURER	59700	5,435.13	301.95	5,737.08
LINCOLN TOWN TREASURER	59700	164,124.06	5,508.97	169,633.03
LONDONDERRY TOWN TREASURER	59700	195,142.40	6,299.55	201,441.95
LOWELL TOWN TREASURER	59700	28,414.59	149.99	28,564.58
LUDLOW TOWN TREASURER	59700	1,986,494.36	69,747.61	2,056,241.97
LUDLOW VILLAGE TREASURER	59700	61,101.05	3,394.51	64,495.56
LUNENBURG TOWN TREASURER	59700	24,346.84	1,352.60	25,699.44
LYNDON TOWN TREASURER	59700	33,962.82	1,886.83	35,849.65
MAD RIVER SOLID WASTE ALLIANCE	59700	25,983.00	0.00	25,983.00
MANCHESTER TOWN TREASURER	59700	179,158.13	9,953.23	189,111.36
MARLBORO TOWN TREASURER	59700	708,848.71	8,448.90	717,297.61
MARSHFIELD TOWN TREASURER	59700	57,489.12	252.62	57,741.74
MENDON TOWN TREASURER	59700	562,713.51	17,212.52	579,926.03
MIDDLEBURY TOWN TREASURER	59700	64,822.69	3,024.21	67,846.90
MIDDLESEX TOWN TREASURER	59700	28,632.00	1,590.66	30,222.66

VendorNameStars	Program	FEMA PA	ERAF	Cumulative Total
MIDDLETOWN SPRINGS TOWN TREASURER	59700	68,970.38	1,956.14	70,926.52
MILTON TOWN TREASURER	59700	46,440.00	2,580.00	49,020.00
MONTGOMERY TOWN TREASURER	59700	68,840.44	3,824.48	72,664.92
MONTPELIER CITY SCHOOL DIST	59700	10,469.71	0.00	10,469.71
MONTPELIER CITY TREASURER	59700	9,275.36	515.30	9,790.66
MORETOWN TOWN TREASURER	59700	924,248.61	31,348.00	955,596.61
MORGAN TOWN TREASURER	59700	1,569.60	87.20	1,656.80
MORRISTOWN TOWN TREASURER	59700	17,927.99	996.01	18,924.00
MOUNT HOLLY TOWN TREASURER	59700	330,745.70	14,445.23	345,190.93
MOUNT TABOR TOWN TREASURER	59700	7,588.44	0.00	7,588.44
NEW ENGLAND KURN HATTIN HOMES	59700	14,163.75	0.00	14,163.75
NEWBURY TOWN TREASURER	59700	49,074.88	2,726.38	51,801.26
NEWFANE TOWN TREASURER	59700	1,807,775.83	48,901.99	1,856,677.82
NEWPORT TOWN TREASURER	59700	16,391.73	910.66	17,302.39
NORTH BENNINGTON VILLAGE TREASURER	59700	24,804.91	1,378.05	26,182.96
NORTH TROY VILLAGE TREASURER	59700	1,459.53	0.00	1,459.53
NORTHFIELD TOWN TREASURER	59700	498,729.05	21,003.99	519,733.04
NORTHFIELD VILLAGE TREASURER	59700	75,456.04	712.41	76,168.45
NORWICH TOWN TREASURER	59700	433,831.10	7,149.04	440,980.14
ORANGE COUNTY SHERIFF'S DEPT	59700	3,055.67	0.00	3,055.67
ORANGE TOWN TREASURER	59700	7,125.58	395.86	7,521.44
ORANGE WINDSOR SUPERVISORY UNION	59700	49,622.63	3,784.05	53,406.68
ORWELL TOWN TREASURER	59700	55,974.38	1,710.99	57,685.37
PAWLET TOWN TREASURER	59700	218,441.29	859.09	219,300.38
PAWLET VOLUNTEER FIRE DEPT	59700	2,459.52	0.00	2,459.52
PEACHAM TOWN TREASURER	59700	44,127.65	2,451.54	46,579.19
PERU TOWN TREASURER	59700	87,934.01	456.51	88,390.52
PITTSFIELD TOWN TREASURER	59700	805,235.24	14,497.64	819,732.88
PITTSFORD TOWN TREASURER	59700	62,178.08	3,596.22	65,774.30
PLAINFIELD TOWN TREASURER	59700	22,940.42	1,274.47	24,214.89
PLYMOUTH TOWN TREASURER	59700	843,120.42	17,015.78	860,136.20
POMFRET TOWN TREASURER	59700	619,438.99	28,285.78	647,724.77
POULTNEY TOWN TREASURER	59700	49,827.01	227.60	50,054.61
POULTNEY VILLAGE TREASURER	59700	1,454.30	80.79	1,535.09
POWNAL TOWN TREASURER	59700	44,054.50	190.12	44,244.62
PROCTOR TOWN TREASURER	59700	51,658.77	846.12	52,504.89
PUTNEY TOWN TREASURER	59700	91,691.15	3,007.94	94,699.09
RANDOLPH TOWN TREASURER	59700	468,939.79	22,637.56	491,577.35
READING TOWN TREASURER	59700	1,138,889.64	27,567.91	1,166,457.55
READSBORO TOWN SCHOOL DISTRICT	59700	2,790.00	0.00	2,790.00
READSBORO TOWN TREASURER	59700	503,871.69	5,083.89	508,955.58
RICHFORD TOWN TREASURER	59700	201,712.45	2,353.31	204,065.76
RICHMOND TOWN TREASURER	59700	124,169.47	2,779.39	126,948.86
RIPTON TOWN TREASURER	59700	112,740.57	630.62	113,371.19
ROCHESTER TOWN TREASURER	59700	2,329,235.03	15,316.10	2,344,551.13
ROCKINGHAM TOWN TREASURER	59700	1,260,898.43	6,639.11	1,267,537.54
ROXBURY TOWN TREASURER	59700	1,386,562.12	38,035.42	1,424,597.54
ROYALTON FIRE DISTRICT #1	59700	12,755.70	0.00	12,755.70
ROYALTON TOWN TREASURER	59700	1,039,791.94	12,856.63	1,052,648.57
RUPERT TOWN TREASURER	59700	125,350.67	228.86	125,579.53
RUTLAND CITY TREASURER	59700	865,135.35	44,856.27	909,991.62
RUTLAND NORTHEAST SUPERVISORY UNION	59700	2,136.93	0.00	2,136.93
RUTLAND TOWN TREASURER	59700	18,921.25	1,051.19	19,972.44
RYEGATE TOWN TREASURER	59700	58,167.72	3,231.54	61,399.26
SANDGATE TOWN TREASURER	59700	73,436.36	0.00	73,436.36
SEARSBURG TOWN TREASURER	59700	84,152.16	1,674.23	85,826.39
SHAFTSBURY TOWN TREASURER	59700	44,084.19	2,439.19	46,523.38

VendorNameStars	Program	FEMA PA	ERAF	Cumulative Total
SHARON TOWN TREASURER	59700	505,740.32	11,356.43	517,096.75
SHEFFIELD TOWN TREASURER	59700	184,761.04	533.46	185,294.50
SHEFFIELD-WHEELOCK FIRE DEPT	59700	3,776.94	0.00	3,776.94
SHERBURNE FIRE DISTRICT #1	59700	29,180.37	0.00	29,180.37
SHOREHAM TOWN TREASURER	59700	42,616.13	1,609.83	44,225.96
SHREWSBURY TOWN TREASURER	59700	487,301.23	8,066.76	495,367.99
SOMERSET TOWN TREASURER	59700	39,922.89	2,217.95	42,140.84
SOUTH BURLINGTON CITY TREASURER	59700	6,032.99	335.17	6,368.16
SOUTH ROYALTON VOLUNTEER FIRE DEPARTMENT	59700	8,744.85	0.00	8,744.85
SOUTH WOODSTOCK FIRE PROTECTION	59700	8,263.78	0.00	8,263.78
SPRINGFIELD MEDICAL CARE SYSTEMS	59700	59,469.11	0.00	59,469.11
SPRINGFIELD TOWN TREASURER	59700	90,798.42	3,287.39	94,085.81
ST JOHNSBURY TOWN TREASURER	59700	30,741.07	1,344.53	32,085.60
STAMFORD TOWN TREASURER	59700	75,676.56	4,204.25	79,880.81
STANNARD TOWN TREASURER	59700	299,319.53	16,628.88	315,948.41
STARKSBORO TOWN TREASURER	59700	14,955.23	206.86	15,162.09
STOCKBRIDGE TOWN TREASURER	59700	1,838,720.25	39,430.85	1,878,151.10
STOWE TOWN TREASURER	59700	291,039.62	7,190.79	298,230.41
STRAFFORD TOWN TREASURER	59700	941,812.38	73,069.89	1,014,882.27
STRATTON TOWN TREASURER	59700	243,353.17	5,462.10	248,815.27
SUDBURY TOWN TREASURER	59700	52,902.46	0.00	52,902.46
SUNDERLAND TOWN TREASURER	59700	68,021.16	3,778.96	71,800.12
SUTTON TOWN TREASURER	59700	27,040.38	1,502.24	28,542.62
THETFORD TOWN TREASURER	59700	22,799.26	1,266.63	24,065.89
TINMOUTH TOWN TREASURER	59700	16,790.32	932.80	17,723.12
TOPSHAM TOWN TREASURER	59700	75,861.29	3,528.11	79,389.40
TOWNSHEND TOWN TREASURER	59700	630,583.53	18,059.38	648,642.91
TUNBRIDGE TOWN TREASURER	59700	124,097.96	0.00	124,097.96
VERMONT ACHIEVEMENT CENTER	59700	28,382.48	0.00	28,382.48
VERMONT AGENCY OF TRANSPORTATION	59700	14,661,420.12	1,073.16	14,662,493.28
VERMONT CENTER FOR CRIME VICTIM SERVICES	59700	715.69	0.00	715.69
VERMONT ELECTRIC CO-OP INC	59700	925,144.52	0.00	925,144.52
VERMONT ELECTRIC COOPERATIVE INC	59700	185,028.89	0.00	185,028.89
VERMONT STATE ENVIRONMENTAL CONSERVATION	59700	20,067.72	0.00	20,067.72
VERNON TOWN TREASURER	59700	10,236.19	568.67	10,804.86
VERSHIRE TOWN TREASURER	59700	113,743.72	3,401.43	117,145.15
VT CENTER FOR CRIME VICTIM SERVICES	59700	3,578.44	0.00	3,578.44
VT STATE BUILDINGS DEPT.	59700	86,620.14	0.00	86,620.14
VT STATE FOREST PARKS & RECREATION	59700	518,680.86	0.00	518,680.86
WAITS RIVER VALLEY UNION SCHOOL DIST #36	59700	2,700.00	0.00	2,700.00
WAITSFIELD TOWN TREASURER	59700	140,617.45	4,456.18	145,073.63
WALDEN TOWN TREASURER	59700	87,520.92	2,466.09	89,987.01
WALLINGFORD FIRE DISTRICT #1	59700	7,775.90	0.00	7,775.90
WALLINGFORD TOWN TREASURER	59700	140,793.01	4,968.54	145,761.55
WARDSBORO TOWN TREASURER	59700	1,185,617.17	17,049.31	1,202,666.48
WARREN TOWN TREASURER	59700	250,665.72	11,334.93	262,000.65
WASHINGTON ELECTRIC CO-OP INC	59700	102,126.42	0.00	102,126.42
WASHINGTON TOWN TREASURER	59700	52,417.44	2,912.08	55,329.52
WATERBURY TOWN TREASURER	59700	290,680.73	12,954.16	303,634.89
WATERBURY VILLAGE TREASURER	59700	96,947.87	3,393.37	100,341.24
WEATHERSFIELD TOWN TREASURER	59700	485,294.44	8,180.67	493,475.11
WELLS TOWN TREASURER	59700	12,039.00	668.83	12,707.83
WEST FAIRLEE TOWN TREASURER	59700	139,137.93	7,729.89	146,867.82
WEST HAVEN TOWN TREASURER	59700	76,984.48	1,233.30	78,217.78
WEST PAWLET VOLUNTEER FIRE DEPT INC	59700	21,226.35	0.00	21,226.35
WEST RUTLAND TOWN TREASURER	59700	19,176.83	1,065.39	20,242.22
WEST WINDSOR TOWN TREASURER	59700	585,998.98	22,399.78	608,398.76

VendorNameStars	Program	FEMA PA	ERAF	Cumulative Total
WESTFIELD TOWN TREASURER	59700	16,065.07	892.51	16,957.58
WESTMINSTER FIRE DISTRICT # 3	59700	14,787.84	0.00	14,787.84
WESTMINSTER TOWN TREASURER	59700	455,422.24	25,301.24	480,723.48
WESTMORE TOWN TREASURER	59700	41,850.57	0.00	41,850.57
WESTON COMMUNITY ASSOCIATION INC	59700	28,958.40	0.00	28,958.40
WESTON TOWN TREASURER	59700	383,036.25	21,175.26	404,211.51
WESTON VOLUNTEER FIRE DEPT INC	59700	1,082.93	0.00	1,082.93
WHEELOCK TOWN TREASURER	59700	306,866.97	17,048.17	323,915.14
WHITINGHAM TOWN TREASURER	59700	650,934.19	30,456.03	681,390.22
WILLIAMSTOWN TOWN TREASURER	59700	7,761.40	431.19	8,192.59
WILLISTON TOWN TREASURER	59700	3,803.84	211.32	4,015.16
WILMINGTON TOWN SCHOOL DISTRICT	59700	76,265.23	0.00	76,265.23
WILMINGTON TOWN TREASURER	59700	753,650.84	23,578.95	777,229.79
WILMINGTON WATER DISTRICT	59700	23,666.17	0.00	23,666.17
WINDHAM CENTRAL SUPERVISORY UNION	59700	1,023.53	0.00	1,023.53
WINDHAM COUNTY CLERK	59700	2,378.21	0.00	2,378.21
WINDHAM SOLID WASTE MANAGEMENT	59700	13,684.14	0.00	13,684.14
WINDHAM TOWN TREASURER	59700	328,233.27	8,242.33	336,475.60
WINDSOR NORTHWEST SUPERVISORY UNION	59700	1,066.64	0.00	1,066.64
WINDSOR SCHOOL DISTRICT & MANCHESTER	59700	23,029.06	0.00	23,029.06
WINDSOR TOWN TREASURER	59700	188,817.49	4,161.70	192,979.19
WINHALL TOWN TREASURER	59700	184,355.22	9,663.55	194,018.77
WOLCOTT TOWN TREASURER	59700	17,708.85	983.83	18,692.68
WOODBURY TOWN TREASURER	59700	299,741.04	16,622.82	316,363.86
WOODBURY VOLUNTEER FIRE DEPT	59700	2,321.16	0.00	2,321.16
WOODFORD TOWN TREASURER	59700	166,984.97	8,488.59	175,473.56
WOODSTOCK ASSOCIATES, INC.	59700	34,853.02	0.00	34,853.02
WOODSTOCK TOWN TREASURER	59700	2,262,529.19	109,416.20	2,371,945.39
WOODSTOCK UNION HIGH SCHOOL DISTRICT #4	59700	15,100.29	0.00	15,100.29
WOODSTOCK VILLAGE TREASURER	59700	154,486.51	6,722.37	161,208.88
WORCESTER TOWN TREASURER	59700	29,801.79	1,655.66	31,457.45
		85,999,326.63	1,999,126.00	87,998,452.63

Sec E.100 of Act 162 of the 2012 Session

Reporting and Oversight through 10/30/2012

Spending Authority (appropriated and excess receipts) granted through 10/30/2012 for FEMA Public Assistance Program and the associated emergency relief and assistance funds match.

Projected FEMA Funds[1]	$180,000,000.00

Description	Fund #	Fund Name	Total
Total Appropriated	21555	ERAF - Emergency Relief and Assistance	$4,871,577.53
Total Expended for Irene	21555	ERAF - Emergency Relief and Assistance	$1,999,126.00
Total Appropriated	20150	FEMA funds	$126,271,153.39
Total Expended for Irene	20150	FEMA funds	$85,999,326.63
Total Spending Authority			$131,142,730.92
Total Expended for Irene			$87,998,452.63

NOTES:

[1] FEMA's Octoberr 2012 spend plan for 4022

VERMONT

A.1.b.

State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 056209-0201
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Jeb Spaulding, Secretary

MEMORANDUM

To: Members, Joint Fiscal and Joint Transportation Oversight Committees
From: Jeb Spaulding, Secretary of Administration
Date: November 7, 2012
Subject: Report of payments required by Section 77a(b) of Act No. 75 of 2012 Legislative Session

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Attached is the report required in Sec. 77a(b) of Act No. 75 of 2012 which states:

STATE MATCH FOR TROPICAL STORM IRENE OR SPRING FLOODING; FEMA PAYMENTS TO MUNICIPALITIES

Payments from the emergency relief and assistance fund to municipalities to meet match requirements for FEMA public assistance grants for Tropical Storm Irene or spring 2011 flooding federal disaster relief shall be reported to the joint fiscal committee and the joint transportation oversight committee for the preceding state fiscal quarters, cumulatively, by April 15, July 15, October 15, and January 15, 2013, and quarterly on those dates thereafter, until such payments have been completed.

CC: Neil Schickner, Joint Fiscal Office, Brian Searles, Agency of Transportation

Sec. 77a of Act 75 of the 2012 Session

1995 - April Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	BARTON TOWN TREASURER	1,316.86
Emergency Relief & Assistance Fund	BOLTON TOWN TREASURER	2,060.18
Emergency Relief & Assistance Fund	BRIGHTON TOWN TREASURER	623.48
Emergency Relief & Assistance Fund	BURLINGTON CITY TREASURER	21,630.22
Emergency Relief & Assistance Fund	CAMBRIDGE TOWN TREASURER	5,000.84
Emergency Relief & Assistance Fund	CHARLESTON TOWN TREASURER	5,548.58
Emergency Relief & Assistance Fund	COLCHESTER TOWN TREASURER	3,943.54
Emergency Relief & Assistance Fund	CONCORD TOWN TREASURER	6,731.29
Emergency Relief & Assistance Fund	COVENTRY TOWN TREASURER	5,472.14
Emergency Relief & Assistance Fund	DUXBURY TOWN TREASURER	42,236.60
Emergency Relief & Assistance Fund	EAST HAVEN TOWN TREASURER	44,802.35
Emergency Relief & Assistance Fund	ESSEX TOWN TREASURER	14,133.83
Emergency Relief & Assistance Fund	FERRISBURGH TOWN TREASURER	17,909.25
Emergency Relief & Assistance Fund	GEORGIA TOWN TREASURER	7,179.31
Emergency Relief & Assistance Fund	GLOVER TOWN TREASURER	771.96
Emergency Relief & Assistance Fund	GOSHEN TOWN TREASURER	1,461.71
Emergency Relief & Assistance Fund	GRAND ISLE TOWN TREASURER	12,045.12
Emergency Relief & Assistance Fund	GREENSBORO TOWN TREASURER	1,970.62
Emergency Relief & Assistance Fund	HIGHGATE TOWN TREASURER	3,045.36
Emergency Relief & Assistance Fund	HYDE PARK TOWN TREASURER	16,542.21
Emergency Relief & Assistance Fund	JERICHO TOWN TREASURER	18,157.13
Emergency Relief & Assistance Fund	JOHNSON TOWN TREASURER	1,916.95
Emergency Relief & Assistance Fund	LOWELL TOWN TREASURER	446.49
Emergency Relief & Assistance Fund	MONKTON TOWN TREASURER	6,972.38
Emergency Relief & Assistance Fund	NEWPORT TOWN TREASURER	1,411.63
Emergency Relief & Assistance Fund	NORTH HERO TOWN TREASURER	11,171.18
Emergency Relief & Assistance Fund	NORTON TOWN TREASURER	318.50
Emergency Relief & Assistance Fund	ORWELL TOWN TREASURER	3,030.53
Emergency Relief & Assistance Fund	PANTON TOWN TREASURER	4,750.24
Emergency Relief & Assistance Fund	SHOREHAM TOWN TREASURER	1,828.95
Emergency Relief & Assistance Fund	SOUTH BURLINGTON CITY TREASURER	1,078.92
Emergency Relief & Assistance Fund	ST ALBANS TOWN TREASURER	22,893.03
Emergency Relief & Assistance Fund	STARKSBORO TOWN TREASURER	11,940.71
Emergency Relief & Assistance Fund	SWANTON TOWN TREASURER	8,846.25
Emergency Relief & Assistance Fund	VERGENNES CITY TREASURER	1,959.92
Emergency Relief & Assistance Fund	WESTFORD TOWN TREASURER	938.50
Emergency Relief & Assistance Fund	WILLISTON TOWN TREASURER	7,581.05
		$ 319,667.81

1
Yellow indicates $0.03 trigger met.

Sec. 77a of Act 75 of the 2012 Session

4001- May 2011 Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	BARNET TOWN TREASURER	144,253.01
Emergency Relief & Assistance Fund	BARRE CITY TREASURER	40,279.40
Emergency Relief & Assistance Fund	BARRE TOWN TREASURER	29,779.79
Emergency Relief & Assistance Fund	BERLIN TOWN TREASURER	115,225.59
Emergency Relief & Assistance Fund	BRAINTREE TOWN TREASURER	574.64
Emergency Relief & Assistance Fund	CABOT TOWN TREASURER	36,144.30
Emergency Relief & Assistance Fund	CONCORD TOWN TREASURER	115,856.29
Emergency Relief & Assistance Fund	DANVILLE TOWN TREASURER	58,982.68
Emergency Relief & Assistance Fund	EAST HAVEN TOWN TREASURER	7,295.02
Emergency Relief & Assistance Fund	GRANBY TOWN TREASURER	16,322.43
Emergency Relief & Assistance Fund	GUILDHALL TOWN TREASURER	7,853.40
Emergency Relief & Assistance Fund	LUNENBURG TOWN TREASURER	47,014.30
Emergency Relief & Assistance Fund	MARSHFIELD TOWN TREASURER	58,519.68
Emergency Relief & Assistance Fund	MIDDLESEX TOWN TREASURER	6,795.02
Emergency Relief & Assistance Fund	MONTPELIER CITY TREASURER	43,295.73
Emergency Relief & Assistance Fund	MORETOWN TOWN TREASURER	2,073.33
Emergency Relief & Assistance Fund	NORTHFIELD TOWN TREASURER	33,009.88
Emergency Relief & Assistance Fund	NORTHFIELD VILLAGE TREASURER	1,411.11
Emergency Relief & Assistance Fund	ORANGE TOWN TREASURER	6,717.84
Emergency Relief & Assistance Fund	PLAINFIELD TOWN TREASURER	49,995.50
Emergency Relief & Assistance Fund	RANDOLPH TOWN TREASURER	1,257.89
Emergency Relief & Assistance Fund	ROXBURY TOWN TREASURER	2,592.48
Emergency Relief & Assistance Fund	VICTORY TOWN TREASURER	5,212.36
		$ 830,461.67

Yellow indicates $0.03 trigger met.

Sec. 77a of Act 75 of the 2012 Session

4022- Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	ADDISON TOWN TREASURER	897.02
Emergency Relief & Assistance Fund	ALBANY TOWN TREASURER	301.84
Emergency Relief & Assistance Fund	ANDOVER TOWN TREASURER	11,975.49
Emergency Relief & Assistance Fund	ARLINGTON TOWN TREASURER	1,266.63
Emergency Relief & Assistance Fund	ATHENS TOWN TREASURER	7,294.33
Emergency Relief & Assistance Fund	BARNARD TOWN TREASURER	20,235.11
Emergency Relief & Assistance Fund	BARNET TOWN TREASURER	3,078.71
Emergency Relief & Assistance Fund	BARRE CITY TREASURER	573.81
Emergency Relief & Assistance Fund	BARRE TOWN TREASURER	2,901.65
Emergency Relief & Assistance Fund	BARTON TOWN TREASURER	350.00
Emergency Relief & Assistance Fund	BARTON VILLAGE TREASURER	192.07
Emergency Relief & Assistance Fund	BELLOWS FALLS VILLAGE TREASURER	405.20
Emergency Relief & Assistance Fund	BENNINGTON TOWN TREASURER	31,770.58
Emergency Relief & Assistance Fund	BENSON TOWN TREASURER	1,567.82
Emergency Relief & Assistance Fund	BERLIN TOWN TREASURER	24,873.49
Emergency Relief & Assistance Fund	BETHEL TOWN TREASURER	35,624.40
Emergency Relief & Assistance Fund	BOLTON TOWN TREASURER	2,037.70
Emergency Relief & Assistance Fund	BRAINTREE TOWN TREASURER	32,431.49
Emergency Relief & Assistance Fund	BRANDON TOWN TREASURER	4,906.79
Emergency Relief & Assistance Fund	BRATTLEBORO TOWN TREASURER	34,392.11
Emergency Relief & Assistance Fund	BRIDGEWATER TOWN TREASURER	17,585.46
Emergency Relief & Assistance Fund	BRIDPORT TOWN TREASURER	686.06
Emergency Relief & Assistance Fund	BRIGHTON TOWN TREASURER	1,547.24
Emergency Relief & Assistance Fund	BRISTOL TOWN TREASURER	2,217.15
Emergency Relief & Assistance Fund	BROOKFIELD TOWN TREASURER	185.86
Emergency Relief & Assistance Fund	BROOKLINE TOWN TREASURER	2,144.06
Emergency Relief & Assistance Fund	BROWNINGTON TOWN TREASURER	172.28
Emergency Relief & Assistance Fund	BURLINGTON CITY TREASURER	825.05
Emergency Relief & Assistance Fund	CAMBRIDGE TOWN TREASURER	1,247.27
Emergency Relief & Assistance Fund	CASTLETON TOWN TREASURER	5,604.97
Emergency Relief & Assistance Fund	CAVENDISH TOWN TREASURER	181,737.22
Emergency Relief & Assistance Fund	CHARLESTON TOWN TREASURER	6,559.74
Emergency Relief & Assistance Fund	CHELSEA TOWN TREASURER	817.52
Emergency Relief & Assistance Fund	CHELSEA TOWN TREASURER	(490.50)
Emergency Relief & Assistance Fund	CHESTER TOWN TREASURER	53,542.27
Emergency Relief & Assistance Fund	CHITTENDEN TOWN TREASURER	70.41
Emergency Relief & Assistance Fund	CLARENDON TOWN TREASURER	174.26
Emergency Relief & Assistance Fund	CORINTH TOWN TREASURER	1,151.35
Emergency Relief & Assistance Fund	COVENTRY TOWN TREASURER	334.60
Emergency Relief & Assistance Fund	DANBY TOWN TREASURER	2,625.79
Emergency Relief & Assistance Fund	DANVILLE TOWN TREASURER	3,377.13
Emergency Relief & Assistance Fund	DORSET TOWN TREASURER	735.60
Emergency Relief & Assistance Fund	DOVER TOWN TREASURER	24,341.48
Emergency Relief & Assistance Fund	DUMMERSTON TOWN TREASURER	2,891.67
Emergency Relief & Assistance Fund	DUXBURY TOWN TREASURER	34,076.43
Emergency Relief & Assistance Fund	EAST MONTPELIER TOWN TREASURER	1,785.26
Emergency Relief & Assistance Fund	ELMORE TOWN TREASURER	2,573.21
Emergency Relief & Assistance Fund	ENOSBURG TOWN TREASURER	174.52
Emergency Relief & Assistance Fund	FAIR HAVEN TOWN TREASURER	103.19
Emergency Relief & Assistance Fund	FAYSTON TOWN TREASURER	625.78
Emergency Relief & Assistance Fund	GOSHEN TOWN TREASURER	1,349.15
Emergency Relief & Assistance Fund	GRAFTON TOWN TREASURER	156,265.73
Emergency Relief & Assistance Fund	GRANVILLE TOWN TREASURER	2,501.33

Yellow indicates $0.03 trigger met.

Sec. 77a of Act 75 of the 2012 Session

4022- Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	GREENSBORO TOWN TREASURER	1,952.32
Emergency Relief & Assistance Fund	GROTON TOWN TREASURER	4,276.14
Emergency Relief & Assistance Fund	GUILFORD TOWN TREASURER	816.60
Emergency Relief & Assistance Fund	HALIFAX TOWN TREASURER	14,328.28
Emergency Relief & Assistance Fund	HANCOCK TOWN TREASURER	38,809.66
Emergency Relief & Assistance Fund	HARDWICK TOWN TREASURER	502.85
Emergency Relief & Assistance Fund	HARTFORD TOWN TREASURER	35,414.85
Emergency Relief & Assistance Fund	HARTLAND TOWN TREASURER	2,782.99
Emergency Relief & Assistance Fund	HOLLAND TOWN TREASURER	323.14
Emergency Relief & Assistance Fund	HUBBARDTON TOWN TREASURER	2,743.70
Emergency Relief & Assistance Fund	HUNTINGTON TOWN TREASURER	1,020.14
Emergency Relief & Assistance Fund	IRA TOWN TREASURER	1,084.42
Emergency Relief & Assistance Fund	IRASBURG TOWN TREASURER	894.25
Emergency Relief & Assistance Fund	JAMAICA TOWN TREASURER	20,476.86
Emergency Relief & Assistance Fund	JAY TOWN TREASURER	1,810.79
Emergency Relief & Assistance Fund	JOHNSON TOWN TREASURER	359.53
Emergency Relief & Assistance Fund	JOHNSON VILLAGE TREASURER	730.60
Emergency Relief & Assistance Fund	KILLINGTON TOWN TREASURER	15,315.18
Emergency Relief & Assistance Fund	LANDGROVE TOWN TREASURER	227.41
Emergency Relief & Assistance Fund	LEICESTER TOWN TREASURER	301.95
Emergency Relief & Assistance Fund	LINCOLN TOWN TREASURER	5,508.97
Emergency Relief & Assistance Fund	LONDONDERRY TOWN TREASURER	6,299.55
Emergency Relief & Assistance Fund	LOWELL TOWN TREASURER	149.99
Emergency Relief & Assistance Fund	LUDLOW TOWN TREASURER	69,747.61
Emergency Relief & Assistance Fund	LUDLOW VILLAGE TREASURER	3,394.51
Emergency Relief & Assistance Fund	LUNENBURG TOWN TREASURER	1,352.60
Emergency Relief & Assistance Fund	LYNDON TOWN TREASURER	1,886.83
Emergency Relief & Assistance Fund	MANCHESTER TOWN TREASURER	9,953.23
Emergency Relief & Assistance Fund	MARLBORO TOWN TREASURER	8,448.90
Emergency Relief & Assistance Fund	MARSHFIELD TOWN TREASURER	252.62
Emergency Relief & Assistance Fund	MENDON TOWN TREASURER	17,212.52
Emergency Relief & Assistance Fund	MIDDLEBURY TOWN TREASURER	3,024.21
Emergency Relief & Assistance Fund	MIDDLESEX TOWN TREASURER	1,590.66
Emergency Relief & Assistance Fund	MIDDLETOWN SPRINGS TOWN TREASURER	1,956.14
Emergency Relief & Assistance Fund	MILTON TOWN TREASURER	2,580.00
Emergency Relief & Assistance Fund	MONTGOMERY TOWN TREASURER	3,824.48
Emergency Relief & Assistance Fund	MONTPELIER CITY TREASURER	515.30
Emergency Relief & Assistance Fund	MORETOWN TOWN TREASURER	31,348.00
Emergency Relief & Assistance Fund	MORGAN TOWN TREASURER	87.20
Emergency Relief & Assistance Fund	MORRISTOWN TOWN TREASURER	996.01
Emergency Relief & Assistance Fund	MOUNT HOLLY TOWN TREASURER	14,445.23
Emergency Relief & Assistance Fund	NEWBURY TOWN TREASURER	2,726.38
Emergency Relief & Assistance Fund	NEWFANE TOWN TREASURER	48,901.99
Emergency Relief & Assistance Fund	NEWPORT TOWN TREASURER	910.66
Emergency Relief & Assistance Fund	NORTH BENNINGTON VILLAGE TREASURER	1,378.05
Emergency Relief & Assistance Fund	NORTHFIELD TOWN TREASURER	21,003.99
Emergency Relief & Assistance Fund	NORTHFIELD VILLAGE TREASURER	712.41
Emergency Relief & Assistance Fund	NORWICH TOWN TREASURER	7,149.04
Emergency Relief & Assistance Fund	ORANGE TOWN TREASURER	395.86
Emergency Relief & Assistance Fund	ORWELL TOWN TREASURER	1,710.99
Emergency Relief & Assistance Fund	PAWLET TOWN TREASURER	859.09
Emergency Relief & Assistance Fund	PEACHAM TOWN TREASURER	2,451.54
Emergency Relief & Assistance Fund	PERU TOWN TREASURER	456.51

Yellow indicates $0.03 trigger met.

Sec. 77a of Act 75 of the 2012 Session

4022- Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	PITTSFIELD TOWN TREASURER	14,497.64
Emergency Relief & Assistance Fund	PITTSFORD TOWN TREASURER	3,596.22
Emergency Relief & Assistance Fund	PLAINFIELD TOWN TREASURER	1,274.47
Emergency Relief & Assistance Fund	PLYMOUTH TOWN TREASURER	17,015.78
Emergency Relief & Assistance Fund	POMFRET TOWN TREASURER	28,285.78
Emergency Relief & Assistance Fund	POULTNEY TOWN TREASURER	227.60
Emergency Relief & Assistance Fund	POULTNEY VILLAGE TREASURER	80.79
Emergency Relief & Assistance Fund	POWNAL TOWN TREASURER	190.12
Emergency Relief & Assistance Fund	PROCTOR TOWN TREASURER	846.12
Emergency Relief & Assistance Fund	PUTNEY TOWN TREASURER	3,007.94
Emergency Relief & Assistance Fund	RANDOLPH TOWN TREASURER	22,637.56
Emergency Relief & Assistance Fund	READING TOWN TREASURER	27,567.91
Emergency Relief & Assistance Fund	READSBORO TOWN TREASURER	5,083.89
Emergency Relief & Assistance Fund	RICHFORD TOWN TREASURER	2,353.31
Emergency Relief & Assistance Fund	RICHMOND TOWN TREASURER	2,779.39
Emergency Relief & Assistance Fund	RIPTON TOWN TREASURER	630.62
Emergency Relief & Assistance Fund	ROCHESTER TOWN TREASURER	15,316.10
Emergency Relief & Assistance Fund	ROCKINGHAM TOWN TREASURER	6,639.11
Emergency Relief & Assistance Fund	ROXBURY TOWN TREASURER	38,035.42
Emergency Relief & Assistance Fund	ROYALTON TOWN TREASURER	12,856.63
Emergency Relief & Assistance Fund	RUPERT TOWN TREASURER	228.86
Emergency Relief & Assistance Fund	RUTLAND CITY TREASURER	44,856.27
Emergency Relief & Assistance Fund	RUTLAND TOWN TREASURER	1,051.19
Emergency Relief & Assistance Fund	RYEGATE TOWN TREASURER	3,231.54
Emergency Relief & Assistance Fund	SEARSBURG TOWN TREASURER	1,674.23
Emergency Relief & Assistance Fund	SHAFTSBURY TOWN TREASURER	2,439.19
Emergency Relief & Assistance Fund	SHARON TOWN TREASURER	11,356.43
Emergency Relief & Assistance Fund	SHEFFIELD TOWN TREASURER	533.46
Emergency Relief & Assistance Fund	SHOREHAM TOWN TREASURER	1,609.83
Emergency Relief & Assistance Fund	SHREWSBURY TOWN TREASURER	8,066.76
Emergency Relief & Assistance Fund	SOMERSET TOWN TREASURER	2,217.95
Emergency Relief & Assistance Fund	SOUTH BURLINGTON CITY TREASURER	335.17
Emergency Relief & Assistance Fund	SPRINGFIELD TOWN TREASURER	3,287.39
Emergency Relief & Assistance Fund	ST JOHNSBURY TOWN TREASURER	1,344.53
Emergency Relief & Assistance Fund	STAMFORD TOWN TREASURER	4,204.25
Emergency Relief & Assistance Fund	STANNARD TOWN TREASURER	16,628.88
Emergency Relief & Assistance Fund	STARKSBORO TOWN TREASURER	206.86
Emergency Relief & Assistance Fund	STOCKBRIDGE TOWN TREASURER	39,430.85
Emergency Relief & Assistance Fund	STOWE TOWN TREASURER	7,190.79
Emergency Relief & Assistance Fund	STRAFFORD TOWN TREASURER	73,069.89
Emergency Relief & Assistance Fund	STRATTON TOWN TREASURER	5,462.10
Emergency Relief & Assistance Fund	SUNDERLAND TOWN TREASURER	3,778.96
Emergency Relief & Assistance Fund	SUTTON TOWN TREASURER	1,502.24
Emergency Relief & Assistance Fund	THETFORD TOWN TREASURER	1,266.63
Emergency Relief & Assistance Fund	TINMOUTH TOWN TREASURER	932.80
Emergency Relief & Assistance Fund	TOPSHAM TOWN TREASURER	3,528.11
Emergency Relief & Assistance Fund	TOWNSHEND TOWN TREASURER	18,059.38
Emergency Relief & Assistance Fund	VERNON TOWN TREASURER	568.67
Emergency Relief & Assistance Fund	VERSHIRE TOWN TREASURER	3,401.43
Emergency Relief & Assistance Fund	WAITSFIELD TOWN TREASURER	4,456.18
Emergency Relief & Assistance Fund	WALDEN TOWN TREASURER	2,466.09
Emergency Relief & Assistance Fund	WALLINGFORD TOWN TREASURER	4,968.54
Emergency Relief & Assistance Fund	WARDSBORO TOWN TREASURER	17,049.31

Yellow indicates $0.03 trigger met.

Sec. 77a of Act 75 of the 2012 Session

4022- Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	WARREN TOWN TREASURER	11,334.93
Emergency Relief & Assistance Fund	WASHINGTON TOWN TREASURER	2,912.08
Emergency Relief & Assistance Fund	WATERBURY TOWN TREASURER	12,954.16
Emergency Relief & Assistance Fund	WATERBURY VILLAGE TREASURER	3,393.37
Emergency Relief & Assistance Fund	WEATHERSFIELD TOWN TREASURER	8,180.67
Emergency Relief & Assistance Fund	WELLS TOWN TREASURER	668.83
Emergency Relief & Assistance Fund	WEST FAIRLEE TOWN TREASURER	7,729.89
Emergency Relief & Assistance Fund	WEST HAVEN TOWN TREASURER	1,233.30
Emergency Relief & Assistance Fund	WEST RUTLAND TOWN TREASURER	1,065.39
Emergency Relief & Assistance Fund	WEST WINDSOR TOWN TREASURER	22,399.78
Emergency Relief & Assistance Fund	WESTFIELD TOWN TREASURER	892.51
Emergency Relief & Assistance Fund	WESTMINSTER TOWN TREASURER	25,301.24
Emergency Relief & Assistance Fund	WESTON TOWN TREASURER	21,175.26
Emergency Relief & Assistance Fund	WHEELOCK TOWN TREASURER	17,048.17
Emergency Relief & Assistance Fund	WHITINGHAM TOWN TREASURER	30,456.03
Emergency Relief & Assistance Fund	WILLIAMSTOWN TOWN TREASURER	431.19
Emergency Relief & Assistance Fund	WILLISTON TOWN TREASURER	211.32
Emergency Relief & Assistance Fund	WILMINGTON TOWN TREASURER	23,578.95
Emergency Relief & Assistance Fund	WINDHAM TOWN TREASURER	8,242.33
Emergency Relief & Assistance Fund	WINDSOR TOWN TREASURER	4,161.70
Emergency Relief & Assistance Fund	WINHALL TOWN TREASURER	9,663.55
Emergency Relief & Assistance Fund	WOLCOTT TOWN TREASURER	983.83
Emergency Relief & Assistance Fund	WOODBURY TOWN TREASURER	16,622.82
Emergency Relief & Assistance Fund	WOODFORD TOWN TREASURER	8,488.59
Emergency Relief & Assistance Fund	WOODSTOCK TOWN TREASURER	109,416.20
Emergency Relief & Assistance Fund	WOODSTOCK VILLAGE TREASURER	6,722.37
Emergency Relief & Assistance Fund	WORCESTER TOWN TREASURER	1,655.66
		$ 1,994,268.79

Yellow indicates $0.03 trigger met.

Sec. 77a of Act 75 of the 2012 Session

4043- May 20, 2011 Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	FAIRFIELD TOWN TREASURER	41,342.25
Emergency Relief & Assistance Fund	FAYSTON TOWN TREASURER	5,629.87
Emergency Relief & Assistance Fund	FLETCHER TOWN TREASURER	39,718.72
Emergency Relief & Assistance Fund	WAITSFIELD TOWN TREASURER	37,179.52
Emergency Relief & Assistance Fund	WESTMINSTER TOWN TREASURER	19,003.29
		$ 142,873.65

Yellow indicates $0.03 trigger met.

Sec 77a of Act 75 of the 2012 Session
Expenditures through 09/30/2012

Event	Event Name	Fund #	Fund Name	Expended:
1995	April Event	21555	ERAF - Emergency Relief and Assistance	$319,667.81
4001	May Event	21555	ERAF - Emergency Relief and Assistance	830,461.67
4022	Irene Event	21555	ERAF - Emergency Relief and Assistance	$1,994,268.79
4043	May 20, 2011 Event	21555	ERAF - Emergency Relief and Assistance	$142,873.65
			ERAF Total:	$3,287,271.92

Patrick Flood
11/15/12 A.2.

Act 79 Inpatient Rate review process update

Background

On August 28 and 29, 2011, the Vermont State Hospital sustained widespread damage resulting from heavy rains and flooding in the aftermath of Hurricane Irene. Beginning August 29, 2011, patients at the Vermont State Hospital were evacuated from VSH to protect the safety and security of the patients and staff and placed in the designated hospitals in Vermont.

In addition to placements in community residential settings and the medical unit within Southern State Correctional Facility, patients were transferred to the following facilities:

- Brattleboro Retreat (BR)
- Fletcher Allen Medical Center (FAHC)
- Rutland Regional Medical Center (RRMC)

The units at these hospitals serve individuals participating in the Vermont Medicaid program, individuals with commercial coverage and individuals who are uninsured or underinsured.

Act 79, An Act Related to Reforming Vermont's Mental Health System, was signed by the Governor on February 12, 2012. Act 79 includes the following requirements:

> *Sec. 33b. COST-BASED REIMBURSEMENT FOR ACUTE HOSPITAL SERVICES*
>
> *(a) The department of mental health shall ensure that hospitals are paid reasonable actual costs for providing necessary care to persons who otherwise would have been cared for at the Vermont State Hospital as defined by the department. The department shall contract with a third party with experience in psychiatric hospital care and expenses to conduct a comprehensive fiscal review to determine if the department's cost reimbursement methodology reflects reasonable actual costs.*
>
> *(b) The department of mental health shall report to the joint fiscal committee regarding the fiscal review described in subsection (a) of this section on or before September 1, 2012.*

Two of these facilities have undertaken some construction to serve high acuity patients over the long term. However, construction costs will be reimbursed separately and will not be a component of the financial reviews.

Rate Setting and Settlement Process Update

The Agency of Human Services contracted with Mark Podrazik, from Burns and Associates (B&A) to complete the annual cost settlement process. He was also instrumental in setting the rates for Fletcher Allen. B&A assisted the Department of Vermont Health Access (DVHA) implement methodology to pay for inpatient hospital services to diagnosis related groups (DRGs) in 2008. They conducted a rate update for DVHA in 2012. The update included inpatient psychiatric cases. Mark Podrazik has also conducted analyses of BR data for the Green Mountain Care Board in 2012 and has set inpatient psychiatric hospital rates in two other states besides Vermont.

- **Rutland Regional Medical Center**. The Department of Mental Health is purchasing capacity of their 6 bed Psychiatric Intensive Care Unit (PICU). While renovations are being completed, the care for the person who otherwise would have been cared for at the VSH (referred to as Level I) are being cared for in their 19 bed Psychiatric Inpatient Services Unit (PSIU). An interim rate was set for this period of time based on direct unit expenses, expenses outside of the psychiatric unit (for example, pharmacy and lab) and for indirect expenses allocated In addition, projected revenues from other sources was subtracted from this amount. The interim rate for RRMC was set at **$1,272** per day. RRMC also submitted a budget for the six bed unit. The interim rate for this unit, using the same method, is **$1,650** per day.
- **Brattleboro Retreat**. The State is purchasing a 14 bed capacity from BR on their Tyler 4 unit. Additional beds are being used for Level I care, as needed, on their other psychiatric units. A similar process to the one used for RRMC was used to set the rate for the BR. The interim rate for BR is **$1,350 per day.**
- **Fletcher Allen Health Care.** Fletcher Allen is different from RRMC and BR in that the state is purchasing Level I beds as needed, rather than buying the full capacity of a unit. It was determined that the rate for the Level I patients would be based on the identification of incremental cost. Baseline costs for fiscal year 2011 were reported and inflated to come up with the fy12 and fy13 baseline expenses. The rate was set on the difference between the baseline expense and their projected budget and divided by the projected number of Level 1 days. The interim rate for FAHC is **$1,857 per day.**

In each example above, the rate per day was evaluated against other benchmarks such as current rates paid by Medicaid, Medicare and commercial payers and the historical cost per day at VSH. Other factors that were considered in the final rate for each facility included the costs to serve this more challenging population, the effect on the hospital's other patients, and the capacity at each facility. All costs will be substantiated in the settlement process.

Settlement Process

For the basis of the year end cost settlement, the interim rate will be applied to all patients that meet Level I eligibity criteria. Accounting systems are in place to capture revenues and expenses distinctly for the units at RRMC and BR. FAHC will also maintain a distinct accounting method to track the line items for which incremental expenses will be calculated. At the close of each provider's fiscal year, this information will be reviewed by Burns and Associates (the consultant) to determine if the provider was over or underpaid for allowable expenses. Determination will be made based on allowable expenses less all incremental payments from the State as well as any other payers.

If, after completion of that review, there is a difference between costs determined by the consultant and actual costs incurred, the provider may request that the State review the disallowed expenditures. The provider may appeal the State's decision to deny in whole or in part, reimbursement for actual costs incurred.

B(1)

VERMONT

Office of the Commissioner

Department of Buildings & General Services
Agency of Administration

Two Governor Aiken Avenue
Montpelier, VT 05633-5801
(Voice) 802-828-3519
(FAX) 802-828-3533
BGS Home Page: www.bgs.state.vt.us

MEMORANDUM

TO: Special Committee on Waterbury Complex Design
(Joint Fiscal Committee, the House Chair of Corrections and Institutions and the Senate Chair of Institutions)

FROM: Michael J. Obuchowski, Commissioner Buildings and General Services MJO

DATE: November 6, 2012

SUBJECT: Request for Approval; Waterbury State Office Complex proposed Modified Option B design as presented to Joint Committee on Institutions and approved 10-1on October 19, 2012

Vermont General Assembly No. 104 Public Acts, 2012 Section 9 (f)(1)(A) calls for A Special Committee consisting of the Joint Fiscal Committee and the chairs of House Corrections and Institutions and Senate Institutions to review, recommend alternations and approve a Modified Option B design in accordance to the general assembly's vision for the Waterbury State Office Complex.

The Department of Buildings and General Services proposed a Modified Option B plan to the Joint Institutions Committee on October 19, 2012. Approval was granted on that day and the plan is a follows:

Recommendation

After completing the financial analysis of three options in accordance with Act 104 Sec. 3 (f) (1) our recommendation differs only in the following respects from the General Assembly approved design of March 9, 2012. The modified plan:

- Accommodates 192 more state employees by increasing the size of the new addition (total of 974 AHS employees).
- Relies on new construction rather than renovation and relies on the utilization of telework.
- Sets the new construction on elevated grade instead of a raised structure.
- Banks Hanks and Weeks buildings for future use (stabilize and save for future expansion or other opportunities such as public private partnerships),

BGS

Less Project Cost

1. Revised project cost is $124,655,000. (July 2012 estimate was $125,385,000)
2. Cost estimates and designs are based on new design standards for modern workspace @150 square feet.
3. Recommend modified design realizes 10% reduction in occupancy rate does support telework.

O & M Savings

1. Projected operating savings over 30 years is $2.65 million for the recommended design (October 19, 2012) in comparison to the March, 9 2012 plan.

Energy Savings

1. The life cycle cost analysis has determined that the best option for the heat plant is to proceed with heat generated by wood fired biomass boilers, and cooling by electric chillers. Further thought indicated that the addition of ice storage as a supplemental cooling technology will provide additional operating cost savings.
2. The new building is targeting a 30% reduction in energy consumption as compared to ASHRAE National Standards. The building is also targeted to achieve LEED Gold.

Various other Building Plans

The plan to demolish 15 buildings as proposed in July 2012 has not changed.

1. Plan to divest of Stanley, Wasson, 121 & 123 South Main Street, and Ladd buildings.
    - October 11, 2012 issued a letter to Waterbury Manager Re: our interest to enter into Option for the town and village to obtain title to Stanley and Wasson Hall.
    - October 11, 2012 issued a letter to Central Vermont Community Land Trust an Option to obtain title to Ladd Hall after final assessment of the proposal.
    - October 12, 2012 issued a letter to Board of Directors for Hunger Mountain Children's Center Re: our interest to enter into Option for them to obtain title 121 & 123 South Main Street.
2. Plans for divesting of 5 Park Row, 43 Randall or Father Logue are under development.

<u>More details on the Modified Plan</u>

More Occupancy

1. Renovate the historic core; expand the new addition to accommodate an additional 192 occupants.
    - Modified Option B approved by legislature March 9, 2012 – 800 Occupants
    - Modified Option B presented on October 19, 2012 – 992 Occupants (AHS and BGS)

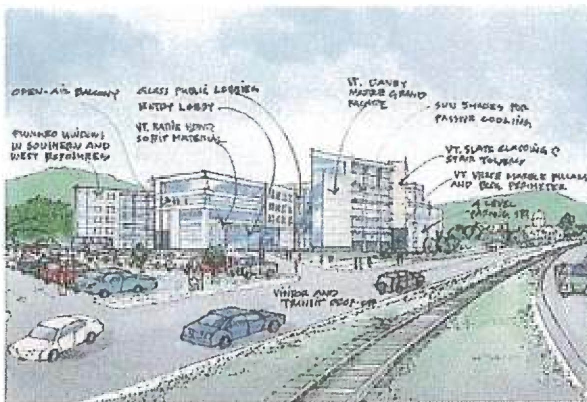
2. The proposed design consists of housing 974 Agency of Human Service (AHS) employees, programming of service was completed in August, 2012. The written program adds up to 934 employees, after final review of programming an additional 40 people were added to accommodate flexibility in design to support AHS programs. An additional 18 BGS employees total 992 occupants.

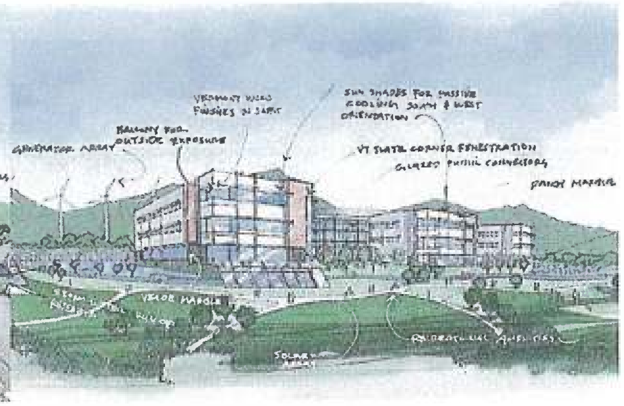
3. Potential to eliminate lease space for approximately 158
   a. 66 employees currently in lease
   b. 90 employees in state owned space move to Waterbury freeing 90 spaces in state owned to relieve other lease holds

Banking for the Future

1. Bank Weeks and Hanks after stabilization for future expansion or other opportunities for State use such as public private partnerships.
   - Project includes all common cost associated with project. Weeks and Hanks will be connected to the new central plant, dry flood proofing, site work, limited renovation, clean-up and stabilization, but are banked.

Reference Attachments:
Freeman French Freeman PowerPoint Proposed Design
Freeman French Freeman Memo 10/12/2012
Economic and Policy Resources, Inc Option Analysis Summary
Flood Plain Analysis – Memo to Representative Cynthia Browning

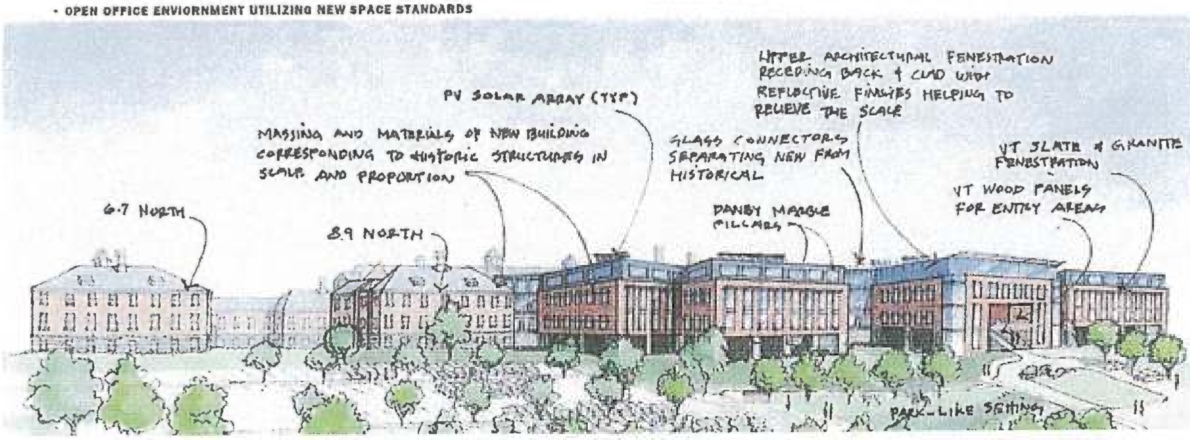




OPTION B - FEASIBILITY DESIGN OBJECTIVES

I) ASTHETICS (CREATE BEAUTY TO RESTORE DIGNITY TO THE WSOC)
- VERMONT NATIVE MATERIALS - EXTERIOR: GRANITE, MARBLE, SLATE
  INTERIOR: MARBLE TILES, WOOD, PAINTS
- MASSING AND SHAPE TO COMPLIMENT BUT BE DISTINCTIVE FROM HISTORIC
- OPEN OFFICE ENVIORNMENT UTILIZING NEW SPACE STANDARDS

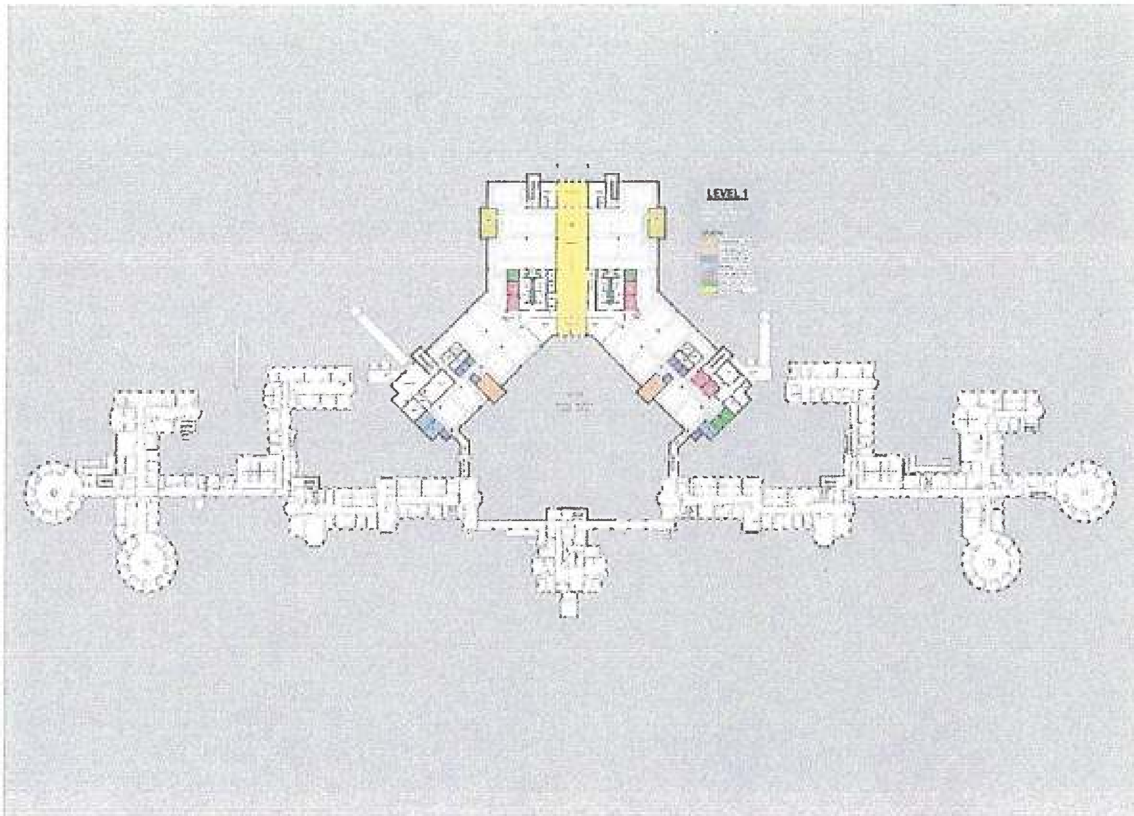
II) SUSTAINABILITY (SAVING ENERGY AND TAX PAYER DOLLARS)
- ACHEIVE LEED GOLD / HIGH PERFORMANCE BUILDING DESIGN.
- HARVEST DAYLIGHT TO REDUCE ELECTRICTY.
- LIMIT WINDOWS TO 40% AND USE TRIPLE PANE.
- INCREASE R-VALUES TO MEET OR EXCEED VERMONT ENERGY CODE.



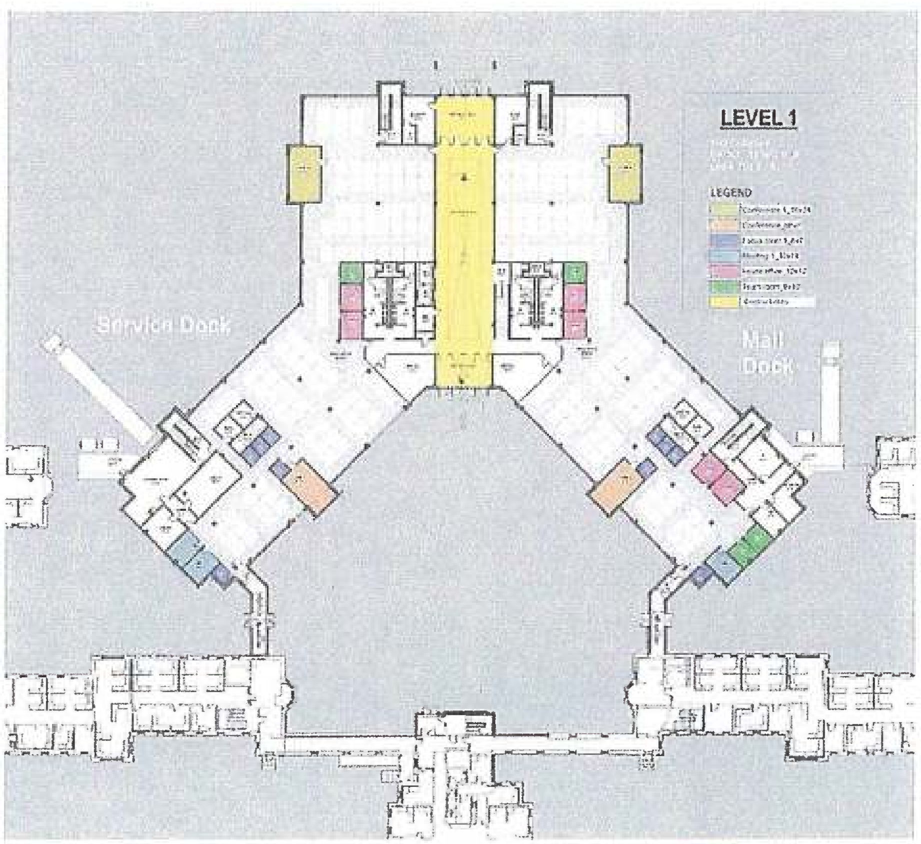
Waterbury State Office Complex
103 South Main Street
Waterbury, Vermont
August 15, 2012

Site Master Plan

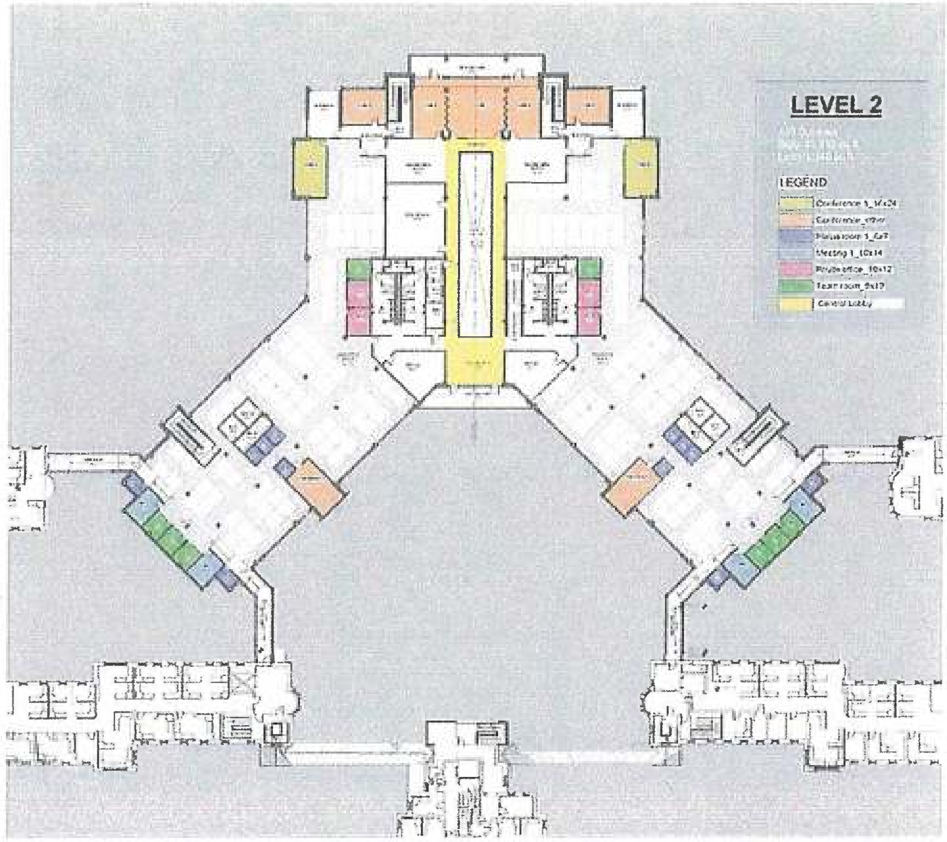
GOODY CLANCY



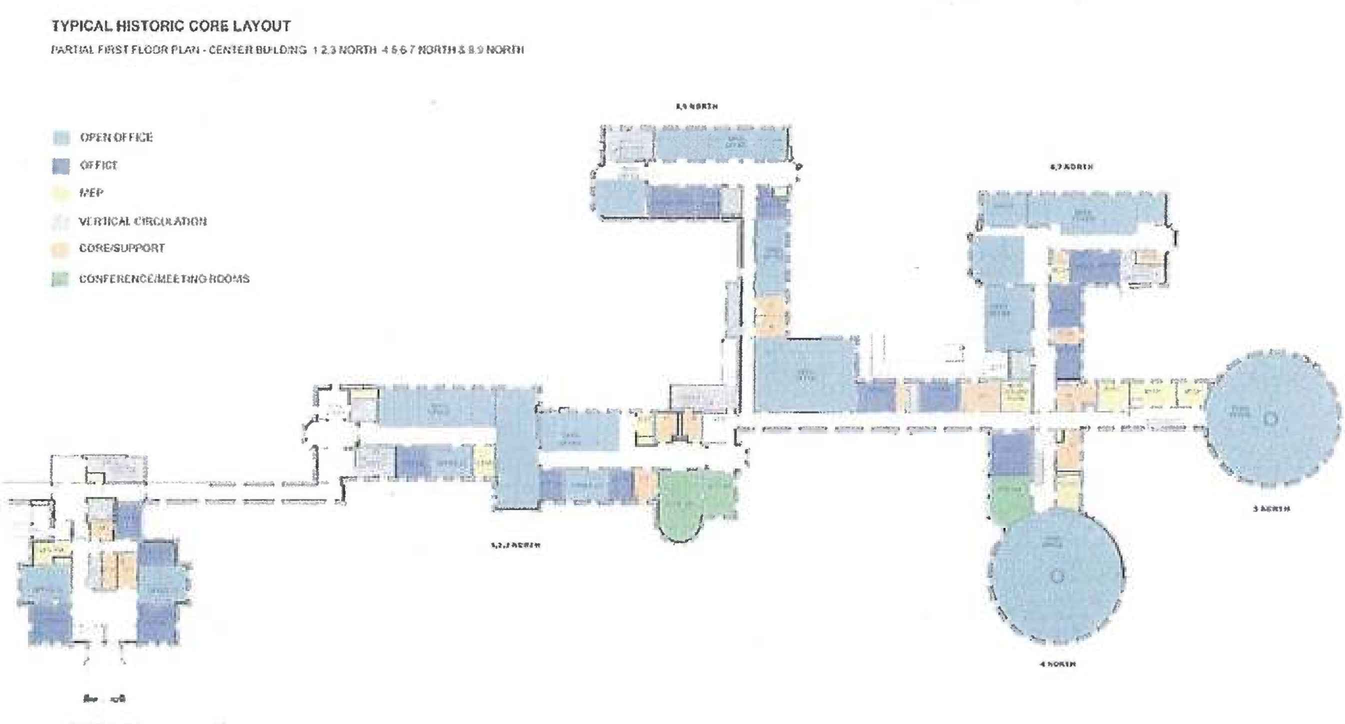
Overall 1st floor Plan



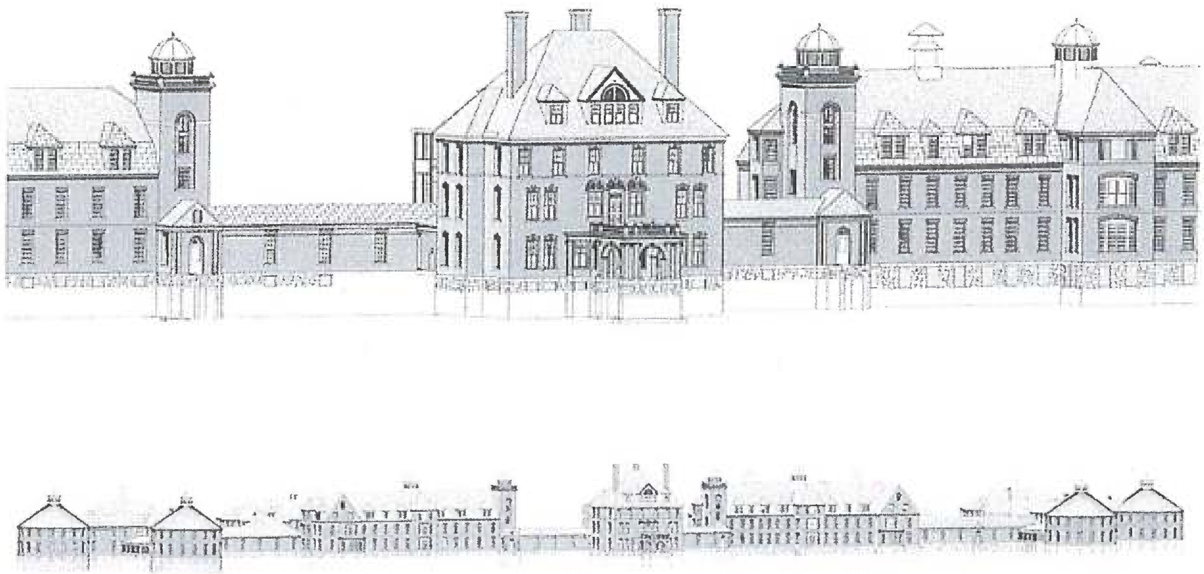
Level 1 Plan



Level 2 Plan

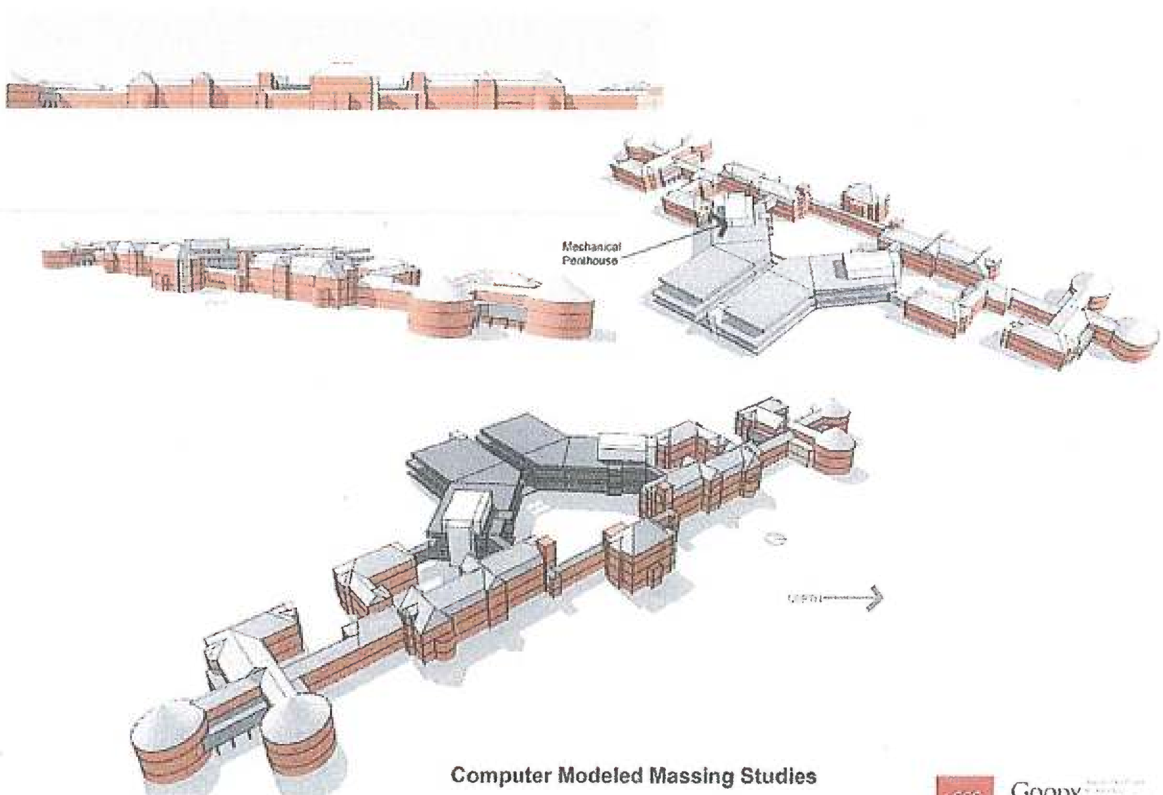


Typical Historic Core Layout



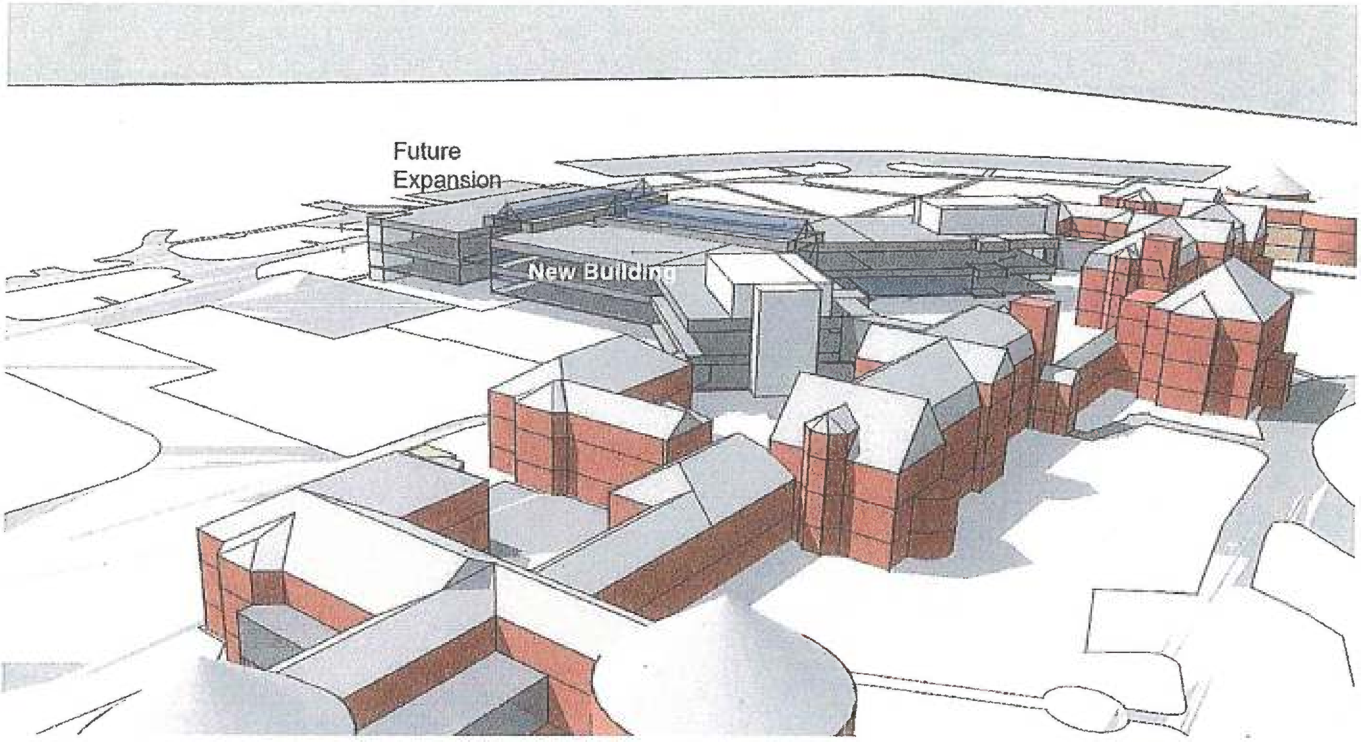
Historic Core

GOODY CLANCY

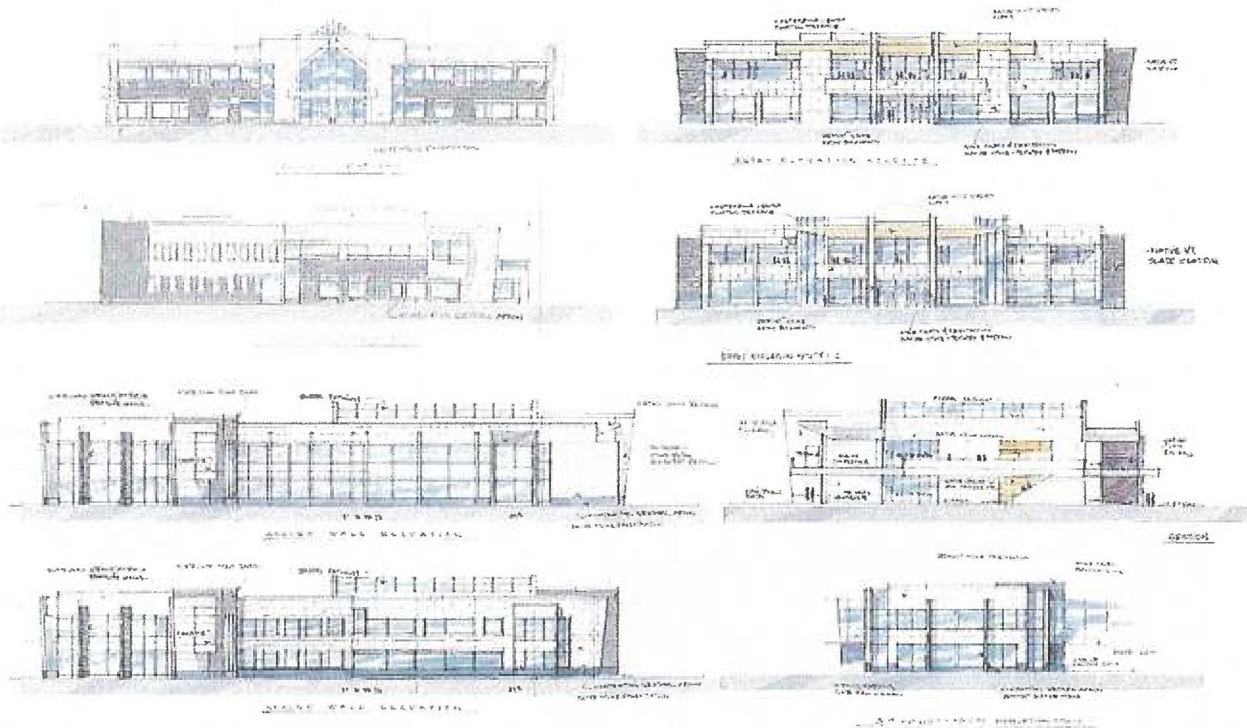


Computer Modeled Massing Studies

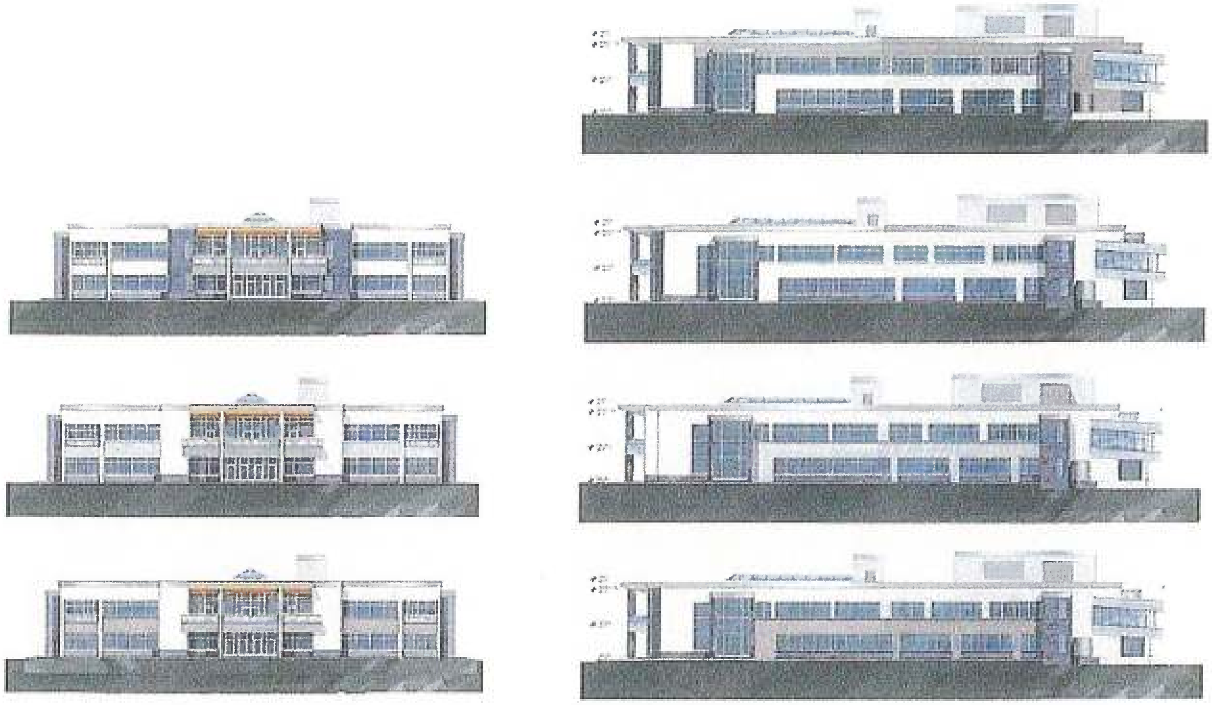
GOODY CLANCY



Existing, New Building and Expansion

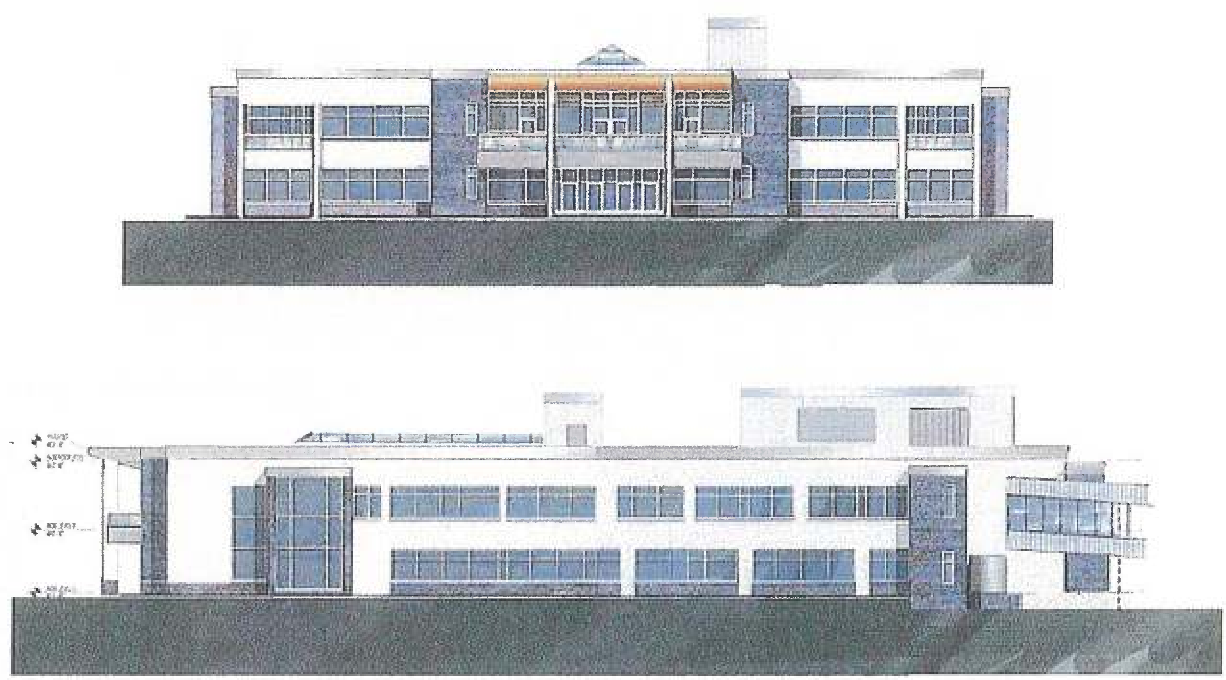


Early Schematic Elevation Studies



Materials and Color Studies

Goody Clancy

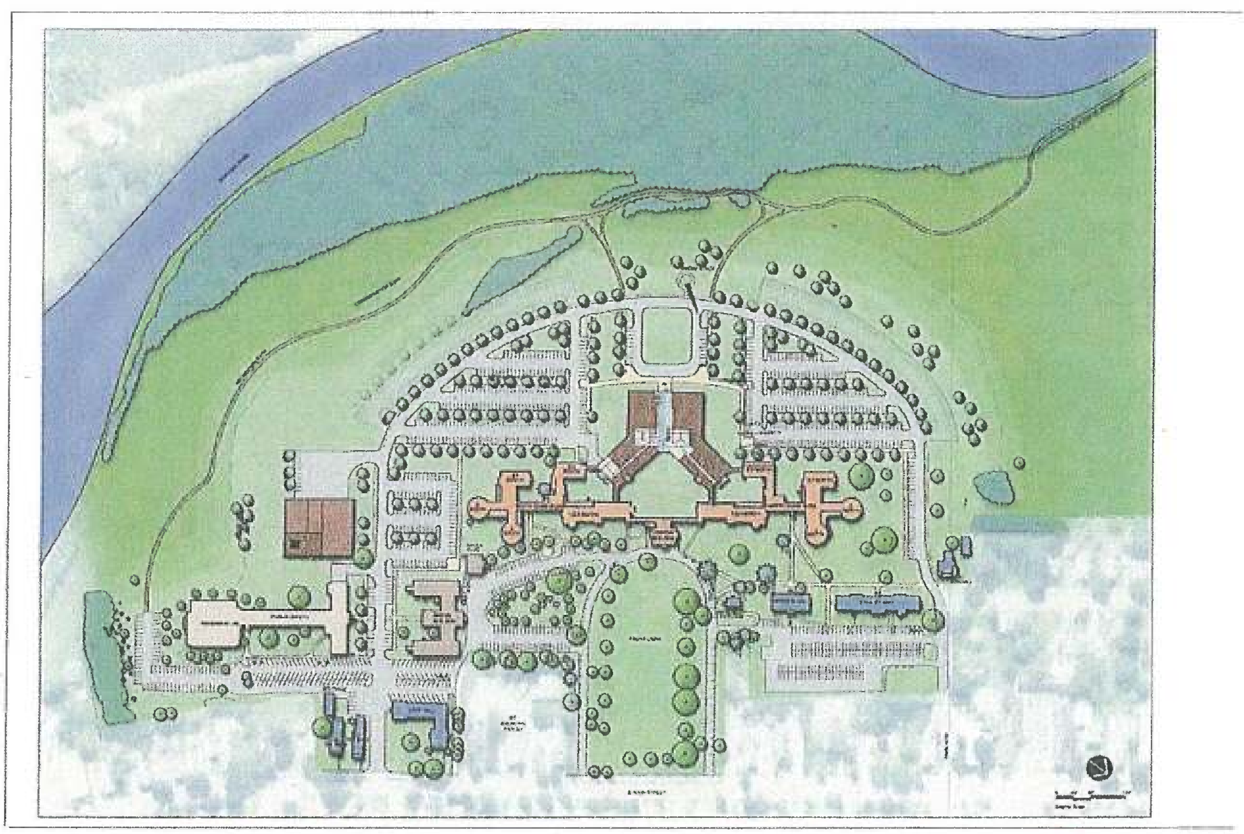


Materials Palette A

Goody Clancy

Schematic Design Concept Perspective

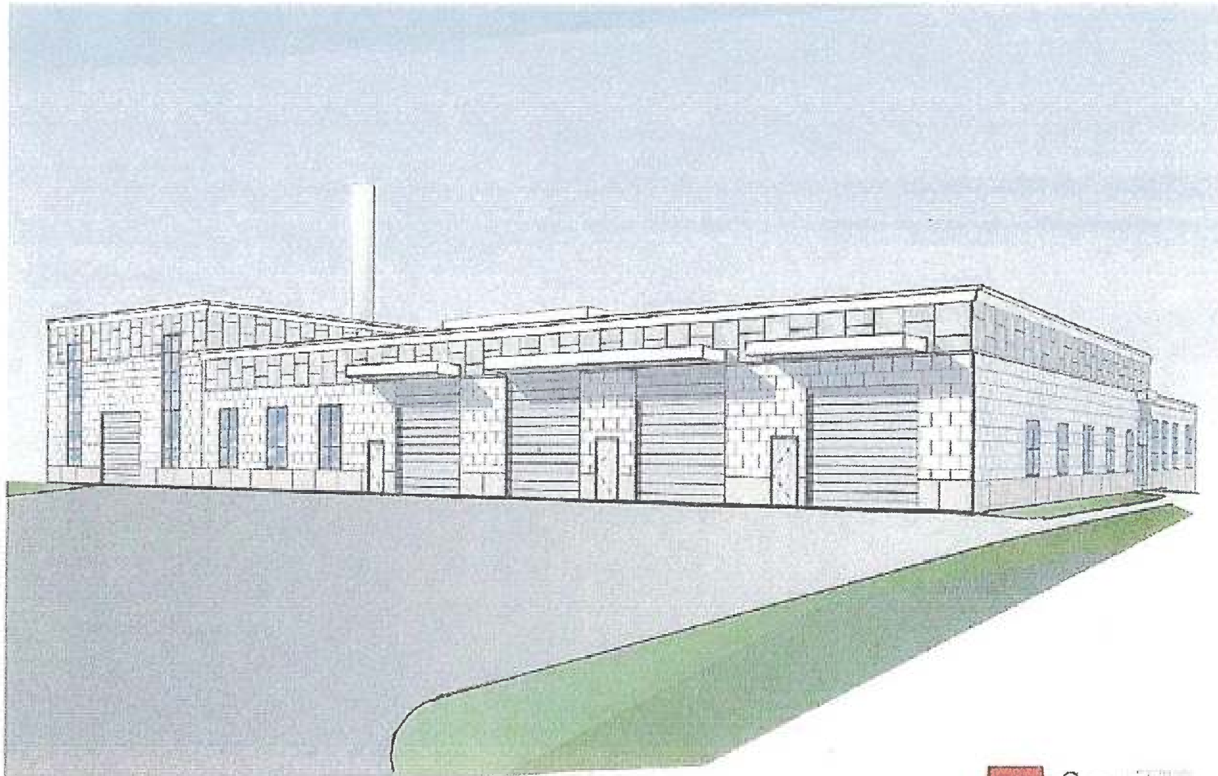
GOODY CLANCY



Waterbury State Office Complex
103 South Main Street
Waterbury, Vermont
August 15, 2012

Site Master Plan

GOODY CLANCY



Cerntal Plant Perspective

SOLAR HOT WATER

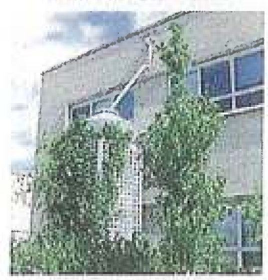
VERTICAL AXIS WIND

SKYLIGHT & DAYLIGHTING

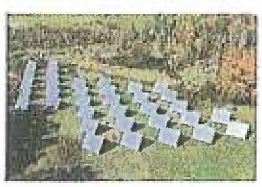
CHARGING STATIONS

PHOTOVOLTAIC ON ROOF

DAYLIGHTING CONTROL

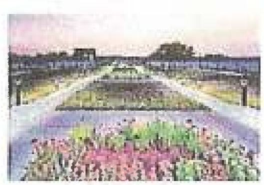


RAINWATER REUSE



PHOTOVOLTAIC TRACKERS

BLADE TIP WIND



ROOF GARDEN

INFORMATION DISPLAY

POTENTIAL GREEN FEATURES

freeman | french | freeman

GOODY CLANCY

Project Name: Waterbury Complex
Project Number: A1210.00
Date: 10/12/12

MEMORANDUM

To: Mike Stevens, BGS

From: Jesse Beck, FFF

Subject: WSOC Option Analysis - **Option B2B** – New Option With Stabilizing Weeks and Hanks

A.) Occupants Required Plus Capacity

AHS Program Required	934 FTEs	Occupants
Others (add to Program)	40	
BGS Program Required	18 FTEs	
	992 Program	
Capacity of Weeks 125	0	Capacity
Capacity of Hanks 16	0	

Total 992 Occupants Required

B.) Telecommute Reduction – Physical Building Occupants

Location	W/O T.	W/T.	Cost
Historic Core	500	(-10%) 450	Fixed Cost
New Construction	474	(-10%) 426	Variable
BGS Building	18	(-10%) 16	Variable
	992	892	
Weeks	0	(-10%) 0	Fixed Cost
Hanks	0	(-10%) 0	Fixed Cost

Physical Building 992 (Occupants) 892 (Physical Seats)

C.) Construction Costs

Demo	New(442)	Reno(450)	Site	Parking	Flood Protect	CP	Total Construction
4,746	25,560	24,523			4,783		
750	2,247	1,500			764		
		500			223		
$5,496	$27,807	$26,523	$10,275	$9,353	$5,770	$14,500	$99,724

D.) Project Cost

$99,724 + 25% = **$124,655** (does not include $6,000 for displaced AG lab)

Note:
1. Weeks and Hanks Has Dry Flood proofing and Limited Reno for Stabilizing
2. Additional 76 occupants in new building, plus 16 in new BGS Maintenance Facility
3. Increased SF for 76 occupants – approximately 14,000SF
4. BGS Maintenance Facility for 16 seats, plus work areas – approximately 8,000SF
5. Physical Capacity (Seats) is sized by applying a 10% Reduction for Telework

cc: Mike Obuchowski, BGS
Wanda Minoli, BGS
Larry Copp, EPR

Conclusions and Recommendations Pertaining to No. 104 Public Acts, 2012 Session

>> Waterbury State Office Complex (WSOC) Options Analysis:

Conclusions:

- The 30-year net present value analysis of the options for reuse of the WSOC shows a narrow bandwidth between the lowest cost option and the highest cost option.
- The analysis also shows that if the State of Vermont wishes to locate more than 818 positions back to the WSOC, it should do so by building new space.
    - The marginal cost of additional new space is \$58,500 per position, while the marginal cost of additional renovated space is \$80,119 per position.

Recommendation:

- The State of Vermont should relocate the entirety of the Agency of Human Services (AHS) that has been identified for possible relocation back to Waterbury to the WSOC thus achieving the programming goal of co-location of AHS personnel while also reducing costs into the future to the lowest marginal capital cost.

>> Potential Cost Savings Resulting from Telework Analysis

Conclusions:

- The potential economic benefits per 10 full-time equivalent employees over a 30-year period (2013\$) of increased telework by State employees is as follows:
    - For newly constructed space -- \$913,200
    - For renovated space -- \$1,048,100
    - For leased space -- \$491,500 [1]

[1] Caution: The 30-year net present value savings for leased space are not directly comparable to those for newly constructed space and renovated space due to the State having to provide other services not covered by the lease costs (e.g. security). Therefore, the potential savings to the State may be understated.

Recommendation:

- The State of Vermont should actively pursue increased utilization of the State's telework policy now as the best time to realize savings is prior to the construction or renovation of office space.

>> Considerations for Leasing Space versus Building Ownership

Conclusion:

- Decisions to lease versus own must be made in consideration of factors associated with the specific circumstances of the need for space including, but not limited to, the amount of the space needed, the duration of time the space is needed, and the use for which the space will serve.

Recommendation:

- The State of Vermont should consider the specific needs for space in each instance prior to making a decision as to whether or not leased space is preferable to building space to own.

>> Relocation Option Analysis for the Department of Education

Conclusion:

- The State of Vermont can save approximately $5.3 million over a 20-year period by co-locating the 170 DOE positions in leased space in Central Vermont as opposed to co-locating them at the WSOC.

B(2)

VERMONT

Office of the Commissioner

Department of Buildings & General Services
Agency of Administration

Two Governor Aiken Avenue
Montpelier, VT 05633-5801
(Voice) 802-828-3519
(FAX) 802-828-3533
BGS Home Page: www.bgs.state.vt.us

MEMORANDUM

TO: Representative Cynthia Browning

cc: Representative Alice Emmons, Chair House Corrections and Institutions
Senator Robert Hartwell, Chair of Senate Institutions
Steve Klein and Catherine Benham, Joint Fiscal Office

FROM: Michael J. Obuchowski, Commissioner Buildings and General Services MJO

DATE: November 6, 2012

SUBJECT: "Fill Footprint" – Modified Option B Presented 10/19/2012

Representative Browning - on October 26, 2012 you posed several questions regarding our site design for the modified option B plan presented to the joint committees on institutions on October 19, 2012. My staff and our design team have reviewed your questions, and have the following answers. I'm hopeful that you will find these answers helpful to your understanding of our project and why we are proposing to do the work we are intending to do.

To facilitate your understanding of this project, and to address other aspects of site stability and insurability I've attached a memorandum and drawings prepared by Freeman French Freeman, memorandum by Economic and Policy Resources, Inc, and an email from Bill Duchac, Risk Manager Department of Buildings and General Services regarding future insurability of the Waterbury State Office Complex:

- "WSOC Flood Plain Approach": {dated 10/31/2012} from FFF to Mike Stevens, and
  - C400 – Proposed Site Section,
  - C401-E - Existing Site with Flood Lines,
  - C401 –P – Proposed Site with Flood Lines,
  - C402 - Cut and fill Volumes (with Basins).
- "Questions Raised by Representative Browning": {dated 11/5/2012} prepared by Lawrence Copp and Brian Halloran of EPR.
- October 23, 2012 Email - Insurability

The following are specific questions you addressed to David Burley on October 26, 2012 and his corresponding responses.

Can you tell me what the dimensions of the filled plateaus or embankments that the new heating plant and new office building at WSOC might be?

It is very difficult to give you specific dimensions as the shapes of the fills and cuts are not simple figures that lend themselves to articulating dimensions without extraordinary effort; but I've attached plans showing the dimensions as well as sections that convey the depths of both fill and cut sections. What I can do - fairly simply - is give you a summary of the quantities of cuts and fills associated with our planned development. Basically our objective is to balance the cuts and fill quantities equally so that we qualify for "Zero-rise Certification". This certification attests to the **fact** that at Zero-rise our fills will not cause any rise in flood waters as a result of these fill and cut activities.

Here's the analysis from the engineers (10/31/2012 FFF Memo Attached) in summary form:

- Fill:
  - 2 new buildings (Central Plant and New Building) – 21,000 CY
  - Parking sub-base – 25,400 CY
  - General Site - 8,000 CY
  - **Total Fill Volume: 54,400 CY**
- Cut:
  - Demolished buildings - 21,000 CY
  - Future outer park loop road - 6,700 CY
  - Compensatory Storage North - 19,800 CY
  - Compensatory Storage South - 6,900 CY
  - **Total Cut Volume: 54,400 CY**
  - Additional available cuts **if necessary**:
    - Compensatory Storage North - 6,900 CY

Would the open courtyard area have to be filled in as well? Yes. Would it average 6 to 8 feet in height, or more? It appears the average fill depth in this area is about 5'. It appears to vary from a low of 1 or 2 feet to a high of about 7 or 8 feet.

At the Friday meeting I believe that Mr. Beck of FFF said that the construction approach would be to create the compacted filled plateau, and then lay a concrete slab on top, on which the buildings would be built. Is this correct? The slab would not be the structural element holding up the building. The building will be supported by either spread footings or piles. The type of structural support depends on what the soils engineers tell us is necessary given the loads as well as the soil conditions beneath the structure. The final decision on what type of structural support to use has not been determined at this point but should be made relatively soon.

Please let me know if you would like to meet and discuss our responses in a more detailed manner.

freeman | french | freeman

GOODY CLANCY ARCHITECTURE PLANNING PRESERVATION

Project Name: Waterbury Complex
Project Number: A1210.00
Date: 10/31/12

MEMORANDUM

To: Mike Stevens, BGS

From: Jesse Beck, FFF

Subject: WSOC Floodplain Approach

Introduction

This memo is written to address questions asked about the WSOC design and floodplain approach. The information contained in this memo is from discussions and input from:

Freeman French Freeman (FFF) – Architect of Record
Engineering Ventures (EV) – Civil Engineers
Vanasse, Hangen, Brustlin (VHB) - Floodplain Civil Engineers

The current design of the WSOC project is following FEMA regulations and the team is working with the Agency of Natural Resources to have no adverse impact on the floodplain. The engineering goal is to achieve a No-rise Certification for the project.

The current design places the Central Plant and new Agency of Human Services building on compacted engineered fill to achieve the design height of 500 year flood level plus 6". This is an accepted method for building in a floodplain.

Floodplain Cut & Fill

FEMA standards, State Agencies and the Town of Waterbury allow projects in a floodplain through careful regulation. The WSOC project is being designed to achieve a No-rise Certification, which means floodwaters will not be negatively altered and there will be no adverse impacts. In fact, we feel the current design will improve the situation due to the buildings being removed.

The attached drawings illustrate the areas of cut and fill proposed to restore the floodplain and create storage volume for the flood waters. We feel this approach is the best way to minimize risk to the WSOC Campus and buildings within.

A.) In summary:

	Fill		Cut
2 New Buildings	21,000 cy	Compensatory Storage N.	26,700 cy
Parking Sub-base	25,400 cy	Compensatory Storage S.	6,900 cy
General Site	8,000 cy	Future Outer Park Loop	6,700 cy
		Demolished Buildings	21,000 cy
Total Fill	54,400 cy	Total Cut	61,300 cy

B.) Notes:

1. Additional compensatory storage has been identified if needed.
2. Storm water retention ponds will be created in addition to compensatory storage.
3. Average cut depth for compensatory storage is 2.7 feet.
4. Fill areas under the two new buildings range from 4 to 8 feet.

Questions Asked

1. **Will flooding destabilize or liquefy the fill?** No, the engineered fill under the building will be granular, and specified to have a low "fines" content (silt and clay sized particles), to increase stability and reduce this potential. Existing soils are removed and the fill is compacted in several layers to form a solid platform for the building. Footings and foundations help anchor the building to the ground. The building slab has proper drainage to protect from water infiltration. Water saturation does not affect the stability of the compacted fill. A specification can be provided for further information.

2. **Will the flooding over the curve of the river create erosive forces and cause a problem?** No, the erosive forces of a flood are where the velocities and volume are the greatest. This is termed the floodway and is mapped on the drawings. The current design does not build in the floodway and is a very safe distance back from the floodway. Also worth noting is that the site lies within an inside curve of the river, and correspondingly the greatest risk of erosion lies toward the Duxbury side. This was evident after Irene, with significant deposition across the site and erosion concentrated on the Duxbury side of the river. It is worth noting that FEMA mapping denoted Zone AE (where the new buildings would be located) as having very slow velocities which would not be sufficient to generate significant erosion.

3. **Can you place a new building on the WSOC property not in the floodplain?** Yes, but there is very little area available that is not in the 100 year, and even less in the 500 year floodplain. Our design elevation is 500 year plus 6" and the building square footage required is 88,000 SF, which results in a large footprint. The only area out of the floodplain that is large enough is in front of the Historical Core and the most likely location in that area is the large common referred to as the "Front Lawn". Building a structure in this location is not acceptable to the Town of Waterbury or The State Historic Preservation Office (SHPO).

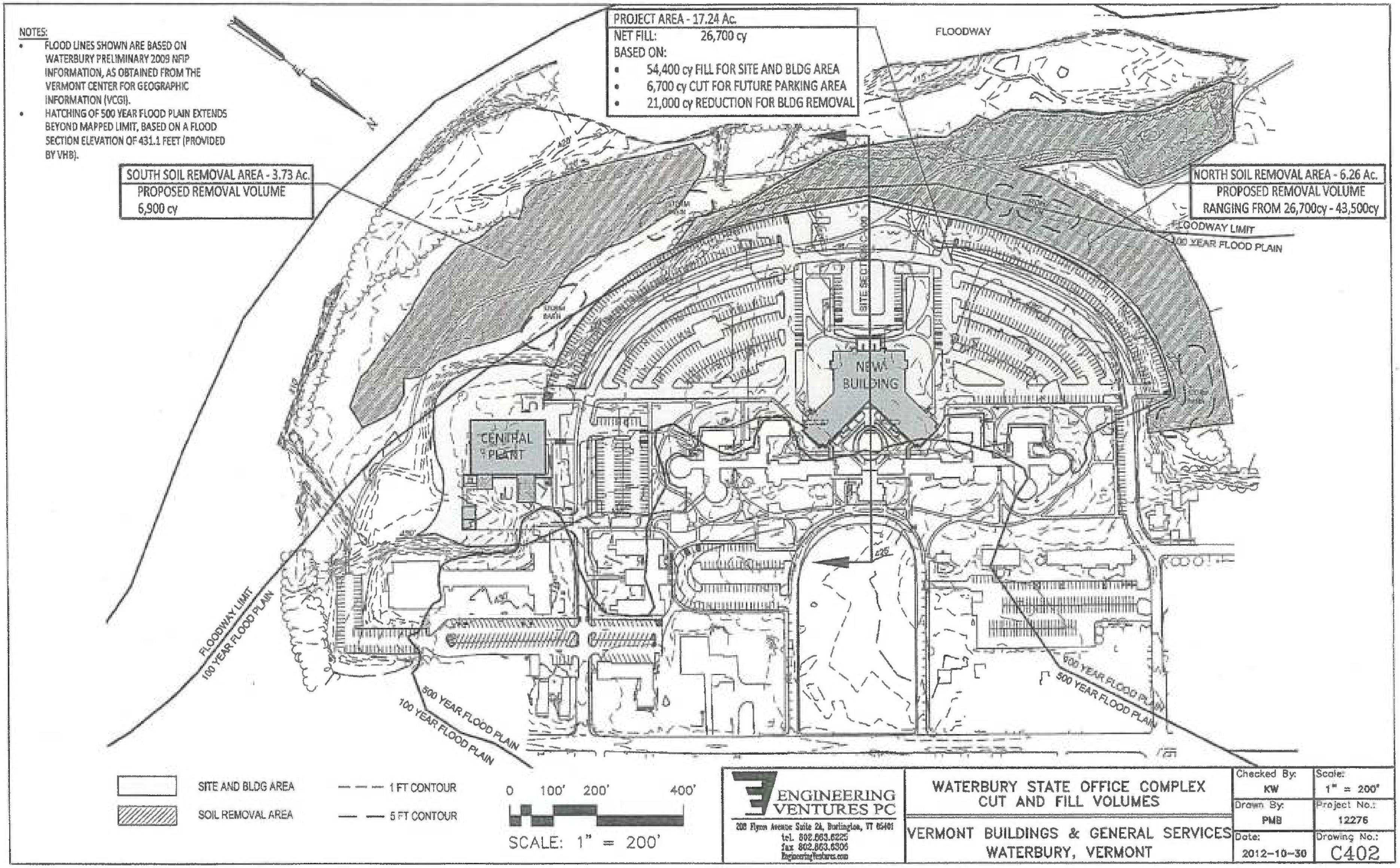
4. **Will the fill and building placement make the river flooding elsewhere more intense?** No, to help mitigate the floodplain we are removing 15 buildings and removing a large volume of materials straddling the floodway and the floodplain. This volume will allow the Historic Core to be flood proofed and the new building to be on compacted fill. The result will be a net zero impact to floodplain capacity. ANR is working closely with the Engineers to achieve a No-rise Certification of the project.

5. **Why did the project eliminate parking under the new building so that water could flow under the building?** There were multiple reasons for eliminating the parking under the building and using compacted engineered fill. As we looked at floor elevations for the new building, it became apparent that placing parking under the building would require depressing grade under and around the building which would have increased the vulnerability to flooding. For safety reasons we did not want people from cars accessing the building from underneath. Accessing from underneath meant elevators, stairwells, and lobbies would be built in the floodplain and would have to be flood proofed. Any flood event would mean extra maintenance and clean up under the building. Any floating debris could be carried under the new building causing damage. A capitol cost comparison of compacted fill to parking under the building resulted in a savings of approximately $3,000,000.

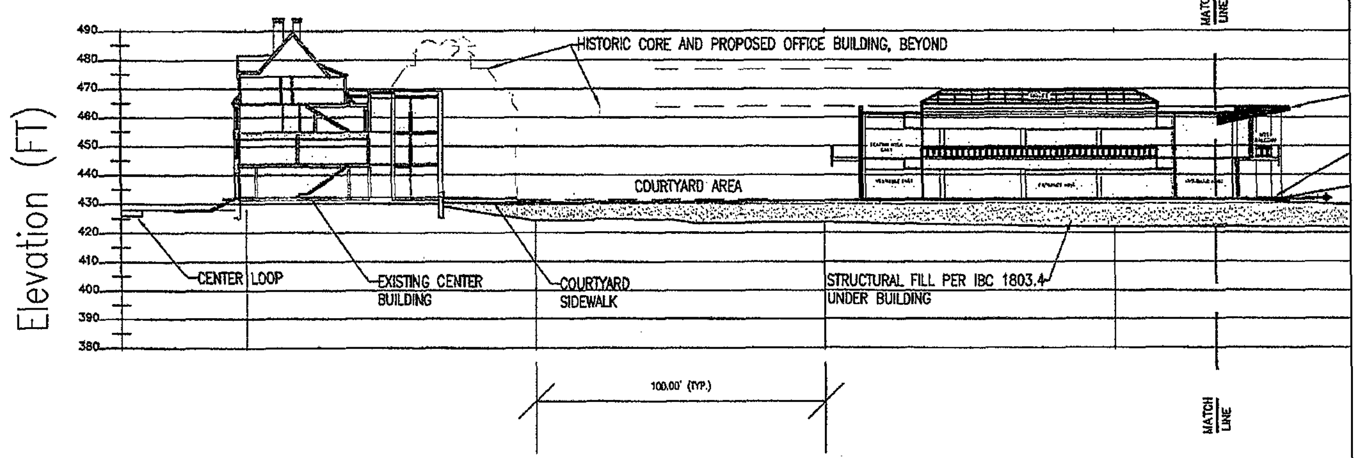
Summary

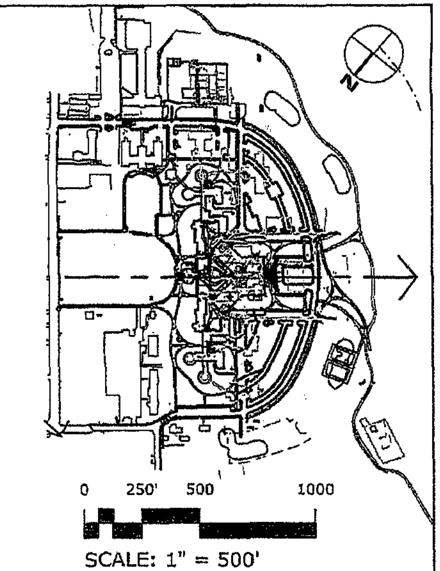
After reviewing many options and considering many factors, the Architectural and Engineering team believes the current design direction is the best way to work with the floodplain and achieve a successful building design for the Agency of Human Services and new Central Plant above the 500 year elevation.

Attachments: Site Section; Cut & Fill Map; Existing Plan; Proposed Plan

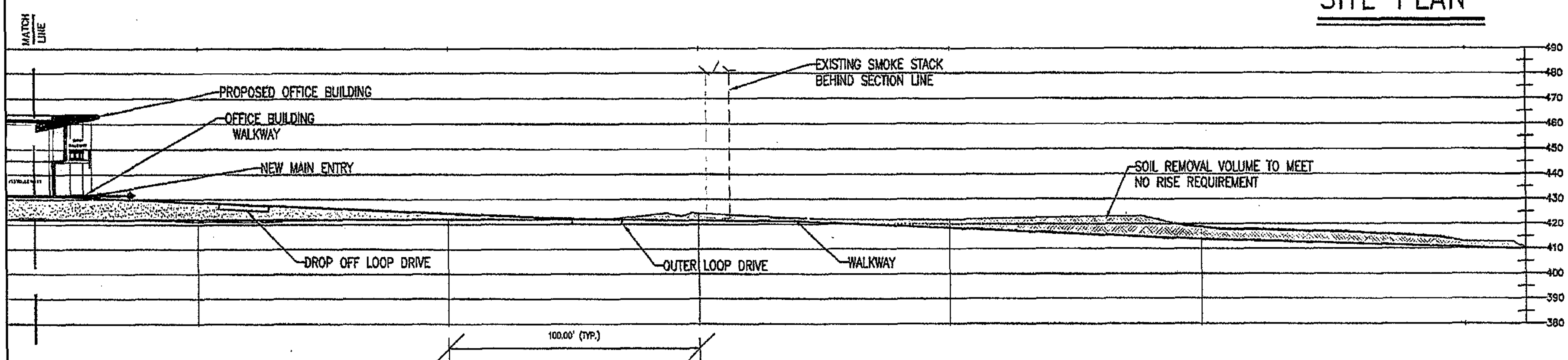

NOTES:
• FLOOD LINES SHOWN ARE BASED ON WATERBURY PRELIMINARY 2009 NFIP INFORMATION, AS OBTAINED FROM THE VERMONT CENTER FOR GEOGRAPHIC INFORMATION (VCGI).
• HATCHING OF 500 YEAR FLOOD PLAIN EXTENDS BEYOND MAPPED LIMIT, BASED ON A FLOOD SECTION ELEVATION OF 431.1 FEET (PROVIDED BY VHB).
PROJECT AREA - 17.24 Ac.
NET FILL: 26,700 cy
BASED ON:
• 54,400 cy FILL FOR SITE AND BLDG AREA
• 6,700 cy CUT FOR FUTURE PARKING AREA
• 21,000 cy REDUCTION FOR BLDG REMOVAL
FLOODWAY
SOUTH SOIL REMOVAL AREA - 3.73 Ac.
PROPOSED REMOVAL VOLUME
6,900 cy
NORTH SOIL REMOVAL AREA - 6.26 Ac.
PROPOSED REMOVAL VOLUME
RANGING FROM 26,700cy - 43,500cy
FLOODWAY LIMIT
100 YEAR FLOOD PLAIN
SITE SECTION
NEW BUILDING
CENTRAL PLANT
FLOODWAY LIMIT
100 YEAR FLOOD PLAIN
500 YEAR FLOOD PLAIN
100 YEAR FLOOD PLAIN
500 YEAR FLOOD PLAIN
500 YEAR FLOOD PLAIN
SITE AND BLDG AREA
SOIL REMOVAL AREA
1 FT CONTOUR
5 FT CONTOUR
0 100' 200' 400'
SCALE: 1" = 200'
ENGINEERING VENTURES PC
208 Flynn Avenue Suite 2A, Burlington, VT 05401
tel. 802.863.6225
fax 802.863.6306
EngineeringVentures.com
WATERBURY STATE OFFICE COMPLEX
CUT AND FILL VOLUMES
VERMONT BUILDINGS & GENERAL SERVICES
WATERBURY, VERMONT
Checked By: KW
Drawn By: PMB
Date: 2012-10-30
Scale: 1" = 200'
Project No.: 12276
Drawing No.: C402

PROPOSED SITE SECTION





SITE PLAN



0 20' 40' 80'

SCALE: 1" = 40'

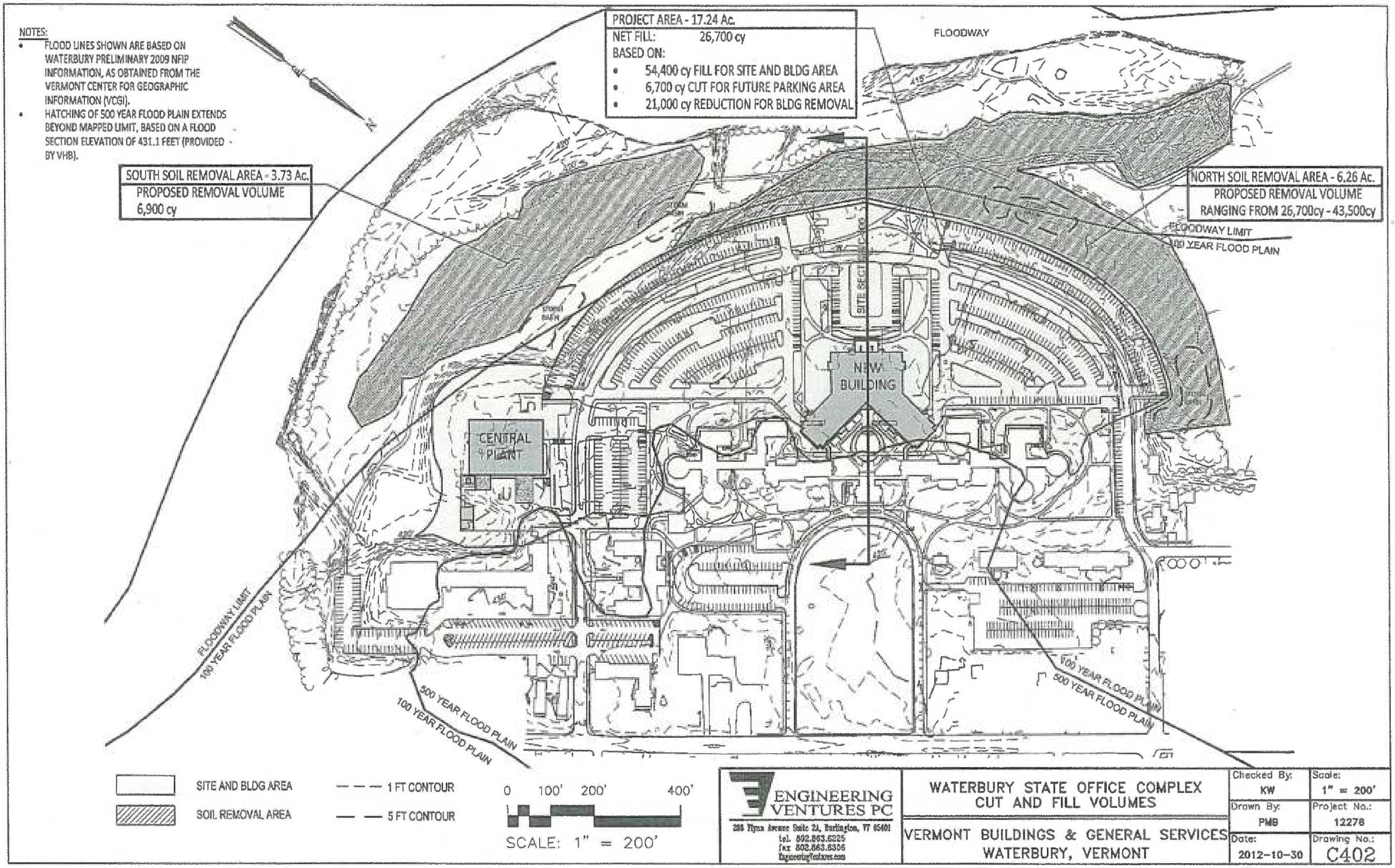
LEGEND

PROPOSED FILL

PROPOSED SOIL REMOVAL AREA (FOR COMPENSATORY FLOOD STORAGE)

ENGINEERING VENTURES PC
208 Flynn Avenue Suite 2A, Burlington, VT 05401
tel. 802.863.6225
fax 802.863.6306
EngineeringVentures.com

PROPOSED SITE SECTION WATERBURY STATE OFFICE COMPLEX	Checked By: PB	Scale: AS NOTED
	Drawn By: DZ	Project No.: 12276
103 SOUTH MAIN STREET WATERBURY, VT	Date: 10/30/2012	Drawing No.: C400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Memo

To: Michael J. Obuchowski, Commissioner, Buildings and General Services

From: Lawrence D. Copp/Brian P. Halloran, EPR

CC: Wanda Minoli; Mike Stevens; Jesse Beck; Tom Sandretto

Date: 11/5/2012

Re: Questions Raised by Representative Browning

In response to your request, we have prepared this memorandum to address the questions raised by Representative Browning during the presentation to the Joint Institutions Committee on October 19, 2012 and a subsequent email dated October 24, 2012. There are three questions in total.

Question: *"What is the 'worst-case' scenario for operating costs of Weeks and Hanks in the option in which they were banked for future use?"*

Answer: The 30-year net present value operating costs for Weeks and Hanks if they are banked would be $0.95 million. This represents approximately $39,000 per year (2013$) for minimal heating, occasional lighting, and minor maintenance. The presence of these buildings will have a negligible impact on security, grounds maintenance, and insurance costs.

Question: *"What is the Average Total Cost of office space comparing new and renovated? In other words, you gave the marginal costs – what are the Average Total Costs?"*

Answer: Please see pages 9-11 of our October 12, 2012 report. The average capital cost per position at the Waterbury State Office Complex (WSOC) is as follows:

1. Option B2: $165,391
2. Option B2 Revised: $154,010
3. Option B Modified: $142,413

Additionally, on pages 9-11 of the report, we included the average capital cost at the WSOC per total positions in the analysis (1,042). These figures are as follows:

1. Option B2: $129,837
2. Option B2 Revised: $139,525
3. Option B Modified: $142,413

The average total costs for Option B2 and Option B2 Revised decrease because there are fewer positions being housed on site. However, while the up-front capital costs decrease per position, they do so at the expense of increased operating costs each year. Therefore, capital costs are being exchanged for operating costs.

Question: "What are the comparable costs, both average and marginal, for renovated office space versus new office space, for a smaller number of workers – in other words not 1,000 or 992, but 900, or 850?"

Answer: Using 892 positions so the two options now have the same number of positions located on site, the pertinent variable for consideration is the average capital cost. The average capital cost per position in these two options is as follows[1]:

1. Larger New Addition: $162,169
2. Weeks and Hanks: $161,158

This difference sums to a total capital cost difference of approximately $0.9 million between the two options, as shown below:

1. Larger New Addition: $124.7 million
2. Weeks and Hanks: $123.8 million

While a lower capital cost, the option including the reuse of Weeks and Hanks in place of building additional new space has a higher cost of operating than the option including the larger new addition. The 30-year net present value figures for the two options are as follows[2]:

1. Larger New Addition: $222.8 million in total[3]
    a. Capital: $143.7
    b. Operating: $79.2
2. Weeks and Hanks: $226.7 million in total
    a. Capital: $142.8
    b. Operating: $83.9

As displayed above, the 30-year net present value of the larger new addition is approximately $3.9 million less expensive than the Weeks and Hanks option. This is due to the operating costs of the Weeks and Hanks option being $4.8 million more expensive to operate.[4] Even in the worst case scenario, discussed above in response to the first question, the larger new addition option would still be $3.0 million less expensive than the Weeks and Hanks option over 30 years. Additionally, no value has been assigned to the ability of the State to use Weeks and Hanks as swing space, sell the buildings, lease the buildings, or utilize the buildings to offset leased space elsewhere in Central Vermont.

Please let us know if any further questions arise that require the attention of EPR and we will work to address them.

[1] Includes $20.0 million in cleanup and stabilization costs already spent at the WSOC that are not included in the total capital cost figures.
[2] Includes $20.0 million in cleanup and stabilization costs already spent at the WSOC that are not included in the total capital cost figures.
[3] Difference between the total figure and the sum of the capital and operating figures is due to rounding.
[4] Difference due to rounding.

Stevens, Mike

From: Duchac, Bill
Sent: Tuesday, October 23, 2012 8:48 AM
To: Obuchowski, Mike; Stevens, Mike
Cc: Minoli, Wanda; Clasen, Michael; Rousseau, Paul
Subject: RE: Insurability

In order:

will the real property assets of the state be insurable?

Yes, and they are currently insured for replacement value. That is true except for flood which is covered first by NFIP (actual cash value up to 500k per structure) and then 5m of flood coverage from Lloyds of London (based on stated amount).

If there were future catastrophic events involving the WSOC, what role would FEMA play?

Just as with Irene it will take a formal declaration for FEMA to come in to participate. FEMA coverage is excess of any purchased flood coverage and in the case of a flood zone, excess at minimum of NFIP. In fact, FEMA participation was part of the calculation in our insurance coverage purchasing decisions. It is anticipated that any (flooding) event that exceeded the 5m limit would ultimately become FEMA eligible.

Eligibility for FEMA?

To maintain FEMA eligibility the state would be obligated to maintain flood insurance on any building for which we receive any FEMA funds.

In the event of a flood event what is SOV liability to Waterbury if Waterbury damaged?

Presuming that the state has not taken any overt action that negatively impacts the village, there would be no change in the liability of the state.

I think this is responsive to your questions, but please let me know if you should wish to discuss or have any further questions.

Bill Duchac
bill.duchac@state.vt.us
802 828-4671 Direct 802 828-1269 Facsimile 802 793-5626 Mobile

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From: Obuchowski, Mike
Sent: Tuesday, October 23, 2012 7:55 AM
To: Duchac, Bill; Stevens, Mike
Cc: Minoli, Wanda
Subject: Insurability

Assuming that the WSOC is re-populated, will the real property assets of the state be insurable? If there were future catastrophic events involving the WSOC, what role would FEMA play? Eligibility for FEMA? In the event of a flood event what is SOV liability to Waterbury if Waterbury damaged? Thank you

B.(3)

No. 104. An act relating to capital construction and state bonding budget adjustment.

(H.785)

Sec. 3. Sec. 2 of No. 40 of the Acts of 2011 is amended to read:

Sec. 2. STATE BUILDINGS

* * *

(9)(A) For planning, design, demolition, flood mitigation, permitting, construction and architectural and engineering costs for design development for a version of the partial reuse of the Waterbury Complex and new construction as described in the consultants' feasibility study dated March 9, 2012 and subsection (f) of this section: 12,000,000

(B)(i) For planning, design, site acquisition, leasing, including land leasing and lease purchasing, construction and architectural and engineering costs for design development or renovation related to the relocation or replacement of services previously provided at Vermont State Hospital, including the establishment of a 14-bed unit and a six-bed unit, respectively, at a hospital in southeastern Vermont and a hospital in southwestern Vermont; a new 25-bed hospital owned and operated by the state in central Vermont and proximate to an existing hospital; a secure seven-bed residential facility owned and operated by the state; or the provision of acute inpatient services at temporary locations: 5,000,000

(ii) Notwithstanding 29 V.S.A. § 820, the commissioner of buildings and general services shall present three potential names for the new 25-bed hospital to the general assembly on or before January 15, 2013. The commissioner shall give preference to Vermonters integral to the advancement of mental health care in the state.

(C) To renovate and equip the National Life building in Montpelier to accommodate state offices as described in Sec. 20 of the 2012 capital budget adjustment act: 1,000,000

(D) Notwithstanding subsection (a) of this section, allocations in this subdivision shall be used only to fund the projects described in this subdivision (9). However, if costs associated with these projects exceed the amount allocated in this subdivision, the commissioner may transfer funds from other projects in this section.

(E) For the purpose of allowing the department of buildings and general services to enter into contractual agreements and complete work on the Waterbury Complex and the mental health system of care as soon as possible, it is the intent that more funds will be appropriated for these projects in future acts relating to capital construction and state bonding.

* * *

(f)(1) Option B of the of the Freeman, French, Freeman report published on March 9, 2012 aligns closely with the general assembly's vision for the Waterbury Complex. However, the general assembly believes that Option B could be modified to achieve a cost savings to Vermonters. On or before June 1, 2012, the department of buildings and general services shall present a modified design proposal, including proposals under subdivision (4) of this subsection (f) to the house committee on corrections and institutions, the senate committee on institutions, and the special committee described in this subsection.

(A) The general assembly envisions that the modified design proposal would meet the dual goals of achieving a cost savings for the state and delivering state services in the most efficient manner possible while still utilizing quality Vermont materials for the new building.

(B) Because the quality and efficiency of state services are as important as achieving a cost savings, the size of the new building and the size of the future complex in general should be determined only after the following assessments, which shall also consider outcomes such as reduced operating expenses; judicious consumption of energy; increased use of telecommuting or hoteling; an awareness of modern workplace space standards coordinated services delivered; and minimized use of leased space:

(i) a program assessment to determine the amount of space necessary to house the agency of human services with room for projected future growth or any other state agency deemed appropriate by the commissioner of buildings and general services.

(ii) an assessment of the feasibility of moving the department of education to the complex, including a 20-year cost comparison to other options in central Vermont.

(2) A special committee consisting of the joint fiscal committee, the chairs of the house committee on corrections and institutions, and the senate committee on institutions ("special committee") is hereby established.

(A) The special committee shall meet to review, approve, or recommend alterations to the design described in this subsection at the next regularly scheduled meeting of the joint fiscal committee or at an emergency meeting called by the chairs of the house committee on corrections and institutions, the senate committee on institutions, and the joint fiscal committee.

(B) In making its decision, the special committee shall consider how the design impacts the ability of the state to provide services to citizens, programming, the financial consequences to the state of approval or disapproval of the proposal, and potential alternatives available. The special committee shall be entitled to per diem and expenses as provided in 2 V.S.A. § 406.

(C) The special committee may also meet to make decisions made necessary by unanticipated or unforeseen circumstances.

(3) The commissioner of buildings and general services shall notify the house committee on corrections and institutions and the senate committee on institutions at least monthly of updates to the planning process for the projects described in subdivision (c)(9) of this section. With approval of the speaker of the house and the president pro tempore, as appropriate, the house committee on corrections and institutions and the senate committee on institutions may meet up to six times when the general assembly is not in session to discuss any significant updates to the planning process for the Waterbury Complex and make recommendations to the special committee described in this subsection. The committees shall notify the commissioner of buildings and general services prior to holding a meeting pursuant to this subdivision.

Committee members shall be entitled to receive a per diem and expenses as provided in 2 V.S.A. § 406.

(4) The commissioner of buildings and general services is authorized to take certain actions before formal approval of the design. Therefore, notwithstanding 29 V.S.A. § 152(a)(6), 165, or 166 or any other provision of law, in addition to producing a design, permitting, and applying for federal aid, upon passage of this act, the commissioner of buildings and general services may:

(A) lease, sell, lease purchase, subdivide, or donate the following buildings within the Waterbury Complex in their current condition: Stanley Wasson, 121 South Main Street, 123 South Main Street, 5 Park Row, 43 Randall Street, and their improvements.

(B) consider retaining the Ladd building or the Weeks building for state use. If the commissioner determines that retaining Ladd or Weeks is not in the best interest of the state, the commissioner may divest the state of these properties by any manner described in subdivision (4)(A) of this subsection (f) subject to the requirements of subdivision (2)(A) of this subsection (f).

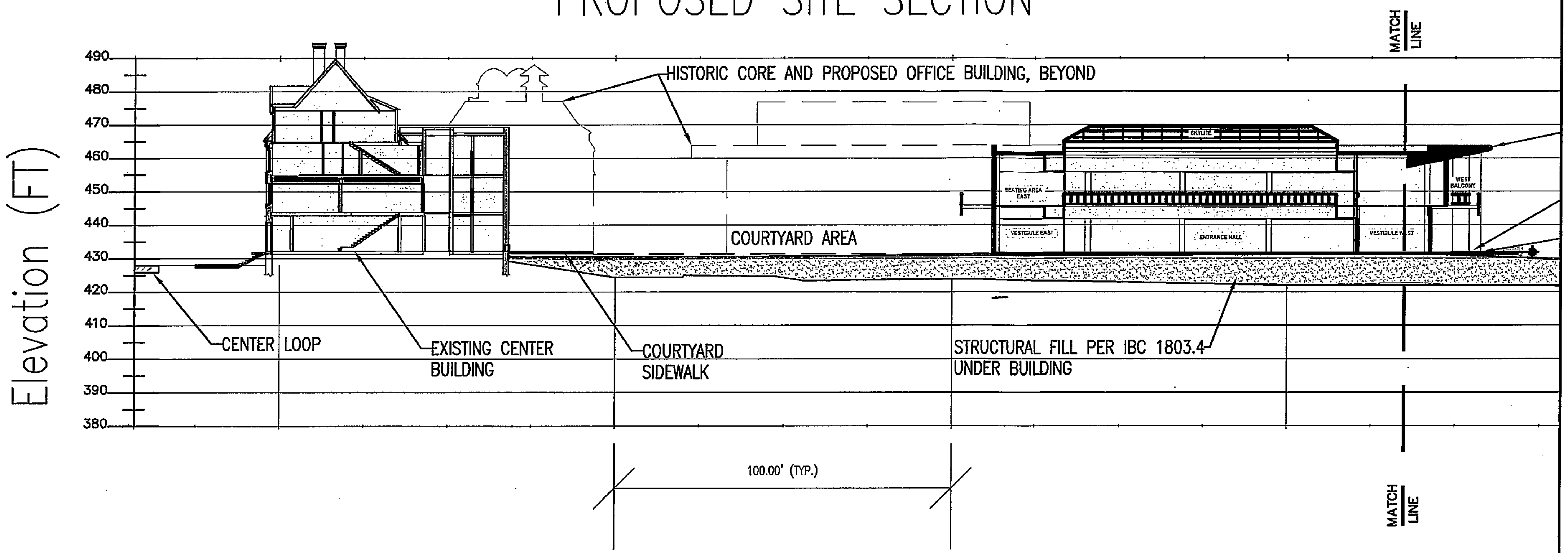
(C) consider whether the Hanks building should be demolished to facilitate flood mitigation efforts and, if the commissioner so determines, demolish the building in accordance with the requirements of subdivision (4)(E) of this subsection (f). Otherwise, the commissioner may divest the state of Hanks by any manner described in subdivision (4)(A) of this subsection (f) subject to the requirements of subdivision (2)(A) of this subsection (f).

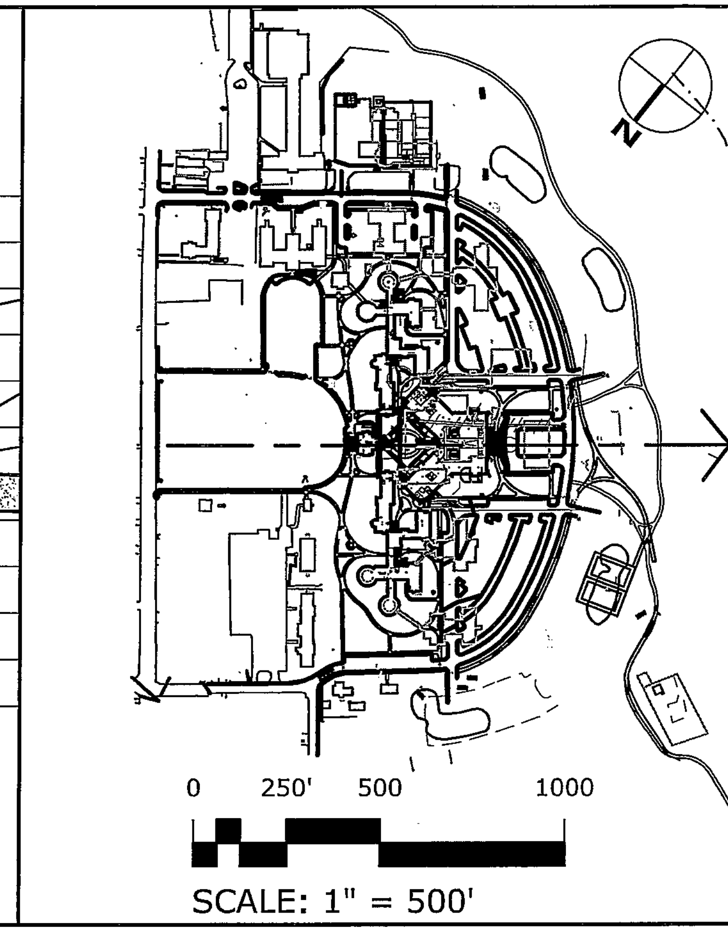
(E) assuming any required permits are attained, demolish any building in the Waterbury Complex except those named in subdivisions (f)(4)(A), (B), (C), or (D) of this section; the 1889–1896 early construction buildings, sometimes referred to as the historic bone or spine; the smokestack; and the public safety headquarters and forensics laboratory and their improvements.

(F) before selecting a heating system for the Waterbury Complex, investigate further and consider options to assure the personnel operating costs as well as other life cycle costs have been analyzed. The department or designee shall also conduct a comparative cost effectiveness analysis of producing heat and electricity.

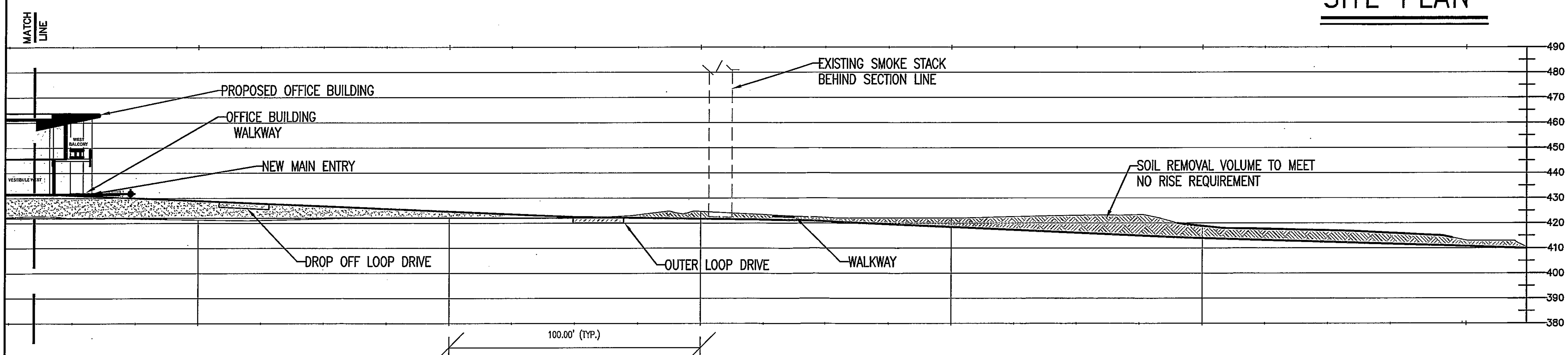
(5) To the extent that amounts of potential funding from various sources are not clear upon passage of this act, the legislative intent for funding the capital costs of subdivision (c)(9) and subsection (f) of this section to the extent practicable is first through insurance funds that may be available for these purposes; second through the Federal Emergency Management Agency (FEMA) funds that may be available for these purposes and any required state match; third, in the case of the 14-bed unit and the six-bed unit described in No. 79 of the Acts of the 2011 Adj. Sess. (2012), through a rate payment with clearly defined terms of services; and last with state capital or general funds. Notwithstanding 32 V.S.A. §§ 134 and 135, any capital funds expended for projects described in this act that are reimbursed at a later date by insurance or FEMA shall be reallocated to fund capital projects in a future act relating to capital construction and state bonding.

PROPOSED SITE SECTION





SITE PLAN



0 20' 40' 80'

SCALE: 1" = 40'

LEGEND

PROPOSED FILL

PROPOSED SOIL REMOVAL AREA (FOR COMPENSATORY FLOOD STORAGE)

ENGINEERING VENTURES PC
208 Flynn Avenue Suite 2A, Burlington, VT 05401
tel. 802.863.6225
fax 802.863.6306
EngineeringVentures.com

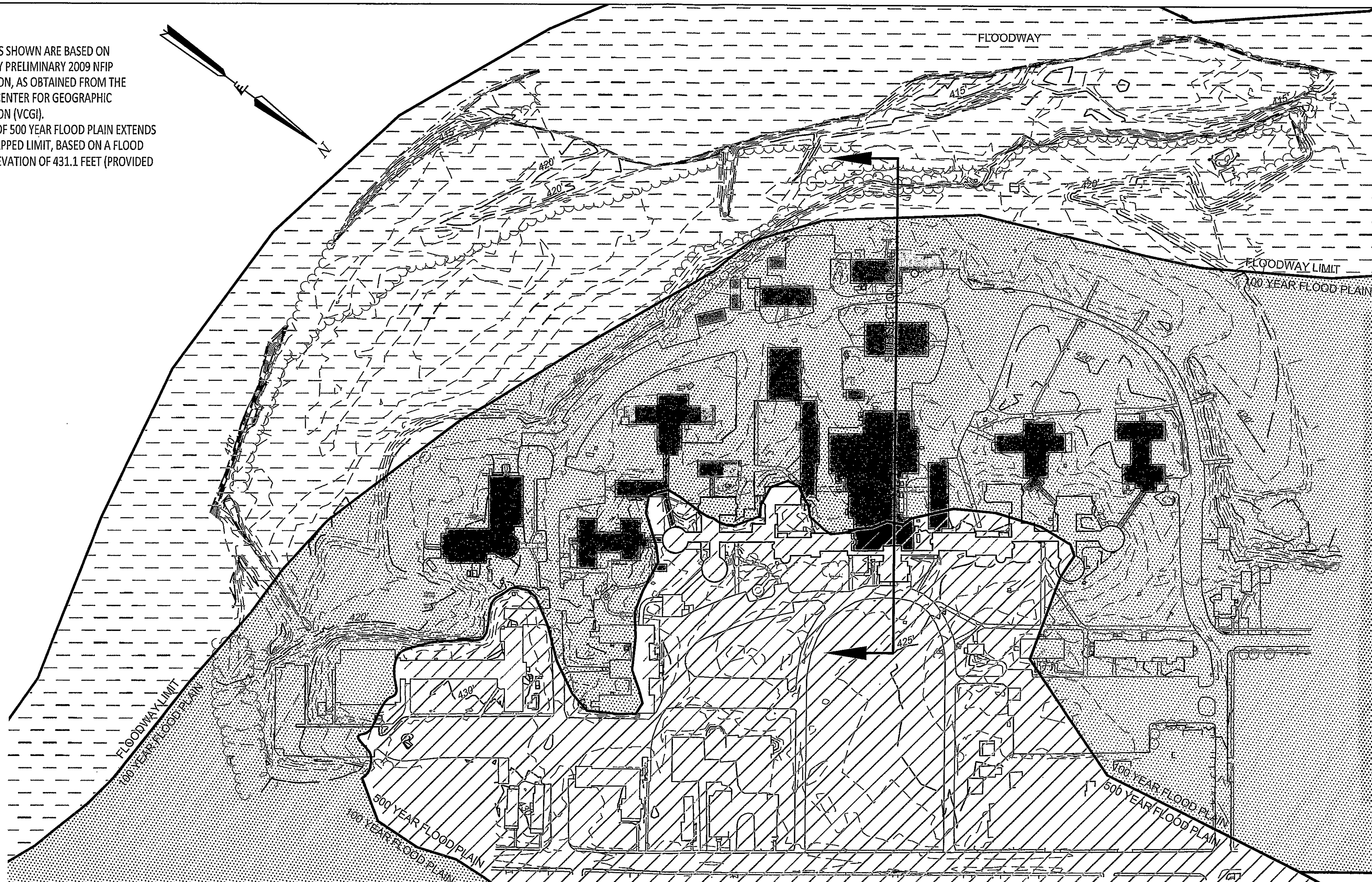
PROPOSED SITE SECTION
WATERBURY STATE OFFICE COMPLEX

103 SOUTH MAIN STREET
WATERBURY, VT

Checked By: PB	Scale: AS NOTED
Drawn By: DZ	Project No.: 12276
Date: 10/30/2012	Drawing No.: C400

NOTES:

- FLOOD LINES SHOWN ARE BASED ON WATERBURY PRELIMINARY 2009 NFIP INFORMATION, AS OBTAINED FROM THE VERMONT CENTER FOR GEOGRAPHIC INFORMATION (VCGI).
- HATCHING OF 500 YEAR FLOOD PLAIN EXTENDS BEYOND MAPPED LIMIT, BASED ON A FLOOD SECTION ELEVATION OF 431.1 FEET (PROVIDED BY VHB).



BUILDING TO REMAIN	FLOODWAY	1 FT CONTOUR	0 100' 200' 400'
BUILDING TO REMOVE	100 YEAR FLOOD PLAIN	5 FT CONTOUR	SCALE: 1" = 200'
	500 YEAR FLOOD PLAIN		

ENGINEERING VENTURES PC
208 Flynn Avenue Suite 2A, Burlington, VT 05401
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EngineeringVentures.com

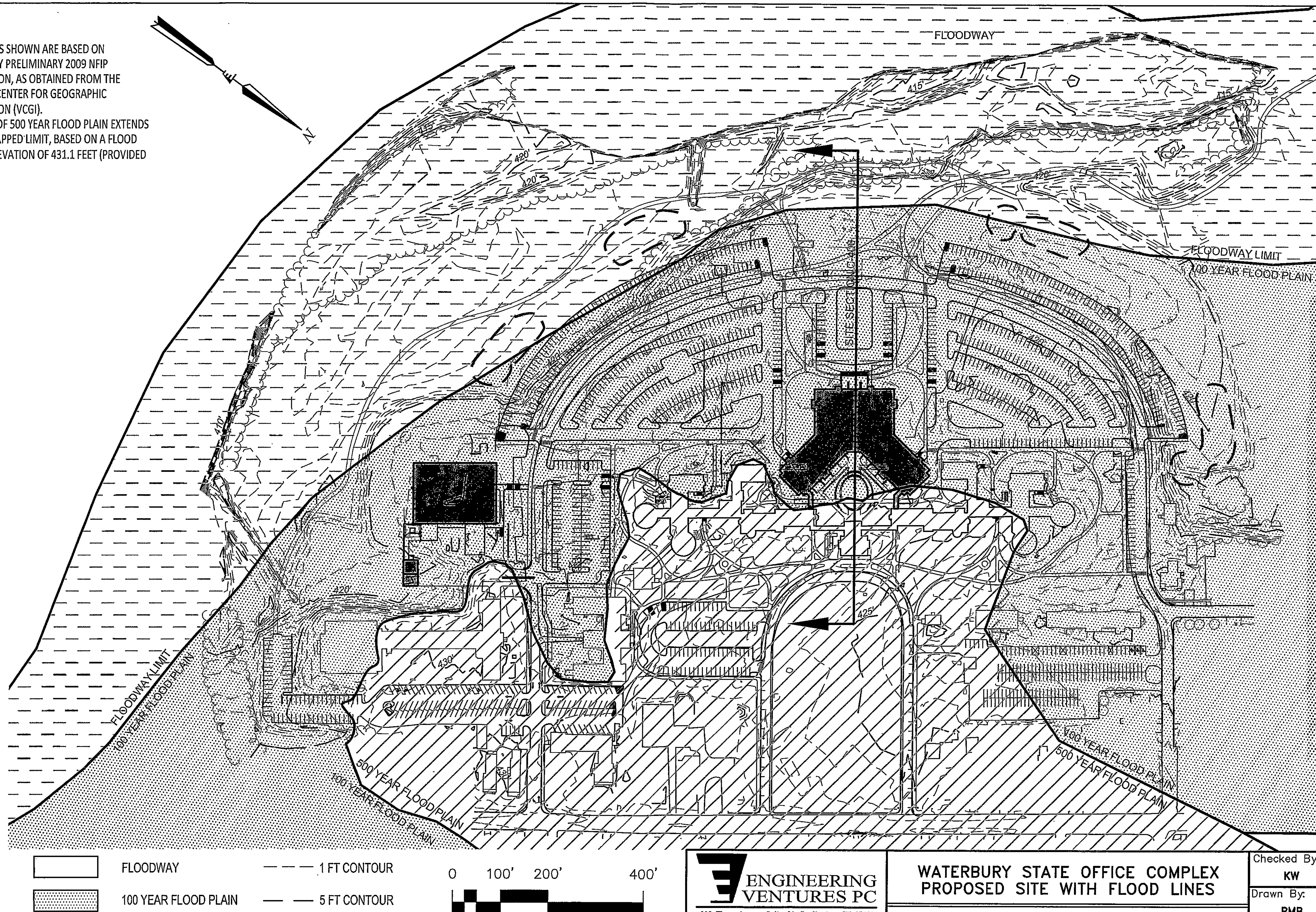
WATERBURY STATE OFFICE COMPLEX
EXISTING SITE WITH FLOOD LINES

VERMONT BUILDINGS & GENERAL SERVICES
WATERBURY, VERMONT

Checked By: KW	Scale: 1" = 200'
Drawn By: PMB	Project No.: 12276
Date: 2012-10-30	Drawing No.: C401-E

NOTES:

- FLOOD LINES SHOWN ARE BASED ON WATERBURY PRELIMINARY 2009 NFIP INFORMATION, AS OBTAINED FROM THE VERMONT CENTER FOR GEOGRAPHIC INFORMATION (VCGI).
- HATCHING OF 500 YEAR FLOOD PLAIN EXTENDS BEYOND MAPPED LIMIT, BASED ON A FLOOD SECTION ELEVATION OF 431.1 FEET (PROVIDED BY VHB).



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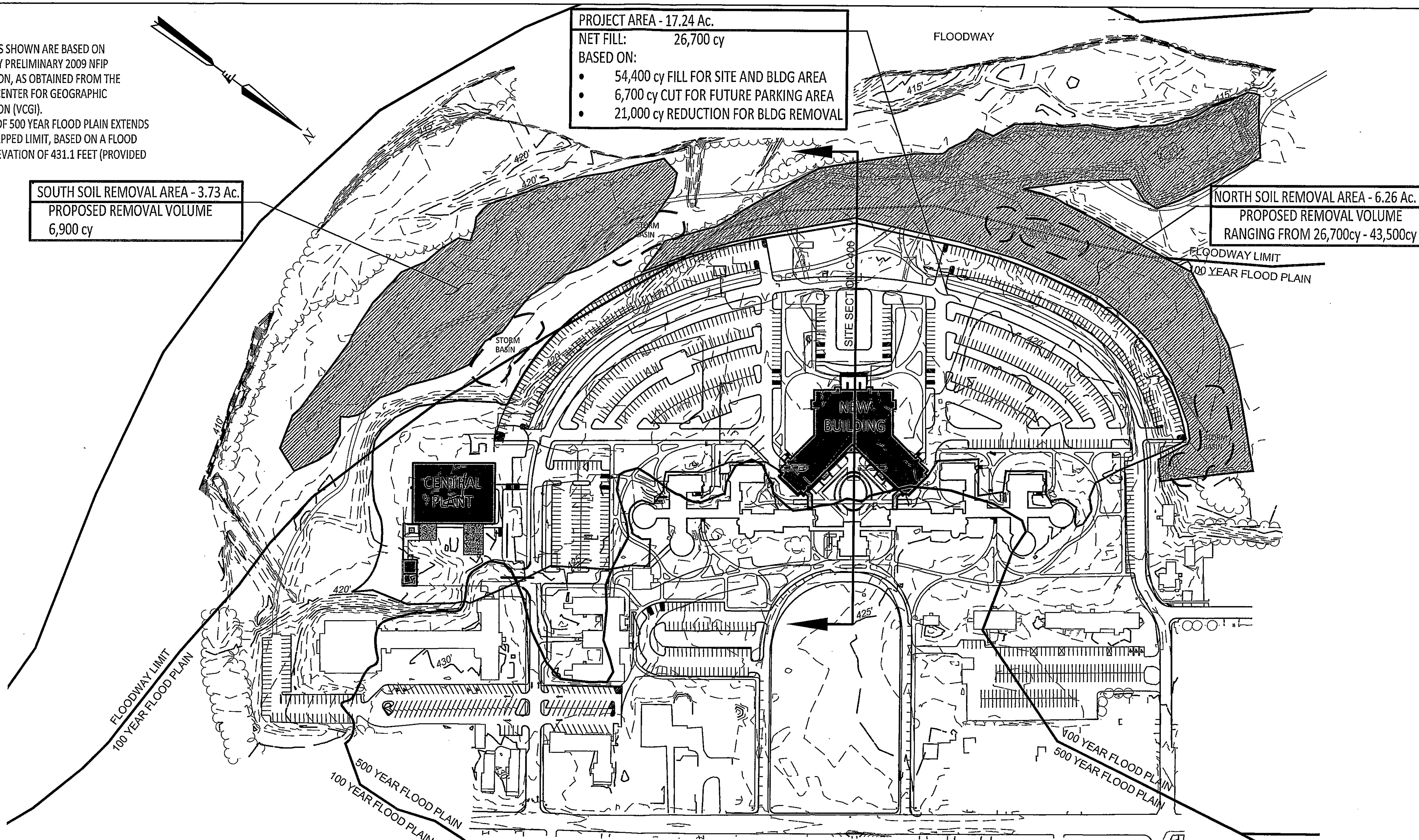
WATERBURY STATE OFFICE COMPLEX
PROPOSED SITE WITH FLOOD LINES

VERMONT BUILDINGS & GENERAL SERVICES
WATERBURY, VERMONT

Checked By: KW	Scale: 1" = 200'
Drawn By: PMB	Project No.: 12276
Date: 2012-10-30	Drawing No.: C401-P

NOTES:

- FLOOD LINES SHOWN ARE BASED ON WATERBURY PRELIMINARY 2009 NFIP INFORMATION, AS OBTAINED FROM THE VERMONT CENTER FOR GEOGRAPHIC INFORMATION (VCGI).
- HATCHING OF 500 YEAR FLOOD PLAIN EXTENDS BEYOND MAPPED LIMIT, BASED ON A FLOOD SECTION ELEVATION OF 431.1 FEET (PROVIDED BY VHB).



SITE AND BLDG AREA	— — — 1 FT CONTOUR		
SOIL REMOVAL AREA	—— —— 5 FT CONTOUR		

0 100' 200' 400'

SCALE: 1" = 200'

ENGINEERING VENTURES PC
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WATERBURY STATE OFFICE COMPLEX
CUT AND FILL VOLUMES

VERMONT BUILDINGS & GENERAL SERVICES
WATERBURY, VERMONT

Checked By:	Scale:
KW	1" = 200'
Drawn By:	Project No.:
PMB	12276
Date:	Drawing No.:
2012-10-30	C402

Vermont Legislative Joint Fiscal Office

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

To: The Joint Fiscal Committee

From: Sara Teachout, Nolan Langweil

Date: November 7, 2012

Subject: Basic Needs Budgets and Livable Wage Methodology Recommendations

> 2 V.S.A. § 505(d) The joint fiscal committee may adopt modifications to the methodology used to determine the basic needs budget calculations under subsection (c) of this section to account for public policy changes, data availability, or any other factors that have had an impact on any aspects of the methodology. Changes or revisions in methodology adopted by the committee shall be effective no later than November in the year preceding the release of the report.

Over the past biennium a number of potential improvements to the Basic Needs Budget methodology have been discussed. There are a range of reasons why a change may be considered from technical issues surrounding data access or suitability while others are clear policy choices. Of the issues discussed, these are the ones that may have the most consensuses surrounding the need for a change to the methodology. The first is an attempt to utilize the form of the data used for the clothing and household expense category which matches the Basic Needs Budget calculation while the second is a more substantive policy decision about the measure and allowance for telecommunications expenses. Lastly, the federal payroll tax was temporarily reduced, this is a proposal to calculate it at the higher level that it is projected to return to in the upcoming tax year.

1. Clothing and Household Expenses

The current calculation utilizes the Consumer Expenditure Survey Tables by income level and includes the housekeeping supplies and household furnishings and equipment expenses reported by family income level, less the subtotals for major household appliances (such as stoves) and miscellaneous household equipment, because the families are renters.

The proposed change is to match the expenses by the type of family (single person, adults with and without children and married or single parents) rather than by income level (Table 5: Composition of Consumer Unit rather than Table 4 and Table 2301 combined) While neither of these is a perfect match, it prevents some of the circular nature of the calculation and while it produces the same figure for both the single parent with one child and with two, it bases expense on family configuration rather than income alone.

2009 Clothing & Household Expense Options (monthly expense)

Family	2009 (Income) Table 4 & 2301	2009 Table 5	PROPOSAL 2011 Table 5
Single	173	203	169
1 + 1	177	263	231
1 + 2	184	263	231
2 + 0	190	356	273
2 + 2	202	470	352

Note: Many consumer expenditures are lower in 2011 than they were in 2009 – first data columns are 2009 data comparison, the last is the 2011 data for the proposal.

2. Telecommunications

The current Telecommunications category is a combined item. It includes three parts of the calculation: personal expenses per person per day (arbitrarily chosen $2.00 in 1999 indexed by the CPI), monthly standard use measured service (SUMS) charge for a residential landline telephone, plus a per month amount for long distance ($10 in 1999 also indexed).

The proposal is to separate personal expenses from telecommunications and include this amount only for adults in the household. New personal expense line $2.75 per <u>adult</u> in household per day (1999 $2.00 per <u>person</u> per day indexed by the CPI to 2012).

For the separate Telecommunications calculation, the BNB would utilize the Consumer Expenditure Survey Table 1500: Composition of Consumer Unit (same as clothing proposal above) and include expenses for a) telephone services - this item includes residential phone, cell, phone cards and VoIP services, and b) computer information services, but <u>not</u> c) cable and satellite television services.

2011 Personal Expenses & Telecommunications Comparison (monthly expense)

Family	Current BNB Methodology	Personal Expenses	Telephone Services	Computer Info Services	PROPOSAL 2011 Total
Single	121	83	78	21	182
1 + 1	201	83	97	23	203
1 + 2	283	83	97	23	203
2 + 0	201	166	107	35	308
2 + 2	365	166	136	29	331

The results of the changes proposed above are not evenly distributed increases or decreases because they are based more on the type of the family unit rather than the income levels.

3. Tax Calculations

The federal payroll tax was reduced from 6.2% to 4.2% effective in 2011 and 2012. It is anticipated that Congress will allow the tax cut to expire in 2013. The upcoming BNB is based on 2012 tax year laws, but the report is released in 2013. The proposal is to calculate the payroll tax amount at the full 6.2% level.

4. Health Care

The health care category is comprised of both estimated costs for health insurance premiums and out-of-pocket costs. We try to use data that best reflects the experience of Vermonters and attempt to use state-specific data when available. As such, we are proposing to change the data source used to estimate out-of-pocket costs.

The current methodology uses data collected as part of the federal Medical Expenditure Panel Survey (MEPS), which are compiled and maintained by the Agency for Healthcare Research and Quality (AHRQ), which is part of the U.S. Department of Health & Human Services. These data are national and does not include state-specific out-of-pocket spending.

We now have access to the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES), which are Vermont specific-data collected for the Vermont Department of Financial Regulation. We are proposing to replace the current out-of-pocket spending data from the national MEPS data with the VHCURES data to better reflect the actual out-of-pocket costs by Vermonters with health insurance. At this time, we are not proposing any changes in the methodology for health insurance premiums and will continue to use MEPS data.

If these changes are adopted, they will be included in the 2013 Basic Needs Budget report released in January.

Mary Peterson
11/15/12

TAX COMPUTER SYSTEM MODERNIZATION FUND

Act 65 of 2007 Section 282, Act 63 of 2011 Section C103

Sources of Funds: Enhanced revenue from DOL project (2007-2012), Data Warehouse (2011-2016)

Use of Funds: Investments in modernized compliance and an Integrated Tax System (ITS)

DOL Project: 2007-January 29, 2012. Over $13M in enhanced revenue.

GF(20%)	2,746,552
CSMF(80%)	10,562,172

To CGI/Oracle: 7,800,000 (Appropriation 2007, payments 2008-2011)

Balance forward: 2,762,172

RSI Project: 2011-2016 (Live in February, 2012). Estimate over $16M enhanced revenue.

RSI	4.9M
GF(20%)	2.2M
CSMF(80%)	8.9M

Total Enhanced Revenue through October (w/o collections module): $808,168

RSI	484,901
GF(20%)	64,653
CSMF(80%)	258,613

Spending by Department From CSMF FY12-FY13 to date (other than RSI/GF payments)

Total	452,505

DII Hardware	316,812
Registry Software	4,798
Oracle Services*	32,029
Additional FTE**	98,864

*additional services paid through Department Budget

**IT FTE eventually rolled to Department Budget

APPROPRIATION REQUEST for BAA: $15.9M through FY16

Est. RSI	4,420,000
Current Fund Balance	2,463,913*
Est. CSMF 80% Share	8,541,387*

*Total Available to Department for ITS projects: $11M

Mary Peterson
11/15/12

Tax System Computer Modernization Fund

Budget Adjustment: Proposed Amendment to Act 63 of 2011 Section C103

(a) Creation of fund.

(1) There is established the tax computer system modernization special fund to consist of:

(A) The tax receipts received as a direct result of the data warehouse project initiated by the department of taxes beginning in calendar year 2011; and

(B) Eighty percent of tax receipts received as a direct result of the data sharing and comparison project between the Vermont department of labor and the department of taxes relative to entity and employee filings at both departments and/or lack thereof.

(2) Balances in the fund shall be administered by the department of taxes and used for the exclusive purposes of funding: A) ancillary development of Information technology systems ~~the ETM system~~ necessary for implementation and continued operation of the data warehouse project ~~and in preparation of the transfer of tax types from the current VIRCS system to the VIRCS/ETM system, including modernization of billing capability~~; B) payments due to the vendor under the data warehouse project contract; C) enhanced compliance costs related to the data warehouse project; ~~and~~ D) planning for an integrated tax system solution, including analysis of business case and business requirements, requests for proposals and due diligence ~~phase 1 of the transfer of five tax types, specifically income taxation of individuals, trusts and estates, withholding tax, sales and use tax, meals and rooms tax, and property tax adjustments, from the current VIRCS system to the VIRCS/ETM system~~; (E) and implementation of tax types into selected integrated tax system solution. All balances in the fund at the end of any fiscal year shall be carried forward and remain part of the fund. Interest earned by the fund shall be deposited into the fund. This fund is established in the state treasury pursuant to subchapter 5 of chapter 7 of Title 32.

(b) Appropriation. [*Note: see also appropriation in Sec. C.103.1*]

(1) There is appropriated in fiscal year 2008 from the special fund the sum of up to $7,800,000 to the department of taxes for the purposes described in subdivision (a)(2) of this section. The commissioner shall anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

(c) Transfer.

(1) Twenty percent of the tax receipts received pursuant to subdivision (a)(1)(A) of this section after payment to the vendor under the data warehouse contract shall be transferred to the general fund

annually for the duration of that contract. Thereafter, 20 percent of the tax receipts received pursuant to subdivision (a)(1)(A) shall be transferred to the general fund annually until the expiration of the tax computer system modernization fund.

(d) Fund to terminate.

(1) This fund shall terminate on July 1, 2018 and any unexpended unencumbered balance in the fund shall be transferred to the general fund.

(e) The tax commissioner shall report to the joint fiscal committee on fund receipts at or prior to the November joint fiscal committee meeting each year until the fund is terminated.

Sec. C.103.1 SPECIAL FUND APPROPRIATION FOR TAX COMPUTER SYSTEMS

(a) ~~$7,500,000~~ $15,900,000 is appropriated from the tax computer system modernization special fund established pursuant to Sec. 282 of No. 65 of the Acts of 2007, as amended in Sec. C.103 of this act. This appropriation shall carry forward through fiscal year ~~2013~~ 2016. The commissioner shall anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

Susan Mesner
11/15/12

National Stats on E-commerce from U.S. Census Bureau

		FY 2014 Est.	2010	2009	2008	2007	2006
	Total (in $ billions)	**4,199**	**4,129**	**3,546**	**3,774**	**3,395**	**2,972**
	B-to-B	**3,768**	**3,705**	**3,161**	**3,482**	**3,130**	**2,761**
	Manufacturing	2,322	2,283	1,892	2,171	1,879	1,567
	Merchant Wholesale	1,446	1,422	1,269	1,311	1,251	1,194
	Excluding MSBOs	847	833	758	739	705	639
	B-to-C	**431**	**424**	**385**	**292**	**265**	**211**
	Retail	172	169	145	142	137	107
	Business-to-Business E-Commerce (in $ billions)						
1	B2B e-commerce mfg + merchant wholesale, excluding MSBOs	3,768	3,705	3,161	3,482	3,130	2,761
2	Total B2B e-commerce--sales tax states	3,673	3,612	3,082	3,395	3,051	2,692
3	% Exempt B2B	0.75	0.75	0.75	0.75	0.75	0.75
4	Taxable B2B sales	918	903	770	849	763	673
5	B2B compliance Rate	0.70	0.70	0.70	0.70	0.70	0.70
6	Taxable B2B sales with uncollected sales tax	276	271	231	255	229	202
7	Vermont share (GSP/GDP) ($1000)	484,156.7	478,960.4	408,098.9	444,316.6	396,321.3	358,934.7
8	**Business-to-Consumer Retail E-Commerce**						
9	B2C total U.S.retail e-commerce (in $ billions)	172	169	145	142	137	107
10	Total B2C retail e-commerce--sales tax states	168	165	141	138	134	104
11	Vermont share (based on share of population)	0.00201	0.002027	0.002025	0.002040	0.002057	0.002076
12	Vermont share B2C retail e-commerce ($1000)	345,396.8	342,515.8	293,658.9	289,738.0	281,859.0	222,169.8
13	% Exempt (VT)	0.3	0.3	0.3	0.3	0.3	0.3
14	Taxable VT B2C e-commerce sales ($1000)	241,777.8	239,761.1	205,561.2	202,816.6	197,301.3	155,518.9
15	Voluntary compliance rate	0.18	0.18	0.15	0.12	0.1	0.1
16	Taxable B2C e-commerce retail sales with uncollected S&U tax ($1000)	198,257.8	196,604.1	174,727.0	178,478.6	177,571.2	139,967.0
17	Total taxable sales B2B + B2C retail	682,414,500	675,564,484	582,825,899	622,795,175	573,892,473	498,901,706
18	**Estimated gross S&U tax revenue--mandatory collection; full implementation**	**40,944,870**	40,533,869				
19	Small-seller exemption ($500K in gross annual receipts--US)	(13,648,154)					
20	Vendor compensation	(5,500,000)					
20	**Estimated revenue net of small seller exemption & vendor comp**	**21,796,716**					
21	**Fiscal year 2014 estimate***	**$ 3,600,000**					

** Assumptions for FY14 estimate:*
Congress passes authorizing legislation in June 2013
VT passes necessary legislation in Jan. 2014 to conform to federal law
Collection authority commences on April 1, 2014--two months of new tax

VERMONT

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Agency of Administration

Joint Fiscal Committee

November 15, 2012

Jim Reardon, ~~Commission of Finance~~ & Management

FY 2013 Revenue vs. Target				
	FY 2013	FY 2013 Target	FY 2013 YTD vs. Target	
Major Fund ($ millions)	**Revenue**	**(July 2012)**	**Amount**	**Percent**
General Fund Forecast	**$1,257.90**	**$1,260.20**	**+$2.30**	**-0.18%**
GF Revenue to Date (7/1/2012 - 10/31/12)	**$405.15**	**$407.38**	**-$2.33**	**-0.55%**

FY 2013 GF BAA Net Pressures		
GF Revenue	+$2.30	July Consensus Revenue Forecast Change
Other Tax Revenue	-$7.08	Estimated Tax Changes now included in above July Revenue Forecast
Direct Apps/reversions	-$2.95	$2.7 Mortgage settlement rec'd in FY 2012; $0.25 other misc. D/A changes
Property Transfer Tax	-$1.22	PTT revised based on July Revenue Forecast
GF Budget Stabilization Reserve	-$0.57	Additional over FY13 budget due to $11.33 m Waterbury appropriations
Sub-Total Net Known BAA Pressures	**-$9.52**	
Other BAA Items:		
Increases in Direct Apps/Reversions		
Sarcoidosis Fund		
Federal Surplus Property		
Liability Insurance		
Federal Cuts		
Vermont Veterans Home		
Corrections		
DCF – Child Development		
DCF – Reach Up		
DCF – General Assistance		
Mental Health		
DAIL – Disability Services		
Medicaid		
Judiciary		

Available Reserves		
GF Balance Reserve	$3.88	Reserved for federal cuts (since FY 2011)
Human Services Caseload	$2.26	FY 2013 assumed use of $16.24 of $18.50 6/30/12 balance - leaving $2.26
GF Budget Stabilization	$62.50	Assumed FY2013 As Passed – after addition of $0.57 M (see above)

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STATE OF VERMONT
JOINT FISCAL OFFICE

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:	November 8, 2012
Subject:	November 2012 – Fiscal Officers' Report

What follows is an update on post-session developments, some of which will be on the agenda for the November Joint Fiscal Committee meeting.

1. **FY2013 November Fiscal Update:**
    a. Revenues – Through the first four months of the fiscal year, General Fund revenues are $2.2 million or 0.5% below target. Within the General Fund, extra revenue in the corporate tax and the estate tax revenues offset some of the shortfall in the income tax which is 4.5% below target. At this point, the economists think the income tax shortfall is more a result of monthly targets being off than an economic issue. The Transportation Fund is $1.1 million or 1% off target, and the Education Fund is $400,000 or 0.7% off target.

    b. Emergency Board Action – The Emergency Board voted to transfer $8.8 million to the Low Income Heating and Energy Assistance Program (LIHEAP) to fund a benefit level equal to last year's level. These funds are: $7 million from the federal fund shortfall set-aside, $900,000 from weatherization surpluses, and $900,000 from corrections which will need to be replaced in the budget adjustment.

    c. Projected budget gap: We are still working with the Administration on the projected budget gap for FY 2014. At present, it is in the range of $40 to $50 million. We hope to have a consensus estimate in November.

    d. Public Hearings on Budget – The Administration has scheduled two public hearings to discuss the budget development process, revenues and expenditures. They are on November 13 and 19, 2012. In accordance with Sec. E.100.1 of Act 162 of 2012, public participation is required with the "development of budget goals, as well as general prioritization and evaluation of spending and revenue initiatives." Committee members are encouraged to attend. The meetings will be held at various sites around Vermont, through Vermont Interactive Technologies (VIT). For more information on VIT, including directions to sites, go to: http://www.vitlink.org/.

e. Education Outlook – Mark Perrault of the Joint Fiscal Office (JFO) and the Administration are working on the Education Fund outlook for the December 1, 2012 estimate announcement. Initial numbers do not look good, and the continued decline of the grand list, increases in health care costs, and special education cost increases are all factors impacting the fund balance. Initial estimates indicate a \$0.03 to \$0.05 tax increase to maintain 5% reserves.

f. Medicaid – JFO and the Administration have discussions underway to develop base Medicaid estimates for use in budget development. Baseline caseload projections are nearly complete. Utilization estimates are underway as well as discussions on the changes that implementation of the health care exchange will have on the FY 2014 budget. We expect some modest growth for Medicaid overall and continue to refine the projections. The staff will provide a brief update at the meeting.

g. Pensions – Pension funding numbers are in, and the actuarial funded level for the state and teachers' systems both declined this year. The state teachers' and state employees' pension funds have an FY 2012 funded ratio of 61.6% and 77.7% respectively. Both ratios are slightly below FY 2011 ratios (63.8% and 79.6%). In recent years, the highest funded levels were the teachers' fund in 2005 at 90.7%, and the state employees' fund in FY 2007 at 100.8%. The market declines have been a major factor in the reduced funding ratios.

2. FEMA Update:

a. An update on the status of the Federal Emergency Management Agency (FEMA) funding will be made at the November 15, 2012 meeting. The state and FEMA are still engaged in discussions. Reports are that progress is slow, and that the amount of funds the state is hoping to receive may be difficult to achieve without appeals.

b. Commissioner Flood will provide the JFC with a brief update on the mental health system transition at the November 15, 2012 meeting.

3. Waterbury State Complex Revised Action Plan:

The Senate and House institutions committees met and voted to approve a recommended revision to the development plans for the Waterbury complex. The recommendation will be up for consideration by a special committee consisting of the Joint Fiscal Committee and the chairs of the House and Senate institutions committees at the November 15 JFC meeting. Materials relevant to this vote are in your packets.

4. All Legislator Briefing/New Member Orientation:

a. We are in the final development stages of preparations for the November 28, 2012 legislative briefing, and the November 28–30, 2012 new member orientation.

b. Legislative Briefing – The full legislature briefing is scheduled from 10:00 a.m. to 3:00 p.m. in the Well of the House. Specific issues to be discussed have yet to be finalized, but likely topics include: health care reform, state budget and federal fund updates, and FEMA/Irene funding status.

c. New Member Orientation – The new member orientation follows the full legislature briefing and runs Wednesday, November 28 evening through 5:00 p.m. Friday, November 30. Friday is fiscal day, and includes: an overview of the state fiscal process, a fiscal chairs panel, and a presentation by the JFO staff.

5. Joint Fiscal Office Updates:

a. Basic Need Budget Methodology – The Joint Fiscal Committee will be presented several changes to the basic needs budget methodology. The changes are in the areas of clothing and household expenses, telecommunications, and health care coverage. We are also proposing to assume that the current reduction in payroll taxes does not stay in place. A memorandum explaining these proposals is in the mailed package.

b. Traffic Safety Enforcement Costs Study Update – Neil Schickner of the JFO has been working on the Traffic Safety Enforcement Cost Study update which was designed to identify what amount of public safety expenditures from the Transportation Fund made sense. The Vermont public safety data have been hard to get in a clean form in part due to this summer's incident with state trooper records being called into question. The Department of Public Safety is reviewing its numbers. Mr. Schickner has been able to get some comparative numbers from other states, and will include information in the packets.

c. The Committee on Transportation Funding [Sec. 40 of Act 153 of 2012] – The committee looking into transportation revenue options is in its final stages. It has identified an annual gap between basic needs and revenue ranges between approximately $200 and $250 million during the five-year period from 2014 to 2018. This funding gap is significant relative to the typical Vermont transportation budget of approximately $450-$500 million.

d. Results First Update – The Results First project continues and Nathan Lavery of the JFO will be making a presentation on initial findings about corrections programs at the meeting.

e. JFO Budget System – The JFO budget system has been updated to be compatible with Office 2010. We continue to look at how the budget processing system should be designed for the longer term. This year, we are planning to have a more extensive set of links to Administration materials on our website.

f. Legislative Council MOU – We have completed an MOU with the Office of the Legislative Council to formalize some of the offices' interactions. One of the values of this is a clearer expectation of confidentiality when the offices assist each other with projects. A copy is attached.

g. Fiscal Note Policy Clarification – We have also added a policy clarification as to fiscal note preparation for non-money committee bills. Technically these are done on behalf of the Joint Fiscal Committee. This clarification supports the current practice of the release of the fiscal note when finished as opposed to at the behest of individual requesters. A copy is attached.

h. JFO Records Retention Guidelines – Included with this report is a copy of an office records retention guideline. As requests for information grows, records generating from those requests increase in volume. Therefore, it became apparent that a records guideline was important to give direction on how this information is stored and for how long.

i. Fiscal Analyst Titles – After internal discussions with staff, we are changing the titling of some our fiscal analysts. While there is no financial change, fiscal analysts with seven or more years of experience in the office or in comparative work will be made "senior fiscal analysts." There is little room for advancement in the office and when our staff is working with those in other states, there is a sense that the fiscal analyst title does not reflect the experience they have. The change will impact Mark Perrault, Sara Teachout, Nolan Langweil, and Neil Schickner.

E. I. C.

10/12/2012/ JOINT FISCAL OFFICE AND OFFICE OF LEGISLATIVE COUNCIL POLICY REGARDING THE LEGAL RELATIONSHIP BETWEEN THE JOINT FISCAL OFFICE AND THE OFFICE OF LEGISLATIVE COUNCIL

This policy is intended to clarify the legal relationship between the Office of Legislative Council (LC) and the Joint Fiscal Office (JFO) in order to: facilitate communication and collaboration between LC and JFO; ensure the confidentiality of communications between LC and JFO; and allow both offices to work together effectively to better fulfill their statutory missions.

It is the policy of LC and JFO that when LC provides members of the Vermont General Assembly with legal services, the attorney client privilege afforded members shall encompass communications between LC and JFO when such communications are made for the purpose of facilitating the rendition of professional legal services to the members of the General Assembly.

It is the policy of LC and JFO that LC may consult with JFO and seek advice on appropriate fiscal matters, including LC's budget.

It is the policy of LC and JFO that communications between JFO and LC regarding assistance, information, and advice and all information received in connection with fiscal research or fiscal drafting conducted by JFO under 2 V.S.A. § 502 shall be confidential until the party requesting the fiscal research or fiscal drafting designates the communication as not confidential. For the purposes of this policy, "fiscal research or fiscal drafting" includes fiscal notes, issue briefs, and fiscal reports. The Joint Fiscal Committee, in exercise of its powers and functions under 2 V.S.A. chapter 15, is the party designating that fiscal notes, issue briefs, and fiscal reports are not confidential upon release by JFO.

It is the policy of LC and JFO that JFO may consult with LC and seek legal advice and representation on appropriate issues. It is the policy of LC and JFO that LC agrees to provide to JFO legal services that arise independently of services provided to members of the General Assembly. When providing legal services to JFO independently of services provided to members of the General Assembly, an attorney client privilege shall exist between LC and JFO, and communications between LC and JFO shall be confidential unless JFO, after providing notice to LC, waives confidentiality.

It is the policy of LC and JFO that both offices shall respect the confidentiality of communications between the offices and the confidentiality of communications from and to members of the General Assembly. Procedures will be put in place, and training will be conducted, to ensure that staff is aware of, and respects, the confidentiality of communications.

LC and JFO staff leadership shall cooperate for the purpose of operating in a manner consistent with this policy. LC and JFO staff leadership shall educate their respective staff on this policy and shall make every effort to ensure that staff is working effectively together.

This policy shall take effect on the date of its last approval by LC or JFO. This policy may be revised by mutual consent. LC or JFO may terminate this policy by providing written notice to the other.

The Legislative Council Committee and the Joint Fiscal Committee each retain the right to terminate this policy.

The Office of Legislative Council ("LC") and the Joint Fiscal Office ("JFO") agree that until the Joint Policy Regarding the Legal Relationship Between the Joint Fiscal Office and the Office of Legislative Council (Legal Relationship Joint Policy) takes effect, LC and JFO shall communicate and collaborate according to the terms of the Legal Relationship Joint Policy.

10/12/12	10/12/12
Luke Martland — Date	Stephen Klein — Date
Director and Chief Counsel	Chief Fiscal Officer
Vermont Legislative Council	Vermont Legislative Joint Fiscal Office

E.1.a.

LEGISLATIVE JOINT FISCAL COMMITTEE
and
JOINT FISCAL OFFICE POLICIES

1. The Joint Fiscal Office is established to provide independent, accurate, analytical, and clerical support for the appropriations and tax writing committees. Its functions and work assignments are subject to approval of the Joint Fiscal Committee and/or the Joint Fiscal Committee chair.

2. It is the intention of the Joint Fiscal Committee that the analyses and work products of the Joint Fiscal Office shall be completed in a factual, reliable, and timely manner to a professional quality standard as required by the Joint Fiscal Committee.

3. Assignments of responsibilities, studies, and work tasks to personnel of the Joint Fiscal Office will be through the Joint Fiscal Committee chair and the Joint Fiscal Officer, except during a session of the General Assembly. During sessions, professional and secretarial personnel will report to the chair of their designated committees for work and scheduling assignments relating to their committee activities. Regularly assigned tasks will continue to be supervised by the Joint Fiscal Officer.

4. The chair of the Joint Fiscal Committee shall assume the responsibility for public information in matters relating to the work of the Joint Fiscal Committee. The individual chairs of the four money committees shall be the principal spokespersons for matters relating to the work and interest of their committees. The Joint Fiscal Officer shall be responsible for information which concerns the operation of the Joint Fiscal Office.

5. Requests for services from legislators other than money committee members will be directed through the Joint Fiscal Committee chair or one of the money committee chairs. Requests for information or facts which do not require research may be addressed to the Joint Fiscal Officer.

6. Detailed analyses or studies which are contrary to established legislative, executive or judicial positions shall be subject to the approval of the Joint Fiscal Committee and/or the chair of the Joint Fiscal Committee.

7. The staff of the Joint Fiscal Office is encouraged to provide analyses and recommendations for improvements and/or alternatives to programs and appropriations for committee consideration.

8. Joint Fiscal Office personnel may serve on study or project task forces other than regular Joint Fiscal Committee work with the approval of the Joint Fiscal Committee or the Joint Fiscal committee chair. Work assignments may also be made as a result of legislation which authorizes or requires Joint Fiscal Office participation in studies and other projects.

9. Joint Fiscal Committee and Joint Fiscal Office records which are covered under the right-to-know statute shall be available to the public at reasonable times and locations upon request to the Joint Fiscal Officer.

10. Records, working papers, studies, and analyses which represent work in process for the Joint Fiscal Committee, the money committees, or individual legislator's services by the Joint Fiscal Office are not public documents and are not available for public inspection through the Joint Fiscal Office.

11. The Joint Fiscal Office shall develop a reasonably representative data base of information related to Joint Fiscal Committee interests and concerns. The information shall be maintained and made available to money committee members.

12. As part of its responsibilities under 2 V.S.A. 502 and 503, the Joint Fiscal Office produces fiscal notes on legislation, issue briefs covering general fiscal issues and a variety of fiscal reports. The Joint Fiscal Committee shall be considered the requesting party for these documents. The Joint Fiscal Committee authorizes the public release of all fiscal notes, issue briefs and fiscal reports produced by the Joint Fiscal Office, once completed and deemed ready for distribution by Joint Fiscal Office staff. [Proposed for 11/15/2012 **action**]

E.1.b.

Office Guidelines for Records Retention

[Proposed for 11/15/2012]

A retention Guideline is created for management and cataloguing of the Joint Fiscal Office's (JFO) records.

a.) Interagency Materials: received, including: state budget submissions and supporting material, and other required interagency submissions will be held in the JFO for 10 years, and then recycled.

b.) Website Content: will be maintained on its website for 5 years, archived on its website until no longer relevant.

c.) Joint Fiscal Committee (JFC): agenda's, minutes, motions and other materials will be held in the JFO for 10 years, and then retained at the public records division of the VSARA indefinitely. A copy of all JFC minutes and rules will be kept within JFO.

d.) Interagency grant material: received, and JFC actions thereto will be held in the JFO for 10 years, and then retained at the public records division of the (VSARA) for 10 years.

e.) Recordings and Videos: under the jurisdiction of the JFC/JFO, including and not limited to the House and Senate Committees on Appropriation, the Joint Transportation Oversight Committee, Special Projects and its [JFC] own recordings, will be held for 10 years and then destroyed.

f.) Special Project Records: legislatively required material, including the Joint Transportation Oversight Committee (JTOC) will be held in the JFO for 10 years, and then retained at the archives division of the VSARA.

g.) Contract Records: final Requests for Proposals (RFP), formal bid responses, and vendor contracts will be held in the JFO for 10 years, and then recycled or destroyed.

h.) <u>Personnel Records:</u> including: employee folders, personnel files, and Employee Performance Evaluations, will be held in the JFO until an employee is terminated, plus 10 years, and then destroyed.

i.) <u>Operating Documents</u>: listed below, will be held in the JFO for 5 years, and then maintained at public records division of the VSARA for 5 years, and then destroyed except where noted in the third bullet.

- Time Report Certification
- Receipts for Funds to State Treasurer, Copies of Expense Vouchers, Purchase Orders, Payroll, Standard State Invoices, Travel Requests and Paid Invoices
- VISION Records (including records in preceding bullet – in accordance with state rules from VISION Procedure #2, dated January 27, 2010. (Held until after state audit then 1 V.S.A. § 317(a) if after timeline noted in (i) narrative above).

Mark Perreault
11/15/12

Preliminary Education Fund Outlook for FY2014

Impact of FY2012 Closeout and FY2013 Update

Revenue -

- FY2013 property tax adjustment was overestimated by about $11 million
- Contingent one-time GF transfer of $2.1 million in FY2013 is assumed

Expenditures -

- FY2013 budget adjustment reversion of $5.4M

Stabilization Reserve -

- Full stabilization reserve with $23 million revenue surplus available for use in FY2014 (1.6% of total revenues)

FY2014 Estimates

Revenue -

- Statewide equalized property values are down 1.5%
- Sales tax allocation to the EF increased to 35%

Expenditures – likely to exceed 5%

- Teacher and staff salary increase estimated to be 2.5%
- VEHI health insurance premium increase of 10% to 15%; awaiting the final increase from DFR
- Special education increase of 7% to 9% based on service plans

Stabilization Reserve -

- To cover expenditures and fully fund the stabilization reserve, base education tax rates will need to increase

Two-Vote Requirement -

- School budgets must be divided into two questions when:
  - Proposed per-pupil spending exceeds the prior-year statewide average ($12,787);
  - Growth in the proposed budget exceeds the rate of inflation plus 1% (3.2%).
- This provision sunsets in FY2014, but may affect a higher number of school districts than in the past four years.

On December 1st, the tax commissioner will recommend to the legislature the FY2014 base education tax rates needed to cover education spending and fill the stabilization reserve to 5%.

Prepared by the Joint Fiscal Office, November 15, 2012

Nancy Greenewalt
Nathan Lavery 11/15/12

DISCUSSION PURPOSES ONLY

Comparison of Monetary Benefits and Costs of Evidence-Based Criminal Justice Programs

Program	Cost per Participant	Expected Reduction in Recidivism	Total Benefits	Benefit to Net Cost Ratio	Benefits Minus Net Costs
Electronic Monitoring (Radio Frequency or GPS) Cost of alternative (prison)	$2,555 $23,929	15%	$7,865	**n/a**	$10,091
Vocational Education in Prison	$2,971	13%	$9,576	**$3.22**	$6,605
Mental Health Courts Cost of alternative (traditional court and prison)	$9,810 $9,880	13%	$5,867	**n/a**	$5,940
Drug Treatment in the Community	$2,425	13%	$6,887	**$2.84**	$4,462
Correctional Education in Prison	$2,971	14%	$6,547	**$2.20**	$3,576
Correctional Industries in Prison	self-funded	5%	$3,326	**n/a**	$3,326
Cognitive Behavioral Therapy for high and moderate risk offenders (in the community)	$1,808	5%	$4,998	**$3.06**	$3,190
Cognitive Behavioral Therapy for high and moderate risk offenders (in prison)	$2,138	5%	$3,067	**$1.43**	$929
Intensive Supervision: Treatment	$6,582	11%	$5,960	**$0.91**	-$622
Drug Treatment in Prison	$9,301	10%	$7,313	**$0.79**	-$1,988
Domestic Violence Perpetrator Programs	$2,525	-3%	-$1,673	**-$0.66**	-$4,198
Drug Courts Cost of alternative (traditional court and prison)	CURRENTLY UNDER REVIEW				
Rutland County Drug Court Cost of alternative (traditional court and prison)	CURRENTLY UNDER REVIEW				
Benefits and costs are life-cycle present values per participant, in 2012 dollars					

Additional Criminal Justice Programs Not Evaluated by the Model

Lack of National Research

- Circle of Support and Accountability
- Community Justice Programs
- Community Restitution Program
- Correctional Work Camps
- Education Within Communities
- Home Confinement or Detention
- Rapid Referral Program
- Transitional Housing

Small Offender Population

- Cognitive Behavioral Therapy for Sex Offenders in Prison
- Cognitive Behavioral Therapy for Sex Offenders in the Community

Limited Size of the Program

- Intensive Supervision: Surveillance
- Employment Training/Job Assistance in the Community (Pilot)

D.3.6 and G.I.

Agency of Administration

Department of Finance & Management
109 state Street, 5th Floor
Montpelier, Vermont 05609-0401
www.state.vt.us/fin/

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

To: Joint Fiscal Committee
From: James Reardon, Commissioner of Finance & Management
Date: November 15, 2012
Subject: Report on FY 2013 Pay Act Allocations (per 3 VSA Sec 2281(4)).

Please find attached the report on distribution of the FY 2013 Pay Act, along with these explanatory comments.

The FY 2013 Pay Act appropriations for the Executive Branch are in 2012 Act 162 Sec. B.1200 (a)(1)(A) [$11,729,056 General Fund] and Sec. B.1200 (a)(1)(B) [$3,400,000 Transportation Fund]. The Judicial Branch is appropriated $1,720,000 General Fund in Sec. B.1200 (b)(2)(A), and the Legislative Branch is appropriated $285,000 General Fund in Sec. B.1200 (c)(1).

Of the GF amount described above, $591,000 is committed to various non-salary items stipulated by the VSEA contract.

Please note that <u>in all cases</u> the agreed-upon FY 2013 employee salary increases will be honored. (The overall methodology used in developing pay act requirements is shown in Footnote #1, below.)

As in past years, the costs of the FY 2013 salary adjustments are being considered and addressed in the development of the proposed FY 2014 appropriations. Final Pay Act transfers occur near the end of the fiscal year and may differ from transfers listed in the attached schedule.

I would be pleased to respond to any questions.

Attachment
cc: House and Senate Committees on Appropriations and on Government Operations

---

Footnote #1:
The methodology used in developing pay act requirements is as follows:

VERMONT

- Department pay act salary requirements (that is, the value of the FY 2013 salary increases, both COLA and steps) are projected position-by-position for all employees on payroll at the start of FY 2013. The pay act associated with budgeted overtime is also included, as is the value of the state share of benefits that attach to salary (FICA, retirement, life insurance, and LTD).

- The General and Transportation Fund shares of the required pay act are derived from the FY 2013 budget submissions, adjusted for legislative actions.

- The costs of various non-salary contract items are stipulated in certain articles of the State-VSEA Bargaining Agreement.

keep:Pay act distribution - FY 2013 - for JFC report 11-15-12

11/15/12 9:46 AM

FY 2013 PAY ACT REPORT: 3 VSA SEC 2281(4)**

Description	DRAFT Pay Act need - GF by approp	DRAFT Pay Act need - TF by approp	DRAFT Pay Act need - GF + TF by approp	DRAFT GF Pay Act allocation	DRAFT TF Pay Act allocation
Secretary's Office	25,667	0	25,667	25,667	0
AGENCY OF ADMIN SECRETARY'S OFFICE					
Information & Innovation	0	0	0	0	0
INFORMATION AND INNOVATION					
Budget and Management	44,893	0	44,893	44,893	0
Financial Operations	0	0	0	0	0
FINANCE & MANAGEMENT					
Operations	143,690	0	143,690	143,690	0
Employee Benefits & Wellness	0	0	0	0	0
HUMAN RESOURCES					
Libraries	49,550	0	49,550	49,550	0
LIBRARIES					
Administration / Collection	618,921	0	618,921	618,921	0
TAX DEPT					
Administration	0	0	0	0	0
Engineering	0	0	0	0	0
Information Centers	95,173	0	95,173	95,173	0
Purchasing	38,285	0	38,285	38,285	0
Public Records	0	0	0	0	0
Postal Services - External	0	0	0	0	0
Copy Center	0	0	0	0	0
Fleet Management Services	0	0	0	0	0
Federal Surplus Property	0	0	0	0	0
State Surplus Property	0	0	0	0	0
Property Management	0	0	0	0	0
Workers' Compensation Insurance	0	0	0	0	0
Fee for Space	0	0	0	0	0
BUILDINGS & GEN SERVICES					
AGENCY OF ADMINISTRATION	0	0	0	0	0
Governor's Office	85,000	0	85,000	85,000	0
EXECUTIVE OFFICE					
Legislative Council	123,642	0	123,642	123,642	0
LEGISLATIVE COUNCIL					
Legislature	62,455	0	62,455	62,455	0
LEGISLATURE					
Legislative Information Technology	15,171	0	15,171	15,171	0
LEGISLATIVE INFORMATION TECHNOLOGY					
Joint Fiscal Committee	62,501	0	62,501	62,501	0
JOINT FISCAL COMMITTEE					
Sergeant at Arms	21,233	0	21,233	21,233	0
SERGEANT AT ARMS					
Lieutenant Governor	10,317	0	10,317	10,317	0
LIEUTENANT GOVERNOR					
Auditor of Accounts	78,425	0	78,425	78,425	0
AUDITOR OF ACCOUNTS					
Office of the Treasurer	137,118	0	137,118	137,118	0
Unclaimed Property	0	0	0	0	0
STATE TREASURER					
State Labor Relations Board	3,634	0	3,634	3,634	0
STATE LABOR RELATIONS BD					
VOSHA Review Board	1,797	0	1,797	1,797	0
VOSHA REVIEW BD					
Attorney General	293,828	0	293,828	293,828	0
ATTORNEY GENERAL					
Public Defense	365,155	0	365,155	365,155	0
Assigned Counsel	5,156	0	5,156	5,156	0
DEFENDER GENERAL					
Judiciary	1,720,000	0	1,720,000	1,720,000	0
JUDICIARY					
State's Attorneys	461,447		461,447	461,447	0
STATE'S ATTORNEYS					
Sheriffs	29,464		29,464	29,464	0
SHERIFFS					
State Police	2,456,666	1,386,667	3,843,333	2,456,666	1,386,667

keep:Pay act distribution - FY 2013 - for JFC report 11-15-12

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FY 2013 PAY ACT REPORT: 3 VSA SEC 2281(4)**

Description	DRAFT Pay Act need - GF by approp	DRAFT Pay Act need - TF by approp	DRAFT Pay Act need - GF + TF by approp	DRAFT GF Pay Act allocation	DRAFT TF Pay Act allocation
Criminal Justice Services	0	0	0	0	0
Emergency Management	0	0	0	0	0
Fire Safety	44,669	0	44,669	44,669	0
Administration	40,781	0	40,781	40,781	0
Homeland Security	0	0	0	0	0
Radiological Emergency Response Program	0	0	0	0	0
PUBLIC SAFETY					
Administration	16,899	0	16,899	16,899	0
Air Service Contract	10,722	0	10,722	10,722	0
Army Service Contract	6,495	0	6,495	6,495	0
Building Maintenance	18,314	0	18,314	18,314	0
Veterans' Affairs	2,787	0	2,787	2,787	0
MILITARY					
Criminal Justice Training Council	11,461	0	11,461	11,461	0
CRIMINAL JUSTICE TRAINING COUNCIL					
Administration	49,845	0	49,845	49,845	0
Food Safety and Consumer Protection	74,483	0	74,483	74,483	0
Agricultural Development	47,801	0	47,801	47,801	0
Labs, Agri Resource Mgmt & Envir Stewardship	36,425	0	36,425	36,425	0
AGRICULTURE					
Banking	0	0	0	0	0
Insurance	0	0	0	0	0
Captive	0	0	0	0	0
Securities	0	0	0	0	0
Health Care Administration	0	0	0	0	0
Administration	0	0	0	0	0
FINANCIAL REGULATION					
Secretary of State	60,000	0	60,000	60,000	0
SECRETARY OF STATE					
Regulation & Energy	0	0	0	0	0
PUBLIC SERVICE DEPT					
Public Service Board	0	0	0	0	0
PUBLIC SERVICE BD					
Enhanced 9-1-1 Board	0	0	0	0	0
E9-1-1 BOARD					
Human Rights Commission	25,735	0	25,735	25,735	0
HUMAN RIGHTS COMMISSION					
Enforcement & Licensing	0	0	0	0	0
Administration	0	0	0	0	0
Warehousing and Distribution	0	0	0	0	0
LIQUOR CONTROL					
Lottery Commission	0	0	0	0	0
LOTTERY COMMISSION					
Secretary's Office Admin Costs	0	0	0	0	0
Rate Setting	0	0	0	0	0
Develop Disabilities Council	0	0	0	0	0
Human Services Board	0	0	0	0	0
AHS SECRETARY'S OFFICE					
DVHA - Administration	0	0	0	0	0
DEPARTMENT OF VT HEALTH ACCESS					
Administration	6,781	0	6,781	6,781	0
Public Health	74,245	0	74,245	74,245	0
Alcohol & Drug Abuse	44,947	0	44,947	44,947	0
DEPT HEALTH					
Mental Health	16,447	0	16,447	16,447	0
Vermont State Hospital	0	0	0	0	0
MENTAL HEALTH					
DCFS Admin & Support Services	631,618	0	631,618	631,618	0
DCFS - Family Services	0	0	0	0	0
DCFS - Child Development	310,581	0	310,581	310,581	0
DCFS - Child Support Services	0	0	0	0	0
DCFS - OEO Ofc of Economic Opp	0	0	0	0	0
DCFS - Woodside Rehab Center	198,133	0	198,133	198,133	0
DCFS - DDS	0	0	0	0	0
DEPT FOR CHILDREN & FAMILIES					

keep:Pay act distribution - FY 2013 - for JFC report 11-15-12	FY 2013 PAY ACT REPORT: 3 VSA SEC 2281(4)**				
11/15/12 9:46 AM	DRAFT	DRAFT	DRAFT	DRAFT	DRAFT
Description	Pay Act need - GF by approp	Pay Act need - TF by approp	Pay Act need - GF + TF by approp	GF Pay Act allocation	TF Pay Act allocation
Administration & Support	442,089	0	442,089	442,089	0
Developmental Services	0	0	0	0	0
DISABILITIES & INDEPENDENT LIVING					
Corrections - Administration	107,703	0	107,703	107,703	0
Corrections - Parole Board	10,679	0	10,679	10,679	0
Corrections - Education	0	0	0	0	0
Correctional Services	3,271,694	0	3,271,694	3,271,694	0
Correctional Fac - Rec Fund	0	0	0	0	0
Admin - VT Offender Work Prog	0	0	0	0	0
CORRECTIONS					
AGENCY OF HUMAN SERVICES	0	0	0	0	
Care and Support Services	0	0	0	0	0
VT VETERANS' HOME					
Vermont Commission on Women	7,852	0	7,852	7,852	0
VT COMMISSION ON WOMEN					
Green Mountain Care Board	90,499	0	90,499	90,499	0
GREEN MOUNTAIN CARE BOARD					
VDOL Program	0	0	0	0	0
LABOR					
Finance and Administration	216,320	0	216,320	216,320	0
Education Services	0	0	0	0	0
Tobacco Litigation	0	0	0	0	0
Act 117 Cost Containment	0	0	0	0	0
DEPT EDUCATION					
Administration	109,195	0	109,195	109,195	0
ANR ADMINISTRATION					
Support & Field Services	539,541	0	539,541	539,541	0
[illegible] & WILDLIFE					
[illegible]istration	61,576	0	61,576	61,576	0
Forestry	259,119	0	259,119	259,119	0
State Parks	0	0	0	0	0
Lands Administration	23,163	0	23,163	23,163	0
FORESTS, PARKS & RECREATION					
Management and Support Services	47,062	0	47,062	47,062	0
Air and Waste Management	114,815	0	114,815	114,815	0
Office of Water Programs	227,112	0	227,112	227,112	0
DEPT ENVIRONMENTAL CONSERVATION					
AGENCY OF NAT RESOURCES	0	0	0	0	0
Natural Resources Board	48,882	0	48,882	48,882	0
NATURAL RESOURCES BD					
Administration Division	19,812	0	19,812	19,812	0
ACCD ADMINISTRATION					
Economic, Housing, and Community Development	26,324	0	26,324	26,324	0
Historic Sites Operations	0	0	0	0	0
Downtown Transp and Capital Imp Fund	734	0	734	734	0
ECONOMIC, HOUSING & COMMUNITY DEVELOPMENT					
Tourism & Marketing	6,972	0	6,972	6,972	0
Vermont Life	0	0	0	0	0
TOURISM & MARKETING					
AGENCY OF COMMERCE & COMM DEVEL	0	0	0	0	0
Transportation Board	0	0	0	0	0
TRANSPORTATION BOARD					
Finance and Administration	0	329,095	329,095	0	329,095
Aviation	0	17,583	17,583	0	17,583
Program Development	0	346,807	346,807	0	346,807
Maintenance State System	0	849,213	849,213	0	849,213
Department of Motor Vehicles	0	396,362	396,362	0	396,362
Policy and Planning	0	36,344	36,344	0	36,344
F[illegible]	0	35,222	35,222	0	35,222
[illegible] Transit	0	2,707	2,707	0	2,707
C[illegible]al Garage	0	0	0	0	0
AOT					
TOTAL	14,309,498	3,400,000	17,709,498	14,309,498	3,400,000

keep:Pay act distribution - FY 2013 - for JFC report 11-15-12

FY 2013 PAY ACT REPORT: 3 VSA SEC 2281(4)**

11/15/12 9:46 AM	DRAFT	DRAFT	DRAFT	DRAFT	DRAFT
Description	Pay Act need - GF by approp	Pay Act need - TF by approp	Pay Act need - GF + TF by approp	GF Pay Act allocation	TF Pay Act allocation
	$$ Available/Allocated				
	GF	TF	Total GF/TF		
Non-salary contract items:					
Human Resources					
Dependent care (Non-Mgmnt Art 8)	115,000	0	115,000		
Tuition:					
Non-mgmnt (Non-Mgmnt Art 37) (incl 15% admin)	180,000	0	180,000		
Supervisory (Sup Art 41) (incl 15% admin)	30,000	0	30,000		
Managers	30,000	0	30,000		
Contract printing	0	0	0		
Human Resources Operations Admin Support	36,000	0	36,000		
Contract implementation costs	200,000	0	200,000		
Total Human Resources	591,000	0	591,000		
Vermont Historical Society - Pay Increase per 22 VSA Sec. 285	55,925	0	55,925		
Total non-salary items	646,925	0	646,925		
FY 2013 PAY ACT AVAILABLE					
EXECUTIVE BRANCH					
Appropriated in 2012 Act 162 Sec B.1200 (a)(1)(A)	11,729,056	3,400,000	15,129,056		
Total appropriation	11,729,056	3,400,000	15,129,056		
Total pay act available	11,729,056	3,400,000	15,129,056		
Total pay act remaining for Depts	11,082,131	3,400,000	14,482,131		
Allocated/transferred to Depts	(12,304,498)	(3,400,000)	(15,704,498)		
Balance	(1,222,367)	0	(1,222,367)		
Potential Carryforward Available from FY 2012	638,362	0	638,362		
Balance after Carryforward	(584,005)	0	(584,005)		
JUDICIAL BRANCH					
Appropriated in 2012 Act 162 Sec B.1200 (b)(1)	1,720,000		1,720,000		
Judiciary Pay Act Need	1,720,000		1,720,000		
Projected Judiciary Pay Act Balance	0		0		
LEGISLATIVE BRANCH					
Appropriated in 2012 Act 162 Sec B.1200 (c)(1)	285,000		285,000		
Legislative Pay Act Need	285,000		285,000		
Projected Legislative Pay Act Balance	0		0		
**Final Pay Act transfers occur near the end of the fiscal year and may differ from transfers listed above.					

VERMONT

6.6.II

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Jim Reardon, Commissioner

MEMORANDUM

TO:	Joint Fiscal Committee
FROM:	Jim Reardon, Commissioner of Finance & Management
DATE:	October 9, 2012
RE:	Excess Receipts Report – 32 VSA Sec 511

In accordance with 32 VSA Sec 511, please find attached the report on Excess Receipts approved for the first quarter of FY 2013 (7/1/2012 through 9/30/2012).

Attachment

VT_EXCESS_RECEIPT_RPT	Quarter 1 FY 2013 - July 1 2012 thru 9/30/12						
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Agency/Dept Name	Appropriation Name	Appropriation Deptid	Date	Fund	Fund Name	Amount	Comments
Buildings & Gen Serv-Capital	Vet's Home-HVAC Renovations	0820000200	7/17/2012	22005	Federal Revenue Fund	$ (145,305.89)	Re-establish spending authority for the unspent balance of June 30, 2012.
Buildings & Gen Serv-Capital	Vet's Home-HVAC Renovations	0820000200	7/17/2012	22005	Federal Revenue Fund	$ 145,305.89	Re-establish spending authority for the unspent balance of June 30, 2012.
Buildings & Gen Serv-Capital	Vet's Home-HVAC Renovations	0820000200	7/16/2012	22005	Federal Revenue Fund	$ 145,305.89	Re-establish spending authority for the unspent balance of June 30, 2012.
Buildings & Gen Serv-Capital	Public Safety-Various Projects	0904300110	7/17/2012	21500	Inter-Unit Transfers Fund	$ (246,644.99)	Re-establish spending authority for the unspent balance as of June 30, 2012.
Buildings & Gen Serv-Capital	Public Safety-Various Projects	0904300110	7/17/2012	21500	Inter-Unit Transfers Fund	$ 246,644.99	Re-establish spending authority for the unspent balance as of June 30, 2012.
Buildings & Gen Serv-Capital	Public Safety-Various Projects	0904300110	7/16/2012	21500	Inter-Unit Transfers Fund	$ 246,644.99	Re-establish spending authority for the unspent balance as of June 30, 2012.
Agency of Admin Sec Office	Secretary of Administration	1100020000	7/12/2012	22005	Federal Revenue Fund	$ 9,019,681.15	Replenish spending authority as of 6/30/12. Act 3 Sec 56 FY2011 BAA
Libraries	Department of Libraries	1130030000	7/31/2012	21908	Misc Grants Fund	$ 9,687.45	Grant was provided to Libraries from Google Inc that was to be used to purchase computer software for 100 computers also donated by Google Inc, the delivery of these computers and any other related costs.
Libraries	Department of Libraries	1130030000	9/7/2012	21883	Gates Foundation Grants	$ 299,273.24	FY 11 remaining amount of Opportunity Online Broadband Grant from the Bill & Melinda Gates Foundation.
Buildings & Gen Serv-Gov'tal	BGS- Recycling Efforts	1150060000	8/3/2012	21604	BGS-Recycling Efforts	$ 66,000.00	Funds are collected from the disposition of recycling materials. Proceeds are desited into the fund and can only be used for recycling efforts statewide.
Buildings & Gen Serv-Gov'tal	BGS-Sarcoidosis Claims	1150110000	7/10/2012	21911	Sarcoidosis Benefit Trust Fund	$ 312,275.28	Fund to handle special payments to claimants of Sarcoidosis atrributed to the Bennington State Office Building. Funding will be from future general fund appropriations.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	8/3/2012	21603	Motorist Aid Refreshment Prog	$ 90,000.00	Funds are paid by motorists at the Info Centers by donation for coffee. Funds are authorized for use to both offset the cost of the coffee as well as the costs associated with running the Info Centers.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	7/17/2012	21822	ACCD\Tourism & Marketing Broch	$ (215,000.00)	Vendors pay BGS to store & display their business brochures at the State Info Centers. The amount charged is now part of the annual fee bill request.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	7/17/2012	21822	ACCD\Tourism & Marketing Broch	$ 215,000.00	Vendors pay BGS to store & display their business brochures at the State Info Centers. The amount charged is now part of the annual fee bill request.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	7/16/2012	21822	ACCD\Tourism & Marketing Broch	$ 215,000.00	Vendors pay BGS to store & display their business brochures at the State Info Centers. The amount charged is now part of the annual fee bill request.
State Treasurer-Gov'tal	Bond Issuance Costs	1260120000	8/21/2012	32101	TIB Proceeds Fund	$ 285,930.20	Sale of 2012 Transportation Infrastructure Bonds, bond issuance cost
Judiciary	Judiciary Appropriation	2120000000	7/10/2012	21500	Inter-Unit Transfers Fund	$ 9,050.00	Grant from the VCCVS to support GAL training.
Public Safety	DPS-State Police	2140010000	8/22/2012	21908	Misc Grants Fund	$ 2,954.00	VSP received grant from Commonwealth of Massachusetts
Public Safety	DPS-State Police	2140010000	8/23/2012	22040	ARRA Federal Fund	$ 892,665.00	ARRA - 2009 ARRA Justice Assistance Grant (formual) from the Dept of Justice
Public Safety	DPS-Criminal Justice Services	2140020000	8/23/2012	22040	ARRA Federal Fund	$ 787,069.00	ARRA - 2009 ARRA Justice Assistance Grant (formual) from the Dept of Justice
Public Safety	DPS-Emergency Management	2140030000	7/23/2012	21500	Inter-Unit Transfers Fund	$ 1,470,000.00	Portion of costs associated with Tropical Storm Irene will be reimbursed by the FEMA Public Assistance Grant.
Public Safety	DPS-Homeland Security	2140070000	8/23/2012	22040	ARRA Federal Fund	$ 39,897.00	ARRA - 2009 ARRA Justice Assistance Grant (formual) from the Dept of Justice
Center of Crime Victims' Serv	Victims Compensation	2160010000	7/10/2012	21500	Inter-Unit Transfers Fund	$ 37,657.00	MOU between DCF and VCCVS for Children's Justice Act Grant from US Dept of Health & Human Services. Grant number G1001VTCJA1
Center of Crime Victims' Serv	Victims Compensation	2160010000	8/2/2012	21926	Domestic & Sexual Violence	$ 14,521.00	New Beginnings did not draw down their FY10 allocations from Act 174 which was passed in FY09
Agriculture, Food & Markets	Food Safety/Consumer Assurance	2200020000	9/14/2012	21889	Risk Manage Ag Producers	$ 10,642.00	Grant from UVM & State Agricultural College - Subaward #25369
Agriculture, Food & Markets	Ag Development Division	2200030000	8/22/2012	21500	Inter-Unit Transfers Fund	$ 110,000.00	MOU with VDH #03420-5920
Agriculture, Food & Markets	Ag Development Division	2200030000	8/23/2012	21493	VT Working Lands Enterprise	$ 1,175,000.00	Act 162 Sec B 1106
Agriculture, Food & Markets	Plant Industry, Labs & CA Div	2200040000	9/14/2012	21908	Misc Grants Fund	$ 350,000.00	Grant from the Lake Champlain Basin Program to be used as matching funds for the water quality monitoring program to evaluate the effectiveness of agricultural best management practices for controlling runoff.
Financial Regulation	Insurance Division	2210011000	7/18/2012	21500	Inter-Unit Transfers Fund	$ 187,972.00	From DVHA for Affordable Care Acts Exchange grant work.
Financial Regulation	Securities Division	2210031000	7/31/2012	21906	Financial Services Education	$ 30,000.00	Settlement funds deposited into the special fund.
Financial Regulation	Health Care Admin. Division	2210040000	7/18/2012	21500	Inter-Unit Transfers Fund	$ 270,000.00	From DVHA for Affordable Care Acts Exchange grant work.
Public Service Department	Regulation & Energy Efficiency	2240000000	9/4/2012	22041	ARRA-SEP-Revolving Loan	$ 994,770.00	Revolving Loan ARRA fund
Human Rights Commission	Human Rights Commission	2280001000	7/26/2012	21692	Human Rights Commission	$ 15,000.00	Settlements of succesful lawsuits taken on by the Human Rights Commission from the current and previous fiscal years.

VT_EXCESS_RECEIPT_RPT	Quarter 1 FY 2013 - July 1 2012 thru 9/30/12						
	68						
Agency/Dept Name	Appropriation Name	Appropriation Deptid	Date	Fund	Fund Name	Amount	Comments
Liquor Control	DLC - Enforcement & Licensing	2300002000	7/31/2012	21500	Inter-Unit Transfers Fund	$ 6,000.00	Amendment #4 is increasing the amount of grant by another 6000. Total grant is now 24,000. Request to spend total anticipated excess receipts in FY13 is now 11,504.96
Liquor Control	DLC - Enforcement & Licensing	2300002000	7/10/2012	21500	Inter-Unit Transfers Fund	$ 7,000.00	Balance of funds not spent in FY12, plus additional $7000 increase in grant which was also extended to Dec 2012
Liquor Control	DLC - Enforcement & Licensing	2300002000	7/10/2012	21500	Inter-Unit Transfers Fund	$ 3,504.96	Balance of funds not spent in FY12, plus additional $7000 increase in grant which was also extended to Dec 2012
Liquor Control	DLC - Enforcement & Licensing	2300002000	8/23/2012	21870	Misc Special Revenue	$ 10,000.00	Grant from National Alcohol Beverage Control Assoc to be sued for designing, printing and distributing a teen information guide.
Liquor Control	DLC - Enforcement & Licensing	2300002000	8/22/2012	21870	Misc Special Revenue	$ 34,756.00	Income from Education sections online classroom, net of expenses for FY12
Vermont Veterans' Home	VERMONT VETERANS' HOME	3300010000	8/2/2012	21782	Vermont Medicaid	$ 450,000.00	Retrovactive rate adjustment and timing of projects.
Green Mountain Care Board	Green Mountain Care Board	3330010000	7/26/2012	21908	Misc Grants Fund	$ 167,654.00	Grant was provided to Green Mtn Care Board from the Robert Wood Johnson Foundation to be sued for the purpose of implementing payment reforms to improve health care quality and lower costs in VT.
Human Services Central Office	Secretary's Office Admin Costs	3400001000	9/21/2012	21870	Misc Special Revenue	$ 67,500.00	$6000 - CF from FY12 $67,500 - Anticipated receipts of contributions from nonprofits that host Vista volunteers
Human Services Central Office	Secretary's Office Admin Costs	3400001000	9/21/2012	21870	Misc Special Revenue	$ 6,000.00	$6000 - CF from FY12 $67,500 - Anticipated receipts of contributions from nonprofits that host Vista volunteers
Human Services Central Office	Rate Setting	3400008000	8/23/2012	21500	Inter-Unit Transfers Fund	$ 712.00	FEMA funds for Irene related expenses.
Human Services Central Office	Develop Disabilities Council	3400009000	9/20/2012	21870	Misc Special Revenue	$ 2,000.00	Donation from University of Vermont Center on Disability and Community Inclusion to sponsor the 2012 VT Leadership Series. Funds were carried over from FY12.
Health	Public Health Appropriation	3420021000	9/4/2012	21897	Emergency Medical Services Fnd	$ 150,000.00	Emergency Medical Services special fund established under 18 V.S.A. Section 908
Education	Education Services	5100070000	9/14/2012	22040	ARRA Federal Fund	$ 2,294,712.70	ARRA
Education	Education Services	5100070000	8/20/2012	22040	ARRA Federal Fund	$ 190,670.54	ARRA
Education	Education Jobs Fund	5100891101	7/31/2012	21500	Inter-Unit Transfers Fund	$ 8,621,561.06	Education Jobs Fund
Forest, Parks & Recreation	Administration	6130010000	7/23/2012	21500	Inter-Unit Transfers Fund	$ 850,500.00	VTrans - Spring flood event & Tropical Storm Irene, F&W to cover work on approved projects on DFW owned lands, Reimbursement for work done on the Natural Resources Mapping Project from ANR Central Office.
Forest, Parks & Recreation	Administration	6130010000	9/28/2012	21550	Lands and Facilities Trust Fd	$ 50,000.00	Receipts from the Land & Facilites Trust Fund are available from unexpected project balances from PY's.
Forest, Parks & Recreation	Administration	6130010000	7/31/2012	21525	Conference Fees & Donations	$ 30,000.00	Admin Approp - Project Learning Tree workshop fees and grants, including grant from American Forest Foundation and French Foundation. Forestry Approp - Urban & Community Forestry workshop fees and misc grant & donations, including Arbor Day donations.
Forest, Parks & Recreation	Forestry	6130020000	7/31/2012	21525	Conference Fees & Donations	$ 5,000.00	Admin Approp - Project Learning Tree workshop fees and grants, including grant from American Forest Foundation and French Foundation. Forestry Approp - Urban & Community Forestry workshop fees and misc grant & donations, including Arbor Day donations.
Forest, Parks & Recreation	Parks	6130030000	8/29/2012	21500	Inter-Unit Transfers Fund	$ 130,350.00	MOU with DEC for the management of and contracting for the removal of significant volumes of hazardous materials & for the cleanup of buildings and site debris located on Law Island, Lake Champlain Colchester.
Forest, Parks & Recreation	Lands Administration	6130040000	9/19/2012	21500	Inter-Unit Transfers Fund	$ 50,000.00	The receipts in the interdepartmental transfer fund are available because of an MOU with DEC to support the acquisition of 28 acres adjacent to the Green River Reservior State Park.
Forest, Parks & Recreation	Lands Administration	6130040000	8/3/2012	21778	FPR-Laura Burnham Estate	$ 6,000.00	Funds are available for acquisition of state lands for natural areas.
Forest, Parks & Recreation	Vt Youth Conservation Corps	6130080000	7/31/2012	21779	FPR-Youth Conservation Corps	$ 175,000.00	Youth Conservation Corps fund to cover payroll costs of corp members.
Housing & Comm Affairs	Housing & Community Affairs	7110010000	9/19/2012	21085	Captive Insurance Reg & Supv	$ 100,000.00	Captive tax revenue collected is in excess of projected budget spend.
Housing & Comm Affairs	Housing & Community Affairs	7110010000	8/22/2012	21330	Municipal & Regional Planning	$ 22,455.21	Funds are available due to final closeout of grants with unused remaining grant balances, return of funds previously paid to municipalities.

VT_EXCESS_RECEIPT_RPT	Quarter 1 FY 2013 - July 1 2012 thru 9/30/12						
	68						
Agency/Dept Name	Appropriation Name	Appropriation Deptid	Date	Fund	Fund Name	Amount	Comments
Housing & Comm Affairs	Community Develop. Block Grant	7110030000	7/1/2012	22040	ARRA Federal Fund	$ 13,000.00	ARRA - FY12 unexpended balances to be used for admin closeout costs.
Housing & Comm Affairs	Downtown Transp. & Capital Imp	7110080000	8/22/2012	21575	Downtown Trans & Capital Impro	$ 13,846.05	FY12 unexpended balances to be used for project and admin costs
Housing & Comm Affairs	STEM Incentive	7110891204	7/23/2012	21992	Next Generation Initiative Fnd	$ 23,500.00	Carry forward from FY2012
Agency of Transportation	Program Development	8100001100	9/6/2012	20160	Transportation Local Fund	$ 2,000,000.00	Funds are from the NY local share of project - Alburgh-Rouses Point BHF MEMB(24)
Agency of Transportation	Program Development	8100001100	8/14/2012	20180	ARRA FHWA Fund	$ 400,000.00	Funds are available from Program Development/Roadway - Brandon project #NH 019-3(495).
Agency of Transportation	Maintenance	8100002000	7/23/2012	20135	Transportation FHWA Fund	$ 6,000,000.00	Funds are available from formula funds that have been redirected to Tropical Storm Irene related ER projects.
Agency of Transportation	Rail	8100002300	7/23/2012	20155	Transportation-FRA Fund	$ 35,000.00	Funds are available for the NY-VT Bi-State Intercity Passenger Rail Study
Agency of Transportation	Rail	8100002300	7/23/2012	20160	Transportation Local Fund	$ 80,000.00	Funds are available for the NY-VT Bi-State Intercity Passenger Rail Study
Agency of Transportation	Public Transit	8100005700	9/11/2012	20182	ARRA FTA Fund	$ 15,737.78	Funds are available from an amended grant with Addison County Transit Resources and will be used towards the purchase of a bus.
AOT Proprietary Funds	Central Garage	8110000200	7/23/2012	57100	Highway Garage Fund	$ 2,689,994.14	Funds are the unexpected blance in the equipment replacement account at the end of FY12. Funds will be used for equipment purchases per Title 19 Sec 13(c).

6.6.III.

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Jim Reardon, Commissioner

MEMORANDUM

TO:	Joint Fiscal Committee
FROM:	Jim Reardon, Commissioner of Finance & Management
DATE:	October 17, 2012
RE:	Special Funds Created in FY2012; Special Fund Balances at End of FY2012

Pursuant to 32 VSA Sec. 588(6), I am herewith submitting to the Joint Fiscal Committee the list of Special Funds created in FY2012, with name, authorization and revenue source; and the list of Special Funds and their balances at the end of FY2012.

Attachment

Report on Special Funds created in FY 2012

Submitted to the Joint Fiscal Committee pursuant to 32 VSA Sec 588(6)

Dept/Name of Fund	Authorization	Revenue Source
Dept. Motor Vehicles		
VT Strong Commemorative Plate Fund	2012 Act 71 Sec 1(b)(2)	Sale of Vermont Strong commemorative motor vehicle plates
Agency of Commerce & Community Development		
EB-5 Special Fund	10 VSA Sec 21	Charges for administering the regional EB-5 center and for providing specialized services in support of participating economic development projects.
Agency of Human Services - Green Mtn Care Board		
Green Mountain Care Fund	33 VSA Sec 1829	Transfers or appropriations from the General Fund, Federal funds, and any other sources of revenue as may be provided by statute or rule
Dept. of Public Safety		
Blood & Breath Alcohol Testing Special Fund	23 VSA Sec 1220b	Receipts from DUI surcharges
Dept. Buildings & General Services		
Historic Property Stabilization & Rehabilitation Special Fund	29 VSA Sec 155	Sales of underutilized state-owned historic property
Agency of Agriculture- Vt Working Lands Enterprise Board		
Vt Working Lands Enterprise (Special) Fund	6 VSA Sec 4605	Appropropriations by the Vt General Assembly or moneys received from any other source approved by the Board

Special Fund Summary EOFY 2012 - for JFC report 10-17-12						

Special Fund Summary EOFY 2012

Special Fund Name	SF #	Fund Net Assets 7/1/11	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/12
Financial Literacy Trust Fund	21001	18,034.22	15,022.03	(9,497.77)	0.00	23,558.48
FMS System Development Fund	21005	(2,449,911.86)	1,222,275.00	0.00	0.00	(1,227,636.86)
Elva S Smith Bequest	21015	57,799.43	0.00	(22,334.68)	0.00	35,464.75
Lw-lvl Radioactive Waste Cmpct	21020	(163,293.80)	12,551,268.85	(12,597,368.99)	0.00	(209,393.94)
Radiological Emerg Response	21025	(162,380.89)	2,138,932.32	(1,917,166.75)	0.00	59,384.68
Public Defender Special Fund	21050	136,696.18	621,466.71	(638,552.00)	0.00	119,610.89
Misc Fines & Penalties	21054	646,689.30	304,801.34	(197,468.57)	0.00	754,022.07
Vt Dairy Promotion Fund	21060	272,507.32	2,542,065.48	(2,418,639.06)	0.00	395,933.74
VDPC State Portion	21061	150,748.87	289,336.00	(206,927.47)	0.00	233,157.40
Financial Institut Supervision	21065	0.00	1,843,057.44	(1,668,230.81)	25,173.37	200,000.00
Health Care Suprv & Reg	21070	225,497.04	1,443,379.35	(1,588,355.63)	0.00	80,520.76
Insurance Regulatory & Suprv	21075	226,174.00	10,749,402.62	(6,255,461.73)	(4,511,406.92)	208,707.97
Securities Regulatory & Suprv	21080	0.00	6,478,415.00	(1,608,387.84)	(4,870,027.16)	0.00
Captive Insurance Reg & Suprv	21085	0.00	5,195,212.44	(4,381,688.66)	(813,523.78)	0.00
VOHI Wk Cmp Self-Ins Corp Trst	21090	50,319.80	89.70	0.00	0.00	50,409.50
Passenger Tramways	21095	0.00	420,469.58	(363,865.23)	0.00	56,604.35
Elevator Safety Fund	21097	86,876.43	97,225.00	(57,428.03)	0.00	126,673.40
Licensing & Inspection Spec Fd	21099	0.00	(175.00)	0.00	0.00	(175.00)
Worker's Comp Admin Fund	21105	(100,712.99)	2,738,149.10	(1,788,965.77)	0.00	848,470.34
Employee Leasing Companies	21110	33,020.85	39,500.00	(4,369.55)	(33,020.85)	35,130.45
Crim Justice Training Council	21115	11.25	(4,473.61)	0.00	4,462.36	0.00
Fire Service Training Council	21120	151,531.55	850,735.08	(976,007.04)	30,000.00	56,259.59
Haz Chem & Subst Emerg Resp	21125	376,273.95	607,692.80	(491,739.52)	0.00	492,227.23
Criminal History Records Check	21130	905.42	200,495.33	(200,000.00)	0.00	1,400.75
Vt Law Telecommunications	21135	48,656.16	165,210.00	(186,853.00)	0.00	27,013.16
DUI Enforcement Special Fund	21140	18,471.01	1,470,631.77	0.00	(1,500,343.00)	(11,240.22)
Victims Compensation Fund	21145	1,515,264.60	2,700,939.05	(2,657,198.69)	0.00	1,559,004.96
Prof Regulatory Fee Fund	21150	5,167,899.47	3,590,049.92	(3,888,632.33)	0.00	4,869,317.06
Rulemaking Advertising Fund	21155	18,194.04	65,200.00	(72,765.05)	0.00	10,628.99
Vermont Campaign Fund	21160	270,482.46	684,196.87	(625,815.54)	0.00	328,863.79
Funeral & Burial Service Trust	21165	235,994.80	420.68	0.00	0.00	236,415.48
Children's Trust Fund	21185	22,065.17	124,398.59	(75,000.00)	0.00	71,463.76
Correctional Facilities Rec Fd	21190	373,702.53	854,669.76	(718,361.78)	0.00	510,010.51
Catamount Fund	21196	2,212,330.21	27,772,695.36	(25,226,979.00)	0.00	4,758,046.57
Home Heating Fuel Asst Trust	21210	121,953.05	100,421.98	(6,372,375.03)	6,150,000.00	0.00
PATH-Civil Monetary Fund	21213	141,759.30	6,024.00	(24,360.00)	0.00	123,423.30
Mental Health Risk Pool	21220	258,920.30	188.76	(258,690.00)	0.00	419.06
Vermont State Hospital Canteen	21225	5,000.00	0.00	0.00	0.00	5,000.00
Home Weatherization Assist	21235	1,673,473.37	7,842,060.66	(5,650,195.04)	(1,050,000.00)	2,815,338.99
Teacher Licensing Fund	21240	1,097,446.64	893,624.71	(1,005,629.25)	0.00	985,442.10
Post Secondary Certification	21245	0.00	8,000.00	(8,000.00)	0.00	0.00
General Education Development	21250	1,128.24	21,792.00	(3,273.24)	0.00	19,647.00
Petroleum Cleanup Fund	21255	2,406,827.54	5,672,287.28	(6,097,269.35)	750,000.00	2,731,845.47
Act 250 Permit Fund	21260	(1,232,638.55)	1,961,343.57	(1,875,959.28)	1,139,849.00	(7,405.26)
State Forest Parks Fund	21270	526,377.94	7,864,135.45	(7,788,294.24)	(212,000.00)	390,219.15
Environmental Contingency Fund	21275	2,618,056.07	274,784.98	(175,007.82)	157.64	2,717,990.87
Mitec Settlement Fund	21280	157.38	0.26	0.00	(157.64)	0.00
Waste Management Assistance	21285	1,957,194.36	4,709,875.61	(4,408,425.74)	0.00	2,258,644.23
Hazardous Waste Fund	21290	354,762.78	88,246.20	(74,883.00)	0.00	368,125.98
FPR - Land Acquisitions	21293	54,053.89	0.00	0.00	0.00	54,053.89
Environmental Permit Fund	21295	818,659.91	5,301,553.84	(5,281,134.09)	0.00	839,079.66
Hydroelectric Licensing Fund	21300	32,832.30	1,896.76	(7,683.71)	0.00	27,045.35
Sunderland Landfill	21315	14,488.85	25.83	0.00	0.00	14,514.68
Central Vt Shopping Ctr	21320	155,037.23	237.74	(86,273.04)	0.00	69,001.93
Historic Sites Special Fund	21325	22,702.22	356,743.22	(371,693.92)	0.00	7,751.52
Municipal & Regional Planning	21330	276,608.02	4,048,531.35	(3,226,580.23)	(752,654.99)	345,904.15
Insurance Reserve Fund	21335	11,264.53	20,533,165.10	0.00	0.00	20,544,429.63
Unorganized Towns-Bennington	21345	29,401.96	70,175.67	(59,845.27)	0.00	39,732.36
Unorganized Towns-Chittenden	21350	(31,568.10)	63,335.65	(21,572.93)	0.00	10,194.62
Unorganized Towns-Windham	21355	25,477.01	147,479.90	(160,654.65)	0.00	12,302.26
Tobacco Litigation Settlement	21370	(20,376.25)	34,493,290.20	(42,099,316.94)	7,615,095.83	(11,307.16)
AG-Tobacco Settlement	21372	292,118.50	0.00	(29,557.57)	0.00	262,560.93
Tobacco Trust Fund	21375	17,124,874.02	540,692.77	(96,986.59)	(7,615,095.83)	9,953,484.37
Williamstown Env & Public Hlth	21390	192,552.87	340.69	(2,510.00)	0.00	190,383.56
State Register Publications Fd	21397	1,473.53	45.00	0.00	0.00	1,518.53
Bond Investment Earnings Fund	21405	0.70	31,835.39	0.00	(31,835.39)	0.70
Flexible Spending	21430	159,132.57	1,991,316.70	(2,000,197.31)	0.00	150,251.96
All Terrain Vehicles	21440	13,758.48	300,782.63	(294,785.28)	0.00	19,755.83

Special Fund Summary EOFY 2012 - for JFC report 10-17-12						

Special Fund Summary EOFY 2012

Special Fund Name	SF #	Fund Net Assets 7/1/11	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/12
Art Acquisition Fund	21445	77,500.00	0.00	(64,000.00)	100,000.00	113,500.00
Fuel Efficiency Fund	21452	1,664,503.94	994.06	(1,667,435.18)	0.00	(1,937.18)
Vt Recreational Trails Fund	21455	201,593.76	0.00	(303,119.53)	370,000.00	268,474.23
Laboratory Services	21460	16,568.92	665,229.06	(615,150.52)	0.00	66,647.46
Medical Practice	21470	1,606,957.61	243,375.00	(901,162.27)	0.00	949,170.34
Hospital Licensing Fees	21471	0.00	140,222.00	(140,222.00)	0.00	0.00
Natural Resources Mgmnt	21475	34,179.93	482,342.70	(397,575.65)	0.00	118,946.98
Otto Johnson Fund	21480	0.00	6,956.79	(6,956.79)	0.00	0.00
PILOT	21485	825,644.79	5,835,175.13	(6,024,000.00)	0.00	636,819.92
Rabies Control	21490	6,942.00	81,640.00	(36,773.55)	(44,945.45)	6,863.00
Snowmobile Trails	21495	189,550.88	702,186.95	(614,969.22)	0.00	276,768.61
Inter-Unit Transfers Fund	21500	2,302,300.31	46,474,385.68	(49,237,427.71)	(16,828.10)	(477,569.82)
ARRA Inter-Unit Subaward Fund	21502	(4,437.74)	3,994,077.16	(3,954,455.98)	0.00	35,183.44
Boating Safety	21505	73,081.32	0.00	(117,178.81)	70,272.12	26,174.63
Treas Retirement Admin Cost	21520	6,488.15	2,014,414.49	(2,034,061.49)	0.00	(13,158.85)
Conference Fees & Donations	21525	67,644.44	81,388.10	(88,365.82)	0.00	60,666.72
School Match	21535	261,172.41	15,951,588.62	(16,212,761.03)	0.00	0.00
Lands and Facilities Trust Fd	21550	4,463,046.90	444,966.31	(676,689.79)	(161,000.00)	4,070,323.42
Emergency Relief & Assist Fd	21555	8,023.44	0.00	(4,669,031.30)	21,800,000.00	17,138,992.14
Public Assistance Recoveries	21560	1,270.88	15,294.62	(15,565.50)	0.00	1,000.00
Food Stamp Recoveries	21570	155,791.97	129,957.62	(253,278.00)	0.00	32,471.59
Downtown Trans & Capital Impro	21575	1,283,125.34	0.00	(807,211.29)	400,000.00	875,914.05
Surplus Property	21584	479,118.43	407,851.94	(562,422.90)	0.00	324,547.47
Pers-Human Resourc Development	21585	48,939.98	72,957.50	(50,860.87)	0.00	71,036.61
Tax-Miscellaneous Fees	21590	82,587.78	212,660.67	(285,167.87)	0.00	10,080.58
Tax-Local Option Process Fees	21591	44,832.15	683,431.26	(683,431.26)	0.00	44,832.15
Tax-Current Use Admin	21594	2,202.79	485,970.11	(220,461.32)	0.00	267,711.58
Public Records Special Fund	21595	155,512.69	14,074.58	0.00	0.00	169,587.27
BGS-BTS Marketing Costs	21599	77,152.45	0.00	0.00	(77,152.45)	0.00
BGS-Duxbury/Moretown	21600	(1,521.46)	622.90	0.00	0.00	(898.56)
Vital Records Special Fund	21602	225,887.95	95,893.05	(102,885.54)	0.00	218,895.46
Motorist Aid Refreshment Prog	21603	132,030.16	85,061.52	(72,739.02)	0.00	144,352.66
BGS-Recycling Efforts	21604	66,479.57	132,461.86	(15,651.60)	0.00	183,289.83
BGS-Newport Office	21606	2,500.00	0.00	0.00	0.00	2,500.00
BGS-Donations-St House Restore	21612	(1,194.99)	4,216.00	(2,477.60)	0.00	543.41
BGS-Sale of State Land	21613	123,243.09	230,700.00	0.00	(358,507.00)	(4,563.91)
Leg-State House Sick Room	21626	1,197.90	0.00	0.00	0.00	1,197.90
Leg-Sgt at Arms-Use of St Hous	21627	2,197.26	0.00	0.00	0.00	2,197.26
St Labor Relations Bd-Misc Rec	21633	9,383.52	3,868.43	(3,806.43)	0.00	9,445.52
AG-Consumer Fraud Restitution	21634	622,376.30	90,757.54	(136,045.29)	0.00	577,088.55
AG-Fees & Reimburs-Court Order	21638	59,505.33	3,151,641.01	(637,826.07)	(2,552,240.00)	21,080.27
AG-Court Diversion	21639	0.00	583,447.71	(583,447.71)	0.00	0.00
SA-Windsor Comm Prosecution Gr	21646	(2,583.57)	0.00	0.00	0.00	(2,583.57)
PS-Highway Safety	21649	10,485.00	0.00	0.00	0.00	10,485.00
PS-Sale of Photos	21651	5,307.25	15,040.00	(17,610.16)	0.00	2,737.09
Mil-Armory Rentals	21660	4,082.11	4,740.00	0.00	0.00	8,822.11
Mil-Sale of Burl Armory & Othe	21661	106,449.59	0.00	0.00	0.00	106,449.59
Mil-Vets Cemetary Contribution	21662	69,933.97	52,188.78	(83,382.50)	0.00	38,740.25
AF&M-Agricultural Events	21666	32,007.68	111,592.87	(10,191.99)	0.00	133,408.56
AF&M-Laboratory Testing	21667	30,584.86	10,519.00	(3,503.00)	0.00	37,600.86
AF&M-Feed Seeds & Fertilizer	21668	490,096.06	1,015,224.02	(1,031,270.35)	0.00	474,049.73
AF&M-Pesticide Monitoring	21669	371,565.80	1,093,125.00	(825,509.28)	0.00	639,181.52
AF&M-Apple Marketing Board	21670	6,563.29	1,648.92	0.00	0.00	8,212.21
AF&M-Agricultural Fees	21671	39,580.91	8,340.00	(577.00)	0.00	47,343.91
AF&M-Terminal Mkts-Ship Insp	21672	5,024.55	0.00	0.00	0.00	5,024.55
AF&M-Weights & Measures-Testin	21673	42,647.54	447,305.78	(388,553.75)	0.00	101,399.57
AF&M-Livestock Dealers/Transpo	21676	85,582.35	21,897.00	(118.00)	0.00	107,361.35
AF&M-Mosquito Control	21678	104,784.37	0.00	(59,182.52)	46,848.05	92,449.90
AF&M-Housing & Conservation Bd	21680	(38,420.48)	239,609.60	(245,401.79)	0.00	(44,212.67)
AF&M-Eastern States Building	21682	109,432.91	153,553.51	(127,610.61)	0.00	135,375.81
AF&M-Dairy Receipts	21684	28,760.03	67,829.68	(6,261.40)	0.00	90,328.31
AF&M-Meat Handlers	21685	14,783.04	9,780.00	(4,288.00)	0.00	20,275.04
AF&M-Pesticide Control	21686	8,476.54	75,626.00	(39,871.22)	0.00	44,231.32
AF&M-Promotional Activities	21687	10,759.71	28,480.00	(30,660.09)	0.00	8,579.62
BISHCA-Docket	21690	24,422.95	0.00	0.00	0.00	24,422.95
Human Rights Commission	21692	36,325.00	46,806.85	(9,192.75)	0.00	73,939.10
PSD-Regulation/Energy Efficien	21698	1,659,416.74	9,265,705.51	(4,973,849.62)	(3,195,779.28)	2,755,493.35
PSD-Telecomm Serv for Deaf	21703	34,607.09	259,838.02	(440,283.11)	0.00	(145,838.00)

Special Fund Summary EOFY 2012 - for JFC report 10-17-12

Special Fund Summary EOFY 2012

Special Fund Name	SF #	Fund Net Assets 7/1/11	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/12
PSD-Rate & Tariff Power	21706	29,105.79	2,092,197.57	(2,321,142.74)	0.00	(199,839.38)
PSB-Special Fds	21709	1,325,456.53	187,961.50	(2,509,171.15)	3,195,779.28	2,200,026.16
Enhanced 9-1-1 Board	21711	1,852,606.39	5,800,858.35	(4,954,633.84)	0.00	2,698,830.90
OCS-Child Supp Collect-ANFC	21721	0.00	431,301.00	(431,301.00)	0.00	0.00
HE-Food & Lodging Fees	21731	0.00	897,372.00	(897,252.00)	0.00	120.00
GCW-Misc	21748	13,034.97	0.00	(2,014.02)	0.00	11,020.95
DET-Apprenticeship Train OFS	21752	1,760.00	195,981.08	(197,741.08)	0.00	0.00
ED-Medicaid Reimb-Admin	21764	2,266,350.54	0.00	(17,276,111.50)	16,383,955.47	1,374,194.51
Vets Home-Private Pay	21767	(825,899.88)	2,260,127.04	(1,798,720.00)	0.00	(364,492.84)
Vets Home-Dom Applied Income	21768	102,746.38	64,555.36	(82,445.00)	0.00	84,856.74
Local Comm Implementation Fund	21772	86,972.37	155.04	0.00	0.00	87,127.41
Impaired Water Restoration Fnd	21773	611,252.36	29,003.42	(125,091.62)	0.00	515,164.16
Pollution Prevention Plans Fee	21776	2,485.97	53,400.00	(55,885.97)	0.00	0.00
FPR-Laura Burnham Estate	21778	10,402.90	0.00	0.00	0.00	10,402.90
FPR-Youth Conservation Corps	21779	3,593.00	241,180.57	(241,180.57)	0.00	3,593.00
FPR-Earth People's Park	21781	32.08	102.66	0.00	0.00	134.74
Vermont Medicaid	21782	3,926,405.13	5,641,048.07	(6,742,319.43)	0.00	2,825,133.77
New York Medicaid	21785	2,197,837.96	2,217,955.99	(2,365,200.00)	0.00	2,050,593.95
Streamgauging Fees	21786	63,356.00	15,304.68	(25,175.00)	0.00	53,485.68
EC-Geological Publications	21787	9,087.17	10,963.00	(4,001.23)	0.00	16,048.94
Miscellaneous Settlement Fund	21788	3,304,238.28	1,267,500.00	(887,377.33)	0.00	3,684,360.95
EC-Tax Loss-Conn Riv Flood Ctl	21789	0.00	31,230.00	(31,230.00)	0.00	0.00
EC-Aquatic Nuisance Control	21790	(27,124.74)	0.00	0.00	0.00	(27,124.74)
EC-VT Poll Control 24VSA4753	21793	140,564.64	675,000.00	(675,000.00)	0.00	140,564.64
SRS-Social Security	21809	0.00	887,613.67	(887,613.67)	0.00	0.00
SRS-Parental Child Support	21810	0.00	172,113.31	(172,113.31)	0.00	0.00
Attorney Admission,Licensing,&	21811	759,890.74	666,833.50	(606,880.41)	0.00	819,843.83
VR Fees	21813	0.00	1,200,902.90	(1,200,902.90)	0.00	0.00
DAD-Vending Facilities	21815	0.00	196,029.06	(196,029.06)	0.00	0.00
ACCD-Mobile Home Park Laws	21819	0.00	59,073.54	(59,073.54)	0.00	0.00
ACCD-Miscellaneous Receipts	21820	5,003.00	11,177.52	(11,177.52)	0.00	5,003.00
ACCD\Tourism & Marketing Broch	21822	167,479.90	229,432.21	(200,960.66)	0.00	195,951.45
Sale of Copies/Publications	21824	3,273.06	2,565.55	(1,898.24)	0.00	3,940.37
Memorial Gifts	21825	4,488.84	125.00	0.00	0.00	4,613.84
HE-Lead Abatement Fees	21828	0.00	49,876.00	(49,876.00)	0.00	0.00
HE-Third Party Reimbursement	21829	522,475.00	4,656,567.05	(4,118,309.83)	0.00	1,060,732.22
HE-Asbestos Fees	21832	0.00	162,949.00	(162,949.00)	0.00	0.00
HE-Medicaid in Schools	21834	(216,000.00)	0.00	0.00	0.00	(216,000.00)
HE-AIDS Medication Rebates	21836	18,894.00	1,348,545.69	(99,292.00)	0.00	1,268,147.69
HE-ADAP DDRP Fees	21837	0.00	153,004.00	(153,004.00)	0.00	0.00
CORR-Supervision Fees	21843	1,804,333.79	914,493.40	(569,722.51)	0.00	2,149,104.68
PERS-Recruitment Services	21844	10,159.87	145,893.37	(147,442.02)	0.00	8,611.22
Chitt-Women Help Battered Wome	21846	(26,934.17)	29,443.00	(23,000.00)	0.00	(20,491.17)
ED-Private Sector Grants	21848	66,153.61	0.00	(29,948.57)	0.00	36,205.04
PS-Law Enforcement Services	21851	(5,997.38)	434,614.53	(447,321.59)	0.00	(18,704.44)
PS-VAST	21852	0.00	23,482.46	(23,714.89)	0.00	(232.43)
PS-Fingerprint Fees	21856	54,515.04	204,207.06	(194,233.90)	(54,000.00)	10,488.20
PS-VIBRS	21857	316,032.35	1,108,341.96	(937,796.16)	0.00	486,578.15
SRS-Build Bright Spaces/Future	21858	18,537.29	18,052.35	(18,000.00)	0.00	18,589.64
EC-Laboratory Receipts	21861	97,312.08	19,678.00	(1,619.99)	0.00	115,370.09
EC-Motorboat Registration Fees	21862	815,405.23	0.00	(139,783.68)	358,530.19	1,034,151.74
Special Funds Debt Service	21868	(1,025,099.15)	0.00	0.00	1,026,225.00	1,125.85
Misc Special Revenue	21870	144,212.02	1,547,046.23	(167,867.42)	0.00	1,523,390.83
Gates Foundation Grants	21883	250,269.48	229.55	(226,229.88)	0.00	24,269.15
Emerg Pers Survivor Benefit Fd	21884	6,805.36	23.77	0.00	100,000.00	106,829.13
Treas-Refunding Bond Issue	21886	36,425.69	0.00	(437,125.15)	400,699.46	0.00
Risk Manage Ag Producers	21889	48,262.09	41,656.73	(68,318.04)	0.00	21,600.78
State's Att & Sheriff-Misc	21891	45,422.91	35,000.15	(30,700.04)	0.00	49,723.02
Green Mtn Cons Camp Endowment	21894	64,346.48	9,673.64	0.00	0.00	74,020.12
Upper Valley Regional Landfill	21895	245,691.20	428.81	(12,046.33)	0.00	234,073.68
Waterfront Preservation	21896	190,000.00	0.00	0.00	0.00	190,000.00
Fire Prev/Bldg Inspect Sp Fund	21901	1,259,804.62	5,247,797.50	(4,142,603.78)	0.00	2,364,998.34
Health Department-Special Fund	21902	0.00	1,001,222.20	(951,653.20)	0.00	49,569.00
PATH-Misc Fund	21903	715,307.23	3,085,520.66	(20,556,472.10)	16,869,314.54	113,670.33
Financial Services Education	21906	157,053.48	279.95	0.00	0.00	157,333.43
Misc Grants Fund	21908	3,318.34	464,311.65	(197,740.29)	0.00	269,889.70
Tax Computer Sys Modernization	21909	1,350,978.46	1,454,763.91	(454,252.76)	(5,265.62)	2,346,223.99
Counselor Regulatory Fee Fund	21910	0.00	(9,075.00)	0.00	0.00	(9,075.00)

Special Fund Summary EOFY 2012 - for JFC report 10-17-12						
Special Fund Summary EOFY 2012						
Special Fund Name	**SF #**	**Fund Net Assets 7/1/11**	**All Revenues**	**All Expenses**	**Other Financing Sources (Uses)**	**Fund Net Assets 6/30/12**
Sarcoidosis Benefit Trust Fund	21911	(128,947.02)	0.00	(186,017.70)	627,240.00	312,275.28
Evidence-Based Educ & Advertis	21912	1,030,377.85	1,455,945.02	(409,178.00)	0.00	2,077,144.87
Workforce Ed & Training Fund	21913	1,188,609.50	0.00	(978,192.82)	1,301,000.00	1,511,416.68
Crime Victims Restitution Fund	21915	1,128,343.09	2,175,211.17	(2,680,238.47)	0.00	623,315.79
Vermont Health IT Fund	21916	4,944,942.89	3,636,477.48	(1,856,814.71)	0.00	6,724,605.66
Public Funds Investigation	21917	100,000.00	0.00	0.00	0.00	100,000.00
Archeology Operations	21918	40,550.42	0.00	(5,119.47)	0.00	35,430.95
EB-5 Special Fund	21919	0.00	5,042.70	(5,040.00)	0.00	2.70
VOL Membership/Dues	21920	105,933.24	102,294.75	(84,500.00)	0.00	123,727.99
Blood & Breath Alcohol Testing	21922	0.00	17,661.94	0.00	0.00	17,661.94
Historic Property Stab &Rehab	21923	0.00	0.00	0.00	100,000.00	100,000.00
Vermont Veterans Fund	21924	0.00	93,353.16	(43,330.00)	0.00	50,023.16
Restitution Special Fund	21925	85.47	128.20	(213.67)	0.00	(0.00)
Information Center Revenues	21936	23,206.19	39,578.54	0.00	0.00	62,784.73
Court Technology Fund	21941	1,093,485.51	1,524,275.73	(2,611,080.06)	0.00	6,681.18
Municipal Tkt Repay Revolving	21942	179,301.11	0.00	0.00	0.00	179,301.11
DOC-Corrections Donations	21945	1,402.00	1,000.00	(1,357.00)	0.00	1,045.00
Unsafe Dam Revolving Loan Fund	21960	32,911.35	212,255.60	0.00	0.00	245,166.95
Animal Spay/Neutering Fund	21965	173,699.59	240,563.91	(260,183.68)	0.00	154,079.82
Registration Fees Fund	21970	20,633.27	53,990.00	(46,910.57)	0.00	27,712.70
Armed Services Scholarship Fnd	21975	24,635.93	37.34	(4,358.00)	0.00	20,315.27
Indemnification Fund	21980	369,300.46	41,763.49	0.00	0.00	411,063.95
State Health Care Resources Fd	21990	5,093,197.73	221,379,738.70	(226,331,516.00)	0.00	141,420.43
VT Clean Energy Dev Fund	21991	10,357,893.46	3,080,997.10	(3,840,674.71)	(1,500,758.00)	8,097,457.85
Next Generation Initiative Fnd	21992	766,170.77	1,887.50	(3,477,624.08)	3,492,000.00	782,434.19
VT Traumatic Brain Injury Fund	21994	1,246.51	2.22	0.00	0.00	1,248.73
Total Special Funds		106,755,876.24	563,294,945.13	(580,960,160.92)	53,000,060.85	142,090,721.30

VERMONT

6.6.IV.

State of Vermont
Agency of Administration
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Jeb Spaulding, Secretary

MEMORANDUM

TO:	**Joint Fiscal Committee**
CC:	**Jeb Spaulding, Jim Reardon, Susan Zeller, Matt Riven, Otto Trautz, Steve Klein, Stephanie Barrett and Theresa Utton-Jerman;**
FROM:	**Michael Clasen, Deputy Secretary, Agency of Administration**
RE:	**Challenges for Change Report**
DATE:	**November 7, 2012**

At the October 22, 2012 meeting of the Government Accountability Committee, the subject of the quarterly progress report for Challenges for Change was discussed. The Administration explained that the Governor's Strategic Plan also includes achievable and measurable priorities/outcomes and performance measures which were created by each agency/department. This is especially true concerning the work the Agency of Human Services has been doing with Mark Freidman and Results Based Accountability.

Because statute requires the submission of a C4C quarterly progress report, the Administration agreed to provide GAC with a crosswalk mapping the C4C Outcomes to the Agency/Department Strategic Goals and to the Governor's Strategic Priorities in time for GAC's December 17, 2012 meeting. We would, of course provide the Joint Fiscal members with copies of the report at the same time.

Please contact me if you require additional information.

6.6.V

1 BALDWIN STREET,
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STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To:	Joint Fiscal Committee Members
From:	Nathan Lavery, Fiscal Analyst
Date:	October 1, 2012
Subject:	Small Grant & Gift Quarterly Report

In accordance with the provisions of 32 V.S.A. § 5(a)(3), the Joint Fiscal Office is required to submit quarterly reports for small grant and gift requests with a value of $5,000 or less.* For the quarter ending September 30, 2012, the Joint Fiscal Office did not receive notification of any grants meeting these criteria.

* Act 146 of the Acts of 2009 Adj. Session (2010), Sec. B.15 amended 32 V.S.A. § 5(a)(3) to permit the Department of Forests, Parks and recreation to accept grants with a value of up to $15,000 under the "small grants" procedure. This change was part of the "Challenges for Change" initiative.

G.6.VI.

Vermont Telecommunications Authority

TO: House Committee on Commerce and Economic Development
House Committee on Corrections and Institutions
Senate Committee on Economic Development, Housing and General Affairs
Senate Committee on Finance
Senate Committee on Institutions
Joint Fiscal Committee
Secretary of the Administration
Secretary of the Agency of Commerce and Community Development (Challenge Lead)
Chief, Connect Vermont

FROM: Vermont Telecommunications Authority

DATE: July 2, 2012

RE: Quarterly Report per Section 49(i) of the FY2012 Capital Bill

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Per Section 49(i) of the FY2012 Capital Bill starting on October 1, 2011 the Vermont Telecommunication Authority (VTA) is to submit a report on investments made or grants awarded that are in furtherance of the goals stated in 30 V.S.A. § 8060(b) using the telecommunications measures established pursuant to No. 146 of the Acts of the 2009 Adj. Sess. (2010) (an act relating to implementation of challenges for change) to track the progress made in attaining those goals through such investments and grants. The progress report provided below reflects the outcomes and measures applied under Outcome 2, Measures 2, of the Economic Development Challenge (see Challenges for Change, Quarterly Progress Report, p. 97-98, July 2011) to projects funded under Section 49 ("The VTA Capital Appropriations Provision"):

(i) Percentage of residences and businesses with broadband access, using the current Vermont definition of broadband

(ii) Percentage of cellular coverage on major roads

(iii) Percentage of cellular coverage on minor roads

(iv) Percent of State where public safety radios work

This progress report also includes location-specific information on the progress of deployment of telecommunications technology that does not require the utilization of towers, as expressly required by The VTA Capital Appropriations Provision.

Measure 2(i): Progress made in attaining broadband telecommunications goals.
Summary: Statutorily-required Public Comment Period completed.
Statutorily-required Competitive Solicitation in process.
First set of broadband grants awarded.
Investments in fiber optic infrastructure in process.

The standard used to measure broadband coverage is currently identified as availability of service at e911 locations with a minimum threshold speed of least 768kbps download and 200kbps upload. This includes broadband service delivered by cable, DSL, fiber optic and wireless broadband (fixed and mobile). Satellite-based coverage is not included.

In making grants available, the VTA is required to coordinate with the need analysis of Connect Vermont. Connect Vermont's strategic plan identifies four service-level goals with respect to broadband availability for each e911 location:

1.0= one connection available (other than satellite) at the minimum threshold of 768/200 kbps or better

Goal date: 100% complete by December 31, 2013

2.0 = two connections available (other than satellite) at a minimum threshold 768/200 kbps or better, where at least one option is fixed and one is mobile or fixed

Goal date: substantially complete by December 31, 2013

3.0 = one available connection (other than satellite) at a minimum threshold of 4/1 mbps

Goal date: Future

4.0 = two connections available (other than satellite) at a minimum threshold 4/1 mbps, where at least one option is fixed and one is mobile

Goal date: Future

In order to make baseline and progress measurements of these goals, Connect VT analyzes Vermont Broadband Mapping Initiative (BMI) data with two lenses: a survey of coverage with mobile broadband availability and without mobile as an option for broadband delivery. Coverage across the state is expressed as the % of e911 locations with broadband, and several maps are generated. Based on data as reported by providers in the June 30, 2011 BMI report:

- 97.2% of e 911 locations meet the 1.0 goal of at least one, non-satellite, source of broadband at a minimum threshold speed of 768/200 kbps.

This represents an improvement in coverage from the December 31, 2010 report where 94.6% of e 911 locations had availability at the 1.0 standard.

- 92.8% of e 911 locations meet the 2.0 goal of both a fixed and mobile option for broadband at a minimum threshold speed of 768/200 kbps.

Connect Vermont is analyzing a comparable basis for the 2.0 goal based on the December 31, 2010 data to report in Q3 of 2012.

The competitive process for distribution of grants from the FY2012 capital appropriations began in Q1 2012 under the VTA's RFP VTA2012-128 (Broadband Notice of Grant Funding Availability) for last mile broadband service, with responses from 13 providers. On May 17, 2012 FairPoint Communications filed a list of Target Communities to commit to serve under Dockets 7725 and 7726 with the Vermont Public Service Board and the Department of Public Service. A portion of the FairPoint Target Community commitment overlapped with Target Communities identified in the VTA's Broadband Notice of Grant Funding Availability, released on March 13, 2012. (See http://www.telecomvt.org/rfp/128.). In response to those providers who submitted proposals in areas affected by the FairPoint commitment, the VTA re-opened the grant round until July 6, 2012. However, for Target Communities that were not affected by the FairPoint commitment, the first grant awards totaling $625,000 were awarded in the second quarter. The VTA anticipates awarding additional grants in the third quarter.

In addition, the VTA moved forward on a fiber optic project to be funded with FY2012 capital appropriations. On June 26, 2012, the VTA Board of Directors authorized the VTA to proceed with an investment in a fiber optic cable facility through the towns of Sharon, Thetford, West Fairlee, Vershire, and Chelsea. The VTA had previously designated Routes 113 and 132 as "Target Corridors" for mobile voice service, the route of the fiber deployment. Areas along the proposed route have been identified as "Target Communities" for broadband service expansion by the Agency of Administration and as Target Grant Areas by the VTA. The VTA determined that a fiber cable can efficiently support multiple uses for multiple communications providers: as backhaul service for mobile voice providers, as a last- mile broadband service to premises along the route, and as a middle-mile transport facility for broadband companies. The VTA will make dark fiber available at competitive rates to broadband and mobile voice communication companies, consistent with the VTA Capital Appropriation Provision at subsection (d), which requires that VTA investments "be available for use by as many retail service providers as technology will permit to prevent the state from establishing a monopoly service territory for one provider...."

Measure 2(ii) and 2(iii): Progress made in attaining mobile telecommunications goals.

Summary: **Statutorily-required Public Comment Period Completed.**
Statutorily-required Competitive Solicitation completed.
First cellular investment contract awarded
First cellular tower lease signed

Based on 2010 drive-test data collected through BMI, VTA estimated that 87% of major roads and 76% of minor roads have mobile telecommunications coverage ("roads" are defined as roads that are part of the federal aid highway system, not city streets or residential neighborhoods). Coverage of both major air interface platforms for cellular phones, GSM (used by AT&T and T-Mobile) and CDMA (used by Verizon Wireless, Sprint, and US Cellular) was examined. The reported numbers reflect the coverage for GSM phones, which was more extensive (the CDMA estimate is 55% of major roads and 44% of minor roads). It should be noted that these relatively high coverage percentages do not reflect low coverage or gaps in coverage that can result in dropped calls or inadequate signal transmission.

As part of its duties under 3 V.S.A. § 2222b (b) (1), the Agency of Administration is charged with developing an inventory of locations at which mobile telecommunications and broadband services are not available within the state. The VTA understands that, as part of that initiative, Connect Vermont plans to commission a new independent and comprehensive evaluation of mobile voice and data coverage in 2013. The VTA will report on cellular coverage utilizing the data that becomes available at that time.

Section 49 of the Fiscal Year 2012 Capital Bill requires a competitive solicitation, as well as a Request for Public Comment to enlist the cell-phone user experience of Vermont residents. The Request for Public Comment had been completed previously and results posted on the VTA's web site (see http://www.telecomvt.org/resources/public-comments/2011-A01.php). The competitive solicitation process was also completed. As a result of that process, VTA announced its intention to negotiate two contracts for expansion of cellular service. One with VTel Wireless, an affiliate of Vermont Telephone of Springfield, VT, and another with Vanu CoverageCo, an affiliate of Cambridge, MA – based Vanu, Inc., a developer of software-defined radio equipment which supports the deployment of multiple standards used by cellular operators on a single platform. Vanu CoverageCo seeks to provide wholesale service to multiple cellular carriers that allow those carriers to expand cellular service to their customers through micro-cell equipment mounted on utility pole tops or other available existing structures within Target Corridors. VTel Wireless seeks to add support for 2G/3G cellular voice and data services to its planned Wireless Open World (WOW) network, a 4G LTE mobile data network that is deployed on traditional communications towers and other types of existing structures. VTel's service is intended to provide wholesale coverage to existing providers, and to provide a new retail cellular offer to residents and businesses in the state.

In the second quarter of 2012, VTA and CoverageCo signed an agreement to expand cellular service. VTA will purchase the equipment to serve nearly 90 miles of unserved roadway in three sections of the state at a cost of $500,000. CoverageCo will lease the equipment from the VTA and operate it as part of their overall network. In addition to the 90 miles sponsored by the VTA through this contract, CoverageCo has proposed to cover an additional 125 road miles throughout the State as part of its initial build, funded through private capital investment. The VTA-funded project will touch 17 towns, covering the following routes:

- Route 110 in Washington, through Chelsea, into part of Tunbridge
- From Route 110 in Chelsea along the East Randolph Road into a part of Randolph
- Route 25 from Orange, through Topsham, through Corinth, into a part of Bradford
- From Route 25 in East Corinth along the Topsham-Corinth Road and Powder Spring Road through Topsham to Route 302 in Groton
- Route 302 east of Orange through Topsham through Groton to South Ryegate
- Six miles along Route 15 in Wolcott
- Route 108 in Bakersfield through East Fletcher into Jeffersonville and Cambridge
- Route 15 from Jeffersonville to Johnson

Deployment for the project is scheduled for fall of 2012. Additional routes may be considered for VTA funding with a successful deployment of these initial routes.

Negotiations with VTel continue to be in process. These negotiations are complicated and lengthened by the impact of parallel negotiations with third parties. Both parties seek to reach final agreement within the third Quarter of FY2012.

VTA has also successfully completed negotiations of a lease with AT&T on a tower to be constructed in Bethel. The tower is slated to be constructed on land owned by the Town of Bethel in early 2013.

In addition, VTA has completed a rigorous competitive process to select a tower construction and management vendor. When negotiations are complete the VTA will have an alliance with a national company to help fund cellular tower site acquisition, development, and leasing to cellular operators. A contract is expected to be finalized early in the third quarter of 2012.

Additional information under Section 49(i): Deployment of telecommunications technology that does not require utilization of towers, including location-specific information.

Summary: Contract with non-tower-based cellular service provider in negotiation.

The May 2012 contract between VTA and CoverageCo calls for the VTA to fund CoverageCo's deployment of a network using "small cell" equipment. The small cell equipment will be small enough to be mounted on utility poles or other available existing structures, with each small cell covering about 1 mile on average along the Target Corridor. The radio equipment for the project will be provided by CoverageCo's affiliated company, Vanu, Inc. The Vanu "CompactRAN" equipment used in the project is being newly introduced in 2012 and builds on previous generations of Vanu software-defined radio technology deployed commercially in locations as diverse as Texas, Alaska, Nepal, and India, as well as for the U.S. Dept. of Defense.

Measure 2(iv): Percentage of State where public safety radios work.

Summary: Co-development and co-location opportunities being pursued as available.

While the VTA is not charged with expanding service territories for public service radios, there has been significant collaboration with the Department of Public Safety in the utilization of State lands at proposed communication facility sites. At lands controlled by the Agency of Natural Resources on Okemo Mountain, in Mount Holly, utilized by Okemo Mountain Resort, the VTA has negotiated a license agreement that will provide for consolidation of equipment on a tower that may be constructed in the future by the Department of Public Safety for public safety radio transmission. In addition, the licensee, in its construction of a facility, is required to accommodate municipal public safety users such as first responders. The collocation of users and consolidation of equipment not only provides for efficient use of State lands but expands local public safety radio coverage and reserves the opportunity of the Department of Public Safety for future safety radio deployment.

H.S. III

VERMONT

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Agency of Human Services

Report to
The Vermont Legislature

Annual Report on CDD Extraordinary Relief Funding

In Accordance with Act 162 Sec E.318(a) of the Acts of 2012:
AN ACT RELATING TO FISCAL YEAR 2013 BUDGET

Submitted to:	**Joint Fiscal Committee**
Submitted by:	**Dave Yacovone** DY **Commissioner**
Prepared by:	**Reeva Sullivan Murphy** **Deputy Commissioner**
Report Date:	**November 5, 2012**

VERMONT

AGENCY OF HUMAN SERVICES
Department for Children and Families

Enabling legislation

"The commissioner for children and families shall reserve up to one-half of one percent of the child care family assistance program funds to assist child care facilities that are at risk of closing due to financial hardship. The commissioner shall develop guidelines for providing assistance and shall prioritize relief to child care programs in areas of the state with high poverty and low access to high quality child care. If the commissioner determines that the child care center is at risk of closure because operations of a child care program are not fiscally sustainable, he or she may provide assistance to transition children served by the child care operator in an orderly fashion to help secure other child care opportunities for children served by the program in an effort to minimize a disruption of services. The commissioner has the authority to request tax returns and other financial documents to verify the financial hardship and ability to sustain operations."

Establishing a process and informing child care providers

On June 16, 2012, the Department for Children and Families (DCF) released guidelines and a two page application to establish a process to implement this legislation. The guidelines specifically describe the funding objectives, the nature of the available relief, criteria considered by the Department, the application procedure, and the appropriate contact in the Child Development Division (CDD). These documents are attached. The guidelines and application were posted on the DCF website. Commissioner Yacovone sent a letter via e-mail describing the availability of this extraordinary relief to all regulated child care providers with a link to the new materials.

Application and review process

DCF set up an internal review process for extraordinary relief applications. The process includes:

- immediate and careful fiscal analysis of the full application packet from the business office staff in the Agency of Human Services (AHS);
- communication with applicants to assure all supplemental and necessary information is submitted;
- an invitation to applicants to participate in conference calls with CDD program staff and AHS fiscal staff to ask and respond to questions; and
- a recommendation to Commissioner Yacovone and Secretary Racine for a final funding decision.

The final response to the applicant depends on the full analysis of the information provided. Applicants may receive an advance or enhancement of anticipated subsidy payments, a cash grant, other relief appropriate to the circumstances of the applicant, or no relief. A written response is received from AHS within 10 days of receipt of a complete application and all required materials.

Available funds in SFY13

As directed in the legislation, one half of one percent of the funds budgeted for Vermont's Child Care Financial Assistance Program (CCFAP) for SFY13 is available for extraordinary relief. The total amount available is in the current fiscal year is **$217,616.** Four applications have been received and reviewed. **$101,741** has been awarded through the program since July 2012.

VERMONT

Applications and awards

On July 1, 2012, **RTW Children's Plaza in Richford** submitted an application for $112,000. RTW was a four STARS program with a licensed capacity of 59 children. 31 subsidized children were enrolled at the time of the application. After working with the program to gather all required information and considerable discussion with the owner, CDD and AHS staff determined that the provider did not have a business model and plan that could be sustained without regular infusions of relief funding. The financial stability of the center beyond SFY13 was dependent on significant new public investment in CCFAP and local partnerships that the provider has not been able to arrange over several years of dialogue. The for-profit provider was not willing to create an alternative plan that could be sustained with identifiable public and private resources. The AHS offered RTW Children's Plaza interim relief funding to support families in transitioning to alternative care. The owners made a decision to close the program on September 14, 2012. They were awarded $28,000 in transition funds. CDD staff worked with families to transition to alternative care arrangements. All families were enrolled in alternative care before the program closed.

On July 2, 2012, **Creative Minds Children's Center in Newport Center** submitted a preliminary application for $45,000. Creative Minds is a five STARS program with a licensed capacity of 59 children. 35 subsidized children were enrolled at the time of the application. The for-profit provider submitted a clear plan to sustain the program after January 2013 by reorganizing and accessing other available funding sources. The AHS awarded a grant of $45,000 to sustain the program.

On August 15, 2012, **World of Discovery in Hartford** submitted an application for $21,000. This for-profit provider operates two programs and had attempted to expand into a third program – a plan they were unable to sustain. One World of Discovery site (Springfield) is a three STARS program; the one in Hartford has two STARS. The Hartford program is licensed for 49 children. 22 subsidized children were enrolled at the time of application. The provider had accumulated a significant level of uncollected fees from parents resulting in unpaid bills that threatened the financial stability of the business and potential closure of the Hartford site. The owner consolidated resources in the two more successful programs and submitted a plan to sustain financial stability in the future. AHS awarded a grant of $21,921 to clear specific debts related to program investments. The provider signed an agreement to increase the STARS level in the Harford program and to work with the Child Care Business Center at Vermont Community Loan Fund to strengthen its fiscal management.

On September 15, 2012, **Take Five in Manchester Center** submitted an application for $6,820. This for-profit program is licensed for 24 children and was serving five subsidized children before it was closed. The program had invested significant resources in a location in Manchester that was closed by the Department of Health because a nearby dry cleaning establishment created air quality conditions deemed unhealthy for young children. The program was originally licensed as a non-recurring program focused on drop in care for Manchester shoppers but over time had established a regular clientele of regularly enrolled children and families. It had not yet submitted a STARS application. CDD CC and Licensing staff helped the program to find temporary care for enrolled children and identify a new location to resume services. The AHS awarded a cash grant of $6,820 to help Take Five open in this new location. As a condition of receiving funding, the provider agreed to upgrade their license to an Early Childhood Program and apply for STARS.

EXTRAORDINARY FINANCIAL RELIEF FOR CHILD CARE CENTERS
State of Vermont Fiscal Year 2013
PROGRAM GUIDANCE

Objective
In order to protect Vermont families in areas of the state with high poverty rates from the closing of child care center providing full time or part time care for their children, these guidelines establish a process by which child care centers that are at imminent risk of failure (closure) may seek extraordinary financial relief. This process does not create any entitlement to rates in excess of those established in the child care financial assistance program subsidy rate schedule, or to any other form of relief.

The enabling legislation reads as follows:

> *"The commissioner for children and families shall reserve up to one-half of one percent of the child care family assistance program funds to assist child care facilities that are at risk of closing due to financial hardship. The commissioner shall develop guidelines for providing assistance and shall prioritize relief to child care programs in areas of the state with high poverty and low access to high quality child care. If the commissioner determines that the child care center is at risk of closure because operations of a child care program are not fiscally sustainable, he or she may provide assistance to transition children served by the child care operator in an orderly fashion to help secure other child care opportunities for children served by the program in an effort to minimize a disruption of services. The commissioner has the authority to request tax returns and other financial documents to verify the financial hardship and ability to sustain operations."*

Nature of the relief
The DCF Commissioner may consider, and make stipulations regarding, the center's financial, managerial, quality, and/or operational conditions in his or her decision. Following careful analysis of the information, the Commissioner may recommend one or more of the following as she or he finds appropriate:

- additional information to complete an application,
- an advance or enhancement of anticipated subsidy payments,
- a cash grant,
- other relief appropriate to the circumstances of the applicant, or
- no relief.

The Commissioner's recommendation shall be in writing and shall state the reasons for the recommendation, and shall be a public record. The recommendation shall be reviewed by the Agency Secretary who shall make a final decision, which shall not be subject to administrative or judicial review.

Criteria to be considered by the Department
Before a provider may apply for extraordinary financial relief, its financial condition must be such that there is a substantial likelihood that it will be unable to continue in existence in the immediate future. The following factors will be considered by the Commissioner in making the recommendation to the Secretary:

1. the likelihood of the center closing within 90 days without financial assistance;
2. the potential availability of funds from related parties, parent corporations, or any other source, and the willingness of applicants to exhaust all other possible funding sources, including the inability to borrow funds on reasonable terms, as demonstrated by documentation of loan/financing denials from a financial institution (denial must be in writing and include the basis for the institution's decision);
3. the extent to which the applicant can demonstrate that assistance would prevent, and not merely postpone, the closing of the facility – the expectation is that the funding will assure the facility will be operating in a sustainable way within 12 months;
4. the quality of care provided at the center, as demonstrated by participation in the STARS program (priority will be given to programs at the 3, 4 or 5 STAR levels),
5. the continuing need for the child care slots in a geographic region with high poverty; and
6. other factors found by the Commissioner to be material to the particular circumstances of the center.

Procedure for application
A written application for Extraordinary Financial Relief (using DCF approved form) shall be filed with the Department. The burden of proof is at all times on the provider. If the materials filed by the provider are inadequate to serve as a basis for a reasoned recommendation, the Department shall deny the Application, unless additional proofs are submitted. The Commissioner (or designee) shall decide how to respond to the application within 10 business days after receipt of the completed application, and all requested documentation.

Please answer all questions completely, and include all the requested supporting documents, so the Department has the information necessary to make an informed decision in a timely manner. An incomplete application will not be considered until all requested information is provided. Complete applications must include the signed cover page.

Department for Children and Families, Child Development Division contact:
Carole Pomeroy, CDD Operations Manager
VT Dept for Children & Families
103 South Main Street, Waterbury, VT 05671
Carole.Pomeroy@state.vt.us, Tel. 802-769-6499

Theresa Utton-Jerman - Fwd: Re: Cost shift report

From: Theresa Utton-Jerman
To: Langweil, Nolan; Utton-Jerman, Theresa
Date: 6/18/2013 8:34 AM
Subject: Fwd: Re: Cost shift report

Online at
GMCB website
April 2013

>>> Theresa Utton-Jerman <tutton@leg.state.vt.us> Monday, October 29, 2012 1:58 PM >>>
I think we need to ask Robin Lunge who was the lead counsel who changed the statutes when GMCB was created. I would think DFR duties were transferred but I am not a lawyer. Thank you,

Sent from ~Theresa Utton-Jerman's iPhone

On Oct 29, 2012, at 1:51 PM, "Donofrio, Michael" <Michael.Donofrio@state.vt.us> wrote:

> Greetings all,
>
> In 2001's big bill (Act 152), this report was assigned to DFR (then BISHCA) and AHS. I have not been able to find anything in Acts 48 or 171, the Department's last couple miscellaneous bills, or any relevant big bill where it was reassigned to the Board.
>
> Thanks,
> Mike (Donofrio)
>
> -----Original Message-----
> From: Maheras, Georgia
> Sent: Monday, October 29, 2012 1:25 PM
> To: Utton, Theresa L.
> Cc: Nolan Langweil; Donofrio, Michael; Davis, Mike
> Subject: RE: Cost shift report
>
> Ok. Doing my detective work (ie. Rereading Otto's memo and chart), I found this report. Somehow in my mind, I put it as DFR's responsibility and not ours. Donofrio is reviewing to see if it is ours legally or if it should move to us in the next legislative session. My notes to Otto were that the info is useful so it will NOT be cut (I think). We have not yet done the 2012 report, but will develop one asap.
>
> G
>
> Georgia J. Maheras, Esq.
> Executive Director
> Green Mountain Care Board
> 89 Main Street
> Montpelier, VT 05620
>
> 802-828-2919
> 802-505-5137 (c)

> georgia.maheras@state.vt.us
> GMCB website: gmcboard.vermont.gov
>
>
> -----Original Message-----
> From: Theresa Utton-Jerman [mailto:tutton@leg.state.vt.us]
> Sent: Wednesday, October 17, 2012 4:16 PM
> To: Maheras, Georgia
> Cc: Nolan Langweil; Donofrio, Michael; Davis, Mike
> Subject: =?utf-8?B?UmU6IENvc3Qgc2hpZnQgcmVwb3J0==?>
> Georgia,
> Otto Trautz at Dept of Finance handles reports on the chopping block for the administration as a whole and this is not on his radar. Someone may want to give him the heads up that you would like JFC to reconsider receiving this report. We can talk more when you return. Thank you,
>
> Sent from ~Theresa Utton-Jerman's iPhone
>
> On Oct 17, 2012, at 2:52 PM, "Maheras, Georgia" <Georgia.Maheras@state.vt.us> wrote:
>
>> Thanks Nolan, I can follow up more when I get back , but I believe this report (like many others) is on the list to be cut this upcoming Leg session as part of the Administration's broad efforts to manage the reports required each session.
>>
>> Georgia J. Maheras, Esq.
>> Executive Director
>> Green Mountain Care Board
>> 89 Main Street
>> Montpelier, VT 05620
>>
>> 802-828-2919
>> 802-505-5137 (c)
>> georgia.maheras@state.vt.us
>> GMCB website: gmcboard.vermont.gov
>>
>> From: Davis, Mike
>> Sent: Wednesday, October 17, 2012 2:18 PM
>> To: 'Nolan Langweil'; Maheras, Georgia; Donofrio, Michael
>> Cc: Utton, Theresa L.
>> Subject: RE: Cost shift report
>>
>> Nolan......I'll talk with Georgia when she returns...........as an FYI, we have the numbers................thx,mike
>>
>> From: Nolan Langweil [mailto:nlangweil@leg.state.vt.us]
>> Sent: Wednesday, October 17, 2012 1:21 PM
>> To: Maheras, Georgia; Donofrio, Michael; Davis, Mike
>> Cc: Utton, Theresa L.
>> Subject: Cost shift report
>>
>>
>> Geogia and Mike(s) -
>>

>> Our eagle-eyed associated, Theresa (who staffs the Joint Fiscal Committee) noticed that JFC is supposed to be receiving the following cost shift report (see below). Could you:
>>
>> 1) send us the most recent cost-shift report (the most recent I have is from 2009)
>>
>> 2) Think about recommendations you would like to make about the future of this language (i.e. edit, delete, etc.).
>>
>> Thanks.
>>
>> PS -- GEORGIA DO NOT READ THIS UNTIL YOU GET BACK FROM GERMANY!!
>>
>>>>> Theresa Utton-Jerman 10/17/2012 1:03 PM >>>
>> Act 152 of 2000
>> Sec. 117b. MEDICAID COST SHIFT REPORTING
>> (a) It is the intent of this section to measure the elimination of the Medicaid cost shift. For hospitals, this measurement shall be based on a comparison of the difference between Medicaid and Medicare reimbursement rates. For other health care providers, an appropriate measurement shall be developed that includes an examination of the Medicare rates for providers. In order to achieve the intent of this section, it is necessary to establish a reporting and tracking mechanism to obtain the facts and information necessary to quantify the Medicaid cost shift, to evaluate solutions for reducing the effect of the Medicaid cost shift in the commercial insurance market, to ensure that any reduction in the cost shift is passed on to the commercial insurance market, to assess the impact of such reductions on the financial health of the health care delivery system, and to do so within a sustainable utilization growth rate in the Medicaid program.
>> (b) By December 15, 2000, and annually thereafter, the commissioner of banking, insurance, securities, and health care administration, the secretary of human services, and each acute care hospital shall file with the joint fiscal committee, in the manner required by the committee, such information as is necessary to carry out the purposes of this section. Such information shall pertain to the provider delivery system to the extent it is available.
>> (c) By December 15, 2000, and annually thereafter, the report of hospitals to the joint fiscal committee under subsection (b) of this section shall include information on how they will manage utilization in order to assist the agency of human services in developing sustainable utilization growth in the Medicaid program.
>> (d) By December 15, 2000, the commissioner of banking, insurance, securities, and health care administration shall report to the joint fiscal committee with recommendations on mechanisms to assure that appropriations intended to address the Medicaid cost shift will result in benefits to commercial insurance premium payers in the form of lower premiums than they otherwise would be charged.
>> (e) The first $250,000.00 resulting from declines in caseload and utilization related to hospital costs, as determined by the commissioner of social welfare, from the funds allocated within the Medicaid program appropriation for hospital costs in fiscal year 2001 shall be reserved for cost shift reduction for hospitals.
>> <Mime.822>
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> <comprtf.001>
> <Mime.822>

H.S.IV

VERMONT HOSPITAL COST SHIFT REPORT

April, 2013

Green Mountain Care Board

VERMONT HEALTH REFORM

Purpose of this report

- Develop an understanding of the cost shift
- Present information about the magnitude and effect of the cost shift
- Identify the problems with calculating the cost shift
- Examine options for addressing cost shifting as part of health care reform

What is the cost shift? Two views…

1. Commercial insurers (and uninsured individuals) are charged higher prices to compensate for bad debt, free care, and underpayments by Medicare and Medicaid.
2. Cost shifting is evidence of a market failure, showing that commercial insurers are not able to negotiate effectively with providers.

A more balanced view of cost shifting

- It is real – private payers pay more because public payers underpay
- But there should be a limit to this effect – at some point private payers will refuse to pay for additional cost shift
- Degree to which private payers exert control relates to provider market power
- Lack of transparency also makes it difficult for private payers to exert control
- The regulatory system can counter-balance provider power or reinforce it

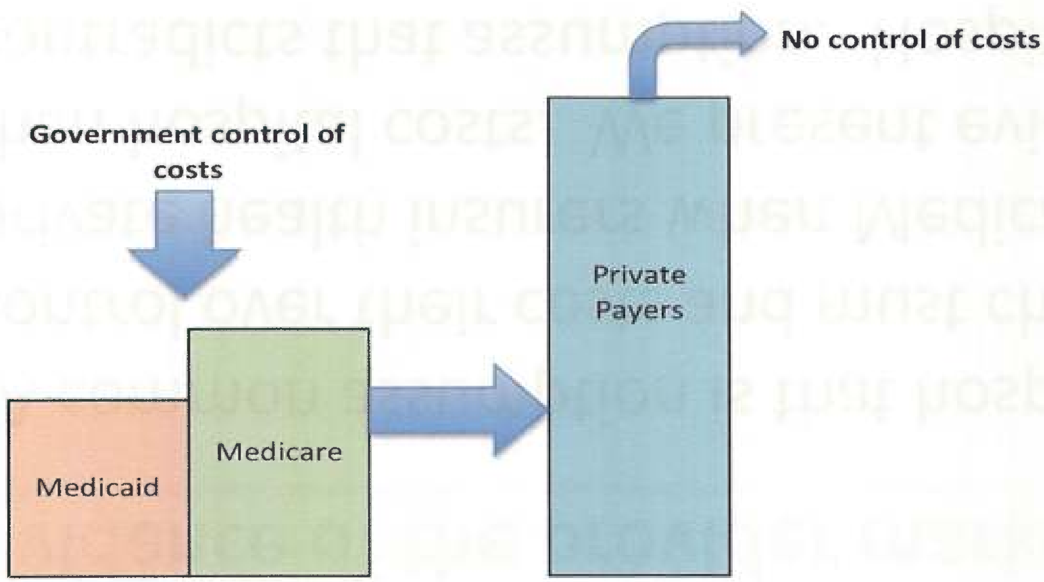
Evidence of the provider market power effect?

"A common assumption is that hospitals have little control over their costs and must charge high rates to private health insurers when Medicare rates are lower than hospital costs. We present evidence that contradicts that assumption. Hospitals with strong market power and higher private-payer and other revenues appear to have less pressure to constrain their costs."

Stensland, Gaumer and Miller, "Private Payer Profits Can Induce Negative Medicare Margins," Health Affairs, May 2010 volume 29 number 5.

Effect of cost shift on costs

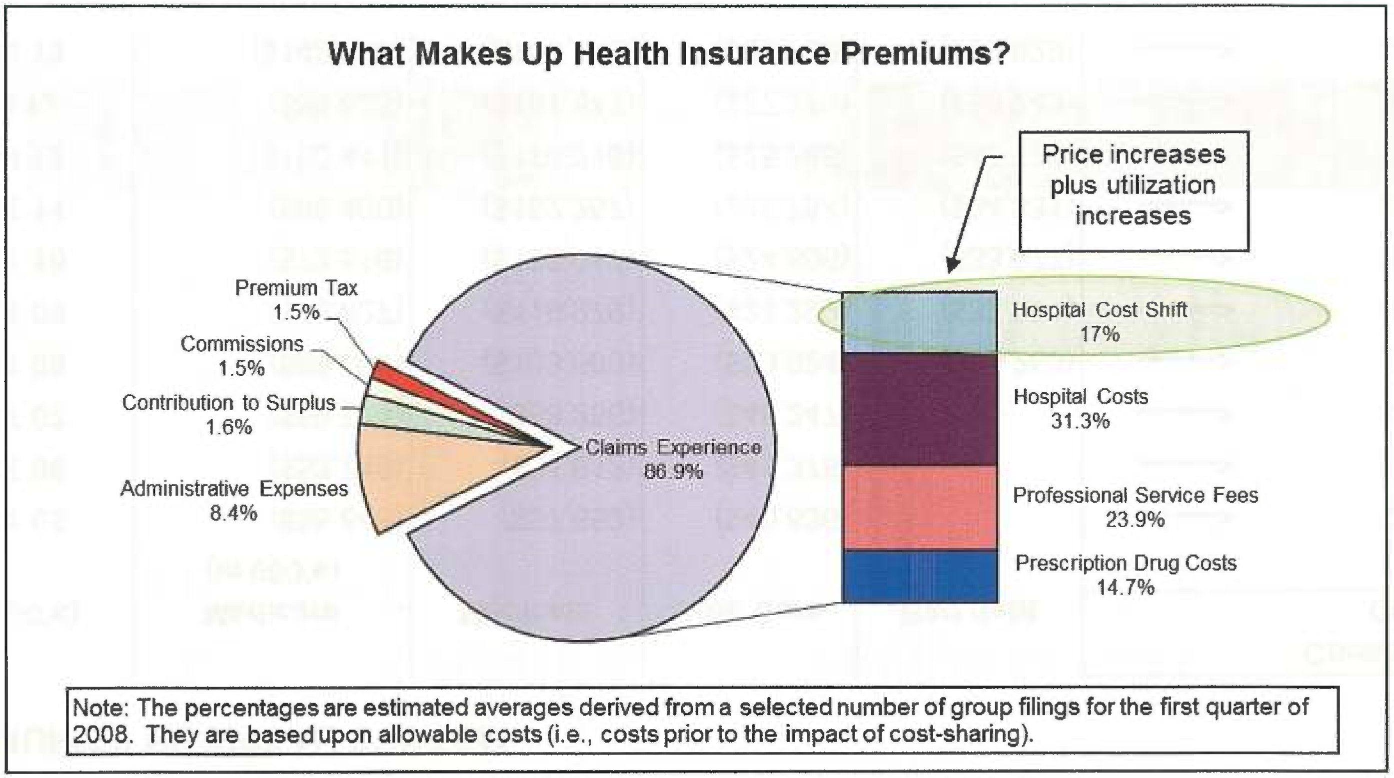
- Cost shifting does not affect overall costs, only the distribution of costs across payers and across providers
- On the other hand, the complexity brought to the system by cost shifting undermines cost control



What is the magnitude of the cost shift in dollars?

COMMUNITY HOSPITAL SYSTEM						
(in 000's)	Medicare (in 000's)	Medicaid	Free Care	Bad debt		Commercial & Other
ACT 05	($55,848)	($57,652)	($40,836)		-------->	$154,335
ACT 06	($53,748)	($81,612)	($41,375)		-------->	$176,735
ACT 07	($59,774)	($88,256)	($48,247)		-------->	$196,277
ACT 08	($69,004)	($103,569)	($23,624)	($30,253)	-------->	$226,450
ACT 09	($73,627)	($119,979)	($24,292)	($32,391)	-------->	$250,290
ACT 10	($73,516)	($138,017)	($24,806)	($33,077)	-------->	$269,416
ACT 11	($88,400)	($152,257)	($25,784)	($34,331)	-------->	$300,772
Bud 12	($100,411)	($170,216)	($25,285)	($40,176)	-------->	$336,087
Act 12	($68,625)	($151,847)	($27,273)	($39,243)	-------->	$286,988
Bud 13	($142,359)	($183,340)	($26,759)	($39,929)	-------->	$392,387

What is the impact of the cost shift on commercial insurance premiums?*



* 2011 estimates extrapolated from 2008 data

What percentage of provider costs does Medicare pay?

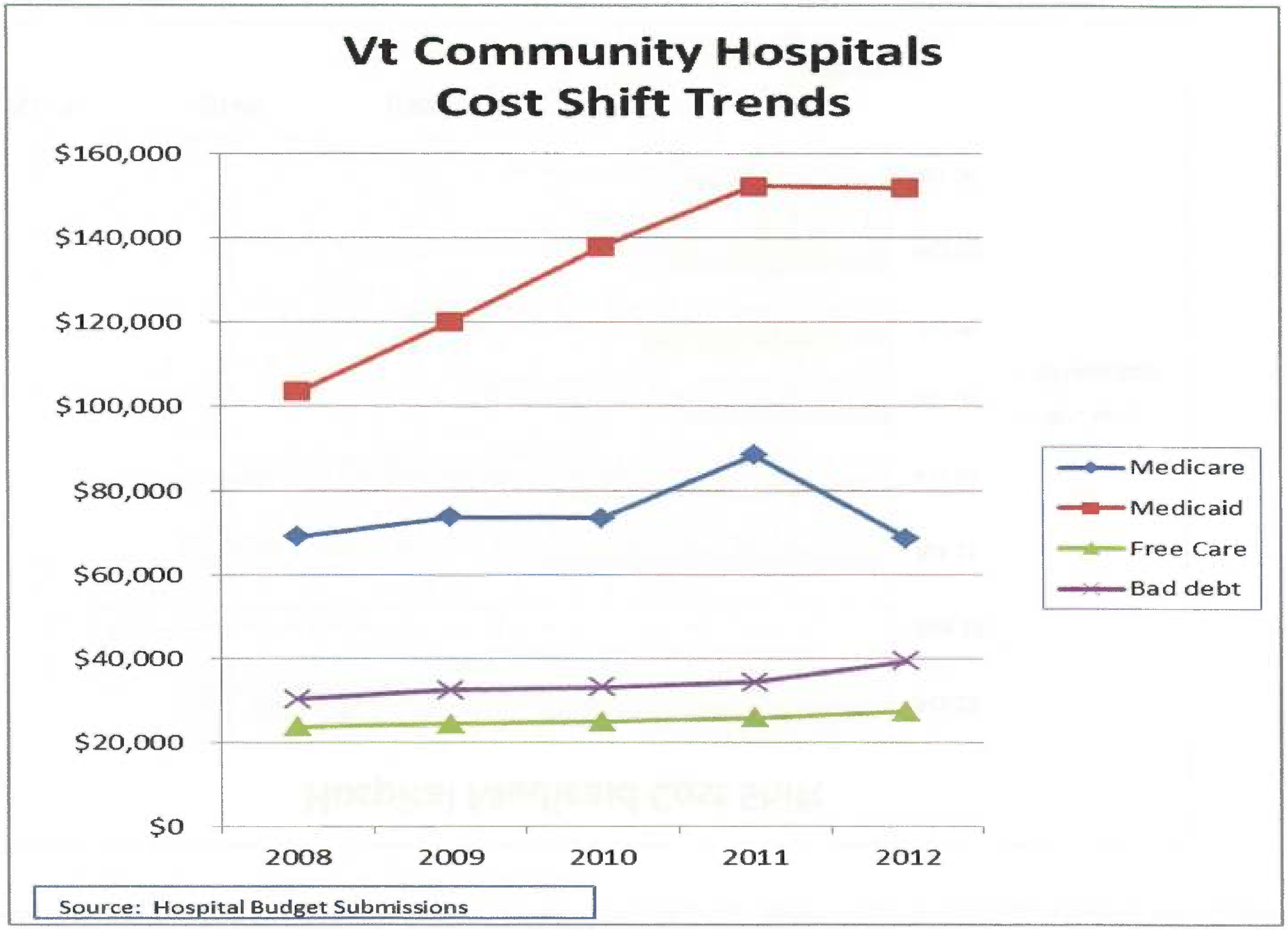
- Some controversy about the answer to this question
- Calculations run from 79% of hospital costs to more than 100%, with median at 92%
- Medicare covers "costs" as defined by the federal government
- Medicare does not cover certain categories of expenditures

What percentage of provider costs does Medicaid pay? Two methods of calculating

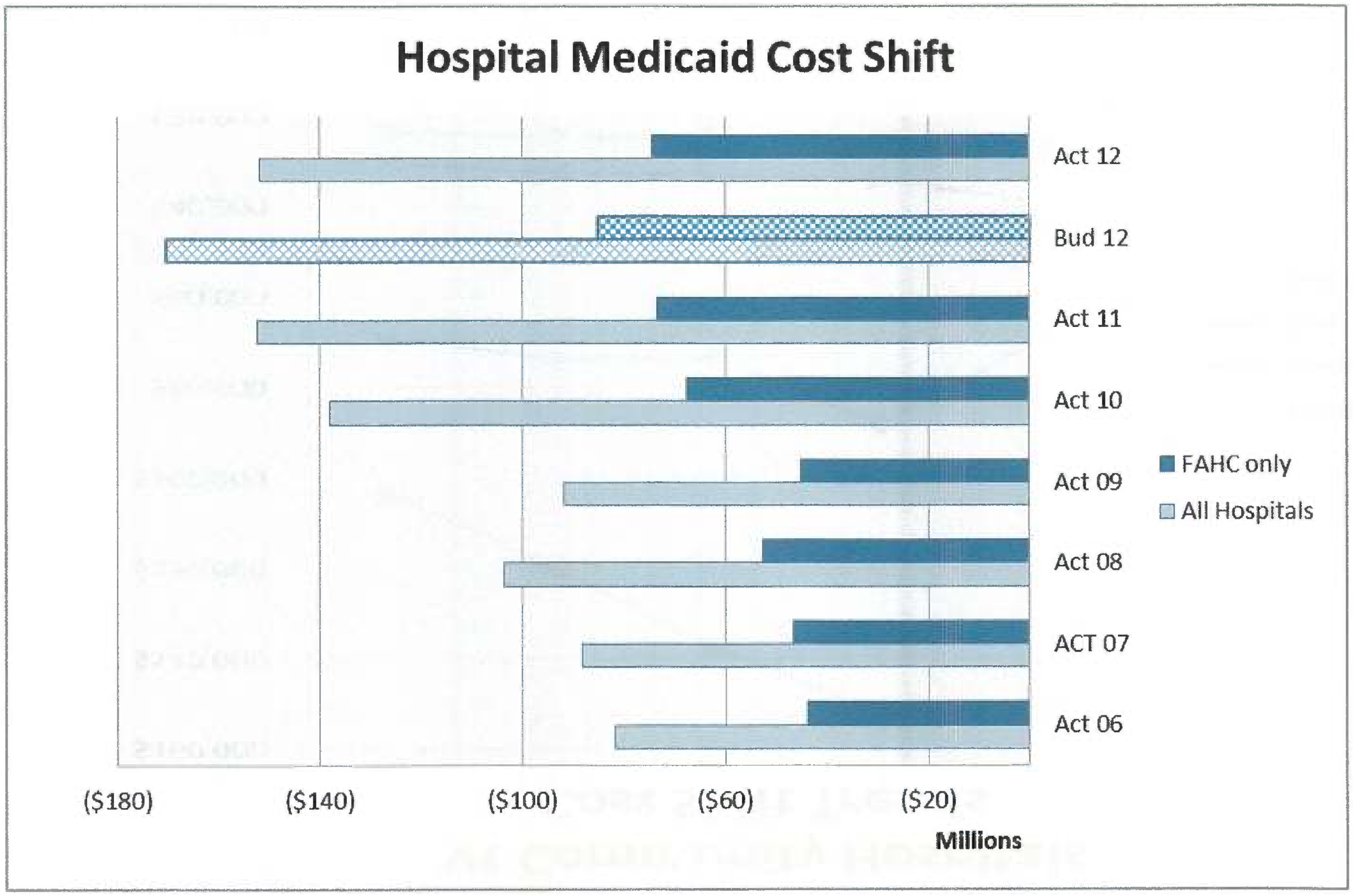
	Provider Tax as Revenue deduction	Provider Tax as Expense
	"State"	"State"
	FY 2013 Budget	FY 2013 Budget
Medicaid_VT		
Gross Patient Service Revenue	680.2	680.2
Deductions		
Contractual Allowances	(467.2)	(467.2)
DSH	37.3	37.3
Provider Tax	(116.1)	
Total Deductions	(546.0)	(429.9)
Net Patient Revenue	134.2	250.3
Allocated: Other Revenue	15.2	15.2
Total Revenue	149.4	265.5
Expenses:		
Allocation on RCC	307.9	307.9
Provider Tax		116.1
Total Expenses	307.9	424.0
Cost Shift Prior to Net Income/Loss	(158.5)	(158.5)
Cost Coverage (Total Rev / Total Exp)	48.5%	62.6%

Accounting for the provider tax affects cost coverage ratio

How has the cost shift changed over time?



Growth in Medicaid cost shift over time: more than doubled over six years



How could we address the cost shift as part of health care reform?

- Increase Medicaid payments
- Track those increases through the hospital budget process so they reduce cost-shifting to commercial payers
- Participate in Medicare demonstration projects that provide for reasonable rates of increase
- Use rate-setting authority to reduce rate variation and strengthen the market – more transparent and fair pricing provides payers leverage to negotiate on real costs and quality

An economist's perspective: if costs are getting shifted, then the market is failing

"If the cost-shift theory is generally valid, it implies that in many local markets, private health insurers bring relatively weak market power to the bargaining table with major hospitals or groups of physicians. This would explain why they cannot resist price increases triggered by the alleged cost shift and pass these on to their clients. But if they cannot resist price increases triggered by low Medicare and Medicaid payments, they are unlikely to be able to resist price hikes triggered by other cost drivers—for example, the so-called medical arms race, the instrument for nonprice competition through which hospitals seek to attract both patients and physicians with ever more expensive technologies and treatments.

Furthermore, if private insurers have insufficient market power with providers and therefore the cost-shift theory is valid, it raises the question to what extent the nation can rely on private health insurers as agents of cost control. As long as such imbalances in the allocation of market power persist between providers—especially hospitals—and private insurers, cost control by private insurers would be an illusion.

If the argument is that the private market sets prices for health care appropriately, and that government should adapt the prices it pays to those private-sector norms, then the question is how exactly one would determine these price norms, given the huge variation of prices for identical services within the private market, even within small areas such as cities."

Uwe E. Reinhardt, Health Affairs November 2011 vol. 30 no. 11: 2125-2133.

Most payers don't pay charges

Payment Type	Inpatient		Outpatient	
	6 Prospective Payment Hospitals (PPS)	8 Critical Access Hospitals (CAH)	6 PPS Hospitals	8 CAH Hospitals
DRG Medicare	X			
DRG Medicaid (%Medicare)	X	X		
Commercial Discount off Charges/Per Diem/DRG	X	X		
Commercial Discount off Charges/Fee Schedule			X	X
Medicare Cost		X		X
Medicare Fee Schedule			X	
Medicaid Fee Schedule			X	X

Chargemaster example: Price of Chest X-Ray – Current System

- Current system

Income				
Payer	% Total	Volume	Paid @	Tot Paid
Other	5%	50	$396.82	$19,840
Comm. (90% charge)	25%	250	$357.14	$89,285
Medicaid (75% cost)	20%	200	$187.50	$37,500
Medicare (85% cost)	50%	500	$216.75	$108,375
Tot. Inc.				$255,000
Cost		Volume	Cost@	Tot. Cost
Chest X-Ray		1000	$250.00	$250,000
Profit (2%)				$5,000

Chargemaster example: Price of Chest X-Ray – All Payer System

- All-payer example, reduces prices from from $397 to $255

Income				
Payer	% Total	Volume	Paid @	Tot Paid
Other	5%	50	$255.00	$12,750
Comm. (90% charge)	25%	250	$255.00	$63,750
Medicaid (75% cost)	20%	200	$255.00	$51,000
Medicare (85% cost)	50%	500	$255.00	$127,500
Tot. Inc.				$255,000
Cost		Volume	Cost@	Tot. Cost
Chest X-Ray		1000	$250.00	$250,000
Profit (2%)				$5,000

* Both Medicare and Maryland allow for variation in charges across hospital categories, but all payers pay the same rate within a category

Assumptions built into our calculation of cost shift

- All payers are treated equally for allocation of most costs
  - It is assumed that they all “owe” an average cost
  - They each pay their share of the operating surplus
  - Bad debt and free care are treated as a separate category of “cost-shifter”– not allocated to other payers
  - Payers’ share expenses are not adjusted for the complexity of illness in their covered populations or differences in the type of services for which they pay
- Provider tax is treated separately

Problems with calculating the cost shift

- Provider systems are not designed to capture costs by payer and/or specific services.
- Actual costs for services to patients are estimated at the payer level. Accounting systems are not designed to measure input costs by payer type.
- Actual costs for bad debt and free care have similar problems and may be understated – improvements forthcoming.
- All payers are assumed to have a "responsibility" to pay their share of the operating surplus.

Issues to be addressed: future improvements in cost shift calculations

- Better treatment of bad debt free care costs
  - Would change the impact of the cost shift by payer
- Payer allocations that could change impact of cost shift by payer
  - Provider tax
  - Operating surplus
- Reporting considerations
  - Disproportionate share
    - As a revenue or a contra deduction
    - Better disclosure
  - Provider tax
    - As an expense or revenue deduction
    - Impact on the cost coverage ratio
- How should we value Medicaid payment rates?
  - Payments alone
  - Payments plus disproportionate share less provider tax

Acknowledgements

This report would not have been possible without the work of many individuals, including Kara Suter of the Department of Vermont Health Access, Marc Stanislas and Amy Vaughan of Fletcher Allen Health Care, Spenser Weppler and Richard Slusky of the Green Mountain Care Board staff, Steve Kappel of Policy Integrity and Mike Del Trecco of the Vermont Association of Hospitals and Health Systems. If you have questions about this report, please contact Michael Davis or Lori Perry at the GMCB: (802) 828-2177. The GMCB is solely responsible for the content of this report and any opinions expressed herein.

VERMONT

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November 8, 2012

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

To: The Legislative Joint Fiscal Committee
Sen. Ann Cummings, Chair
Rep. Martha Heath, Vice-Chair
Rep. Carolyn Branagan, Clerk
Rep. Janet Ancel
Sen. Diane Snelling
Sen. John Campbell
Rep. Mitzi Johnson
Sen. Jane Kitchel
Rep. David Sharpe
Sen. Richard Sears

Enclosed is the Quarterly Report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission [*30 V. S. A. § 20 (b)(9)*] covering the period from July 1, 2012 through September 30, 2012.

For this period the Department had no costs or expenditures for proceedings at the Federal Energy Regulatory Commission.

Respectfully Submitted,
Vermont Department of Public Service

Elizabeth Miller
Commissioner

Enclosure

Public Service Department Expenditures
Related to Proceedings
At the
Federal Energy Regulatory Commission
For the period
July 1, 2012 through September 30, 2012

General Description of Activity

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

Expenditures

For FERC related activity affecting Vermont[1]	$ 0.00
Indirect Expenditures[2]	$ 0.00
Total Expenditures[3] for the Quarter	$ 0.00

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[1]In accordance with Title 30, § 20 (b) (9) the department of public service provides the following quarterly report for expenditures related to FERC proceedings affecting the State of Vermont Utilities for the period July 1, 2012 through September 30, 2012.

§20. Particular proceedings; personnel

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

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

[2]Indirect expenditures include telephone, postage and copying expense.
[3] Expenditures include amounts actually paid for the quarter.

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STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE

Preliminary Report to the Legislature on the Allocation of Traffic Safety Enforcement Costs
Sec. 38 of Act 153 (2012 Session)

By Neil Schickner, Joint Fiscal Office
November 15, 2012

This report is pursuant to Sec. 38 of Act 153 (2012) session which provides:

Sec. 38. Traffic Safety Enforcement Costs
The joint fiscal office, in consultation with the commissioner of public safety or designee, shall analyze and estimate the costs incurred by the state in enforcing the state's traffic safety laws, and study how these state police costs could be apportioned between the general fund and the transportation fund. The joint fiscal office shall submit a report of its findings to the joint transportation oversight committee and the joint fiscal committee prior to the joint fiscal committee's November 2012 meeting.

Summary

- Based on the transportation committees discussion of the study proposal, the Joint Fiscal Office has interpreted the objective of the study as being the application of the user fee principle to determine the proportion of the State Police budget that is attributable to transportation system safety and thus allocable to the transportation fund. In Vermont's FY-2013 budget, the state funds appropriated to the State Police consisted of 55.7% transportation funds and 44.3% general funds.

- The study ideally requires state police officer activity data recorded by time and function. At this time, such data has not been produced by the State Police, nor is it known whether the activity data that is available is sufficiently reliable for purposes of the study and in a form that can be collected and analyzed without undue cost.

- The appropriation of fuel tax revenue and other motor vehicle related tax and fee revenue to support State Police activities is not uncommon among other states and in such states is usually a continuing source of controversy. In 14 states, the state constitution itself limits the use of transportation taxes and fees to specifically enumerated activities which include (in different formulations) the enforcement of traffic laws.

- In Maine, the state constitution expressly authorizes the use of state highway funds to support the enforcement of traffic laws. A legislative study released in 2007 analyzed the budget of the Maine State Police to determine the proportion of its activities and costs that were attributable to traffic enforcement. The study concluded that the vagueness of the concept of traffic law enforcement and the lack of reliable, detailed activity data introduced substantial uncertainty into the analysis. Using a narrow and a broad definition of traffic law enforcement, the study concluded that between 17% and 34% of the state funds appropriated to the Maine State Police were attributable to traffic law enforcement and thus eligible for highway fund funding. The Maine legislature has gone part way in implementing the study's conclusions. In FY-2012 and FY-2012 the state funds appropriated to the Maine State Police was essentially split 50-50 between the dedicated state highway fund and the state general fund compared to a 65-35 split in 2006.

- The committee might consider extending the time for followup work on this issue to November 2013. Such a time table would have the benefit of allowing the use of FY-13 data in the analysis. To advance the study, the transportation committees during the session might also consider having the Department of Public Safety and State Police testify on the various data issues involved in the study. The legislature could also expand the staffing of the study to include Legislative Council to research other state laws and constitutions to ensure an appropriate comparison of dedicated transportation related funds and state police agencies.

Status of Study

The study design requires information from the State Police which has not been obtainable. The Department of Public Safety has been reviewing internal data most specifically tied to the state police overtime issues that arose this summer which has delayed other work. Discussions with the Department of Public Safety director of finance and management about the data requirements of the study indicate that it is likely that the needed data for the study would be more detailed than that captured at the overall finance and management level and would have to be obtained at the operational level. The Department is looking in to whether the required data is captured at the operational level (such as dispatcher logs or incident reports) in an accessible, database format or in a form that could, without undue expense, be converted into an accessible, database format. Further information on the accessibility of this information may be available before the session.

Considering the considerable amount of work that will be required to generate and analyze the data, and the potential use of the study as a basis for making appropriation decisions, the project would certainly be on a more secure foundation if the data utilized was clear of the internal overtime recalibrations and the department was comfortable with its use.

Conceptual Approach

This study was initially proposed and discussed in the Senate Transportation Committee as being a follow on to the Joint Fiscal Office study on the funding of rest areas and information centers directed by the legislature in the 2011 session and delivered to the Joint Transportation Oversight Committee on November 1, 2011 (Link Rest Area Funding Study). Specifically, the question raised was whether the user fee principle employed in the rest area funding study to identify the operating costs of rest areas that are attributable, respectively, to the transportation fund and the general fund could be applied to the activities of the state police. This preliminary report discusses the challenges which that type of analysis poses as applied to traffic safety enforcement costs.

The user fee principle embodies the idea that the costs of the state transportation system should be borne by the users of the system, with the amount paid by each user being proportional to the burden each user imposes on the system in terms of wear and congestion. The state transportation system is a deteriorating capital asset with ongoing maintenance and replacement costs and the state's fuel taxes, motor vehicle purchase and use taxes and DMV fees are, in essence, proxies for a system of toll charges intended to generate the revenue needed to maintain the system in a safe and serviceable condition. The user fee principle implies a quid pro quo – users pay a toll in exchange for access to the system; and also a social contract – users pay tolls with the understanding that the revenues will be re-invested in the system.

Transportation system users do not pay merely for access to a highway or bridge – they pay for access to a system that is safe to use. System safety has two dimensions. One dimension solely concerns the physical design and condition of the highways and bridges that make up the system Given a system that is designed for safe use and is structurally sound, the second dimension concerns the dangers and hazards created when people negligently or willfully misuse the system – when they drive too fast, cross the center line, run through red lights – and the potential consequences of such misuse: life threatening injuries and the creation of new traffic hazards. Safety is clearly a key attribute of the "product" transportation system users are buying when they pay their transportation taxes and fees; but the question whether transportation fund revenues should be used to pay the costs of traffic safety and traffic law enforcement has been controversial for decades not only in Vermont but in other states.

<u>The debate over uses of transportation fund revenues</u>

Many people believe that the transportation fund should be limited to the construction and maintenance of state highways, bridges and other transportation structures; and argue that enforcement of traffic safety laws is just a component of general law enforcement which is the responsibility of the general fund. There are merits to this approach, particularly with respect to fund transparency and accountability, i.e. it would be easier to see what we were getting for our money if transportation fund revenues were solely dedicated to construction and maintenance.

The counter argument is that while enforcement of traffic safety laws is obviously a law enforcement activity, it is distinct from law enforcement generally precisely because we have chosen to fund our transportation system on a user fee basis. A state highway system with no police presence is a frightening prospect, and since transportation system users have a vital interest in the safety of the system, why shouldn't the cost of keeping the system safe be paid by the people who directly benefit from that safety? This is not just a matter of allocating costs between funds. One unique and valuable feature of the user fee principle is that it promotes economic efficiency, i.e. to the extent people pay for use and increased use means higher costs, the efficient use of the system is encouraged. And to the extent that traffic safety costs are significant relative to construction and maintenance costs, the exclusion of safety costs from the system pricing mechanism distorts the system's demand curve.

The counter-counter argument is that while user fee funding of the transportation system is distinct, the state's interest in law enforcement supersedes that distinction. For example, suppose I-89 and I-91 were privately owned toll ways under license from the state. Under the license, the toll way operator could be authorized to ban from the facility people who repeatedly endanger other users, but no state would ever authorize a toll way operator to fine or incarcerate traffic offenders. Law enforcement is part of the justice system; and all citizens have an interest in ensuring that justice is pursued objectively and even-handedly (even a toll operator's authority to ban unsafe drivers from the toll way would undoubtedly be subject to a due process requirement).

A possible distinction between law enforcement and justice interests cuts back the other way (and is significant with respect to determining the scope of safety enforcement costs – see discussion below) but in short (or rather, at length) there is no right answer to the question. Due to the different ways states structure their budgets, it is difficult to ascertain with certainty how many states use fuel taxes and DMV fees, etc. to fund traffic law enforcement. Interestingly, the issue is clearest in those states in which the state constitution itself dedicates fuel taxes and other transportation taxes and fees to certain defined transportation uses. According to a NCSL 2011 survey of state transportation governance and financing, 23 states have constitutions with such provisions. Of those, 14 explicitly state in various formulations that fuels taxes, etc. shall exclusively be used for the construction and maintenance of state highways and bridges, etc. and "the enforcement of state traffic laws" or "for highway and street purposes, including state enforcement of traffic laws" or "for the construction, maintenance *and supervision* of public highways" (the other 9 state constitutions do not necessarily exclude the use of transportation fund revenues to cover traffic law enforcement costs; rather the descriptions in the NCSL survey are just not clear). (Link NCSL 2011 Survey of State Transportation Governance and Financing).

Identifying traffic safety enforcement costs

For decades transportation fund revenues have been appropriated to cover a portion of the state police budget (19 V.S.A. § 11a). The question here is whether the state police budget can be parsed to identify those activities and their costs which concern the maintenance of safety on the state transportation system. In this context, the safety interests of transportation system users has 3 distinct components (1) enforcement of the rules of the road and other vehicle operating laws, (2) emergency response to accidents and other events that disrupt traffic or create a risk of injury or damage to property and (3) aid to people stranded by a vehicle breakdown.

If the state police had a division whose personnel and equipment was exclusively dedicated to traffic safety, the problem would be straightforward. Traffic safety, however, is just one of the responsibilities of the state police and its front line officers, as in police departments everywhere, are public order generalists, responding to public disturbance complaints, domestic abuse calls, investigating thefts, etc. in addition to issuing traffic tickets and responding to traffic accidents. Conceptually these different activities are distinguishable, but there will invariably be cases where the lines are blurred. The following hypotheticals illustrate the problem.

Criminal law enforcement resulting in a traffic safety hazard #1: Officers approach a house to arrest a suspect on a burglary charge. The suspect flees in his car and a high speed chase ensues which ends in a traffic accident.

Criminal law enforcement resulting in a traffic safety hazard #2: An officer responds to a report of a bar room brawl. When he arrives, the brawl has moved out into a busy street.

Traffic enforcement resulting in a non-traffic criminal law issue: An officer pulls a vehicle over for an illegal turn. Approaching the vehicle the officer sees in the back seat, in plain view, a box of zip lock bags all labeled "Columbia's Finest Cocaine".

In the above hypotheticals an officer starts out performing one role and has to shift roles due to changing circumstances. The problem with these cases is more practical than conceptual. In a world of perfect information, an officer would be on a traffic safety clock while performing traffic safety duties and a non-traffic safety clock while performing other duties. When state police data becomes available, one key task will be to assess (1) whether the frequency of such dual role or role-crossover situations are significant and if they are (2) whether the data that is available – and accessible for department wide analysis purposes – is sufficient to support a reasonable time allocation.

Other questions raise conceptual as well as practical time allocation issues. For example, an officer responds to an accident in which one of the participants appears to be DUI. The officer collects evidence and interviews witnesses, i.e. follows all he protocols to build a DUI case. DUI charges are filed and the officer, the breathalyzer test and equipment, etc. are all involved in the legal proceedings. The question here is whether a line should be drawn between transportation safety law enforcement interests and general societal justice interests. From the perspective of highway drivers concerned with safety, some amount of the time and costs incurred by the state police in collecting and processing evidence and participating in judicial proceedings is attributable to procedures and standards designed to protect the rights of the accused and thus society's interest in ensuring justice as opposed to preserving traffic safety. If one accepts this argument as having merit, however, one still has the problem of drawing a line to distinguish between safety enforcement interests and justice interests.

Of course, the line that has already been drawn around the state police is already somewhat arbitrary in the sense that enforcement of traffic safety interests has to involve some form of judicial proceeding, state prosecutors and judges, but transportation funds are no longer appropriated to the attorney general's office or the judicial system. One could interpret the existing practice as a judgment by the legislature that the justice interest costs absorbed in the state police budget by transportation funds is roughly offset by the traffic safety enforcement costs covered in the budgets of the attorney general and judicial system by general funds.

The Experience of Maine

Article IX of the Maine constitution provides that state highway fund revenues shall be exclusively dedicated to (1) debt service payments on highway and bridge construction bonds and the costs of administering such bonds, (2) the cost of construction, reconstruction, maintenance and repair of public highways and bridges and (3) the costs of enforcement of traffic laws. This state constitutional restriction on the use of state highway funds is reaffirmed by statute in 23 MRSA §1653 which provides that after all debt service on highway and bridge construction bonds has been paid, remaining highway fund revenues may be expended on, inter alia, the "State Police. For Maintenance of the State Police".

For decades the budget of the Maine State Police has been funded through a combination of highway funds, general funds, special funds and federal funds. When the total amount of state funds is determined, the total is allocated between the highway fund and general fund in accordance with a statutory proportional formula that has been periodically adjusted – commonly referred to as "the Split". The Split has changed quite dramatically over the years, e.g. from 90% highway fund / 10% general fund between 1946-57, to 75% / 25% from 1962-89, back to a highway fund high of 88% / 12% in 1994 to 65% /35% in 2006.

The total amount involved, the budget rationale and the constitutional and legal basis for the Split has been a continuing source of controversy in Maine – just as, the state constitution feature aside, the amount of the "JTOC" appropriation, or more recently, the appropriation of transportation funds to the State Police, has been a continuing source of controversy in Vermont.

The Maine legislature over the years has initiated a number of efforts intended to define and clarify the activities involved in the enforcement of traffic laws. In the late 1970s the Maine legislature directed the State Auditor to analyze the State Police budget to determine which activities qualify as traffic law enforcement. The Auditor, relying on a "manpower" study (it was 1978) conducted by the State Police, concluded that the then existing ratio for State Police funding of 75% highway fund to 25% general fund should be changed to 65% / 35%. In 1980 and 1981, Maine's Attorney General responded to questions asked by legislators concerning the State Auditor's study and the constitutional duties of he legislature. In two opinions, the Attorney General responded:

- the "Maine Constitution requires that General Highway Fund revenues 'be expended solely' for specifically enumerated purposes, including the 'expense for state enforcement of traffic laws; and 'not be diverted for any [other] purpose..'"
- accordingly "General Highway Fund revenues may fund only that portion of the State Police budget which is utilized for the enforcement of the traffic law";
- that the determination of the percentage of the State Police budget that is actually utilized for traffic enforcement is a question of fact that cannot be resolved in a legal opinion; and
- that the legislature is not bound by the State Auditor's report but has a constitutional duty to make a good faith effort to identify the proportion of the State Police budget utilized for traffic enforcement.

In 1991, a Maine legislator asked the Attorney General if the appropriation of state highway funds to pay the costs incurred by district attorneys in prosecuting traffic offenses would be consistent with the state constitution's restriction in the use of highway funds. The Attorney General opined that since the constitution's restriction applies to the enforcement of traffic laws generally and is not limited to state police traffic law enforcement activities, the proposed use of highway funds would be consistent with the constitution.

In 2005 the Maine legislature's Joint Standing Committee on Transportation asked the Maine State Legislature's Office of Program Evaluation and Government Accountability (OPEGA) to undertake a study of the Department of Public Safety (DPS) to determine what proportion of the department's budget was attributable to the enforcement of traffic laws and thus eligible for highway fund funding. The OPEGA study, released in February 2007, focused on 3 DPS programs that receive highway fund monies: (1) the State Police, (2) the Bureau of Highway Safety and (3) a DPS general administrative line item. At the time the state funding of these programs was (1) State Police: 65% highway fund / 35% general fund, (2) Bureau of Highway Safety: 100% combination of highway and special funds and (3) DPS administration: 64% highway fund / 36% general fund. (Link Maine OPEGA 2007 Study).

In the key finding, the OPEGA report states:

> OPEGA began this review with the intention of executing a traditional, activity-based cost allocation analysis. We were not able to do this, however, for two specific reasons:
>
> (1) No clear operational definition of Highway Fund eligibility exists.
> (2) Activity data is often unavailable or unreliable.

In terms of standards, Maine is bound by its constitutional restriction that highway funds may be expended solely for certain specifically enumerated purposes, including traffic law enforcement, and not be diverted to any other purpose. As relevant here the OPEGA report argues that there is no consensus on what is encompassed by "enforcement" and mentions, as an example, traffic safety education programs and auto theft investigations.

Regarding its conclusion that the activity date required for an activity-based cost allocation study is often unavailable or unreliable, the OPEGA report explains:

> For example, state police troopers had to record the number of hours worked on "patrol", but they had not been given a standard definition of the activities that were considered "patrol". This left them to form their own interpretations: some recorded only time spent seeking and stopping speeders, others recorded all time spent travelling between complaints, and some avoided recording any "patrol" time at all because they didn't know what it meant. This rendered the patrol data meaningless for the purposed of this review.

If there is a similar lack of rigor in Vermont State trooper reporting standards, the accuracy of this study would obviously be undermined. Even if the standards for trooper activity reports were rigorous, however, a separate issue is the accessibility of the recorded activity data to macro-analysis. Unless activity reports are in a form that would allow each distinct time recorded entry to be digitized, categorized and aggregated with other similar entries, the study will have to rely on the drawing of a sample which would have to be carefully constructed to be statistically reliable, and to reduce the margin of error would most probably be quite time consuming. Assuming that acceptably reliable data required to do the analysis exists in some form, the first step in the study will be determine just how much work would be required to manipulate the data into an analyzable form.

Returning to the Maine study, considering the fuzziness of both the standards and available data, OPEGA decided to analyze the data using an extremely narrow and also an extremely broad definition of traffic enforcement so as to produce both a low side and a high side estimate of the proportion of program activity attributable to traffic enforcement. For each of the 3 programs reviewed, the analysis thus resulted in a low side split and a high side split as follows:

(1) State Police budget
Low side split: 17% highway fund / 83% general fund
High side split: 34% highway fund / 66% general fund
2006 split: 65% highway fund / 35% general fund

(2) Bureau of Highway Safety
Low side split: 82% highway fund / 18% general fund
High side split: 100% highway fund / 0% general fund
2006 split: 100% highway fund / 0% general fund

(3) DPS administration
Low side split: 29% highway fund / 71% general fund
High side split: 41% highway fund / 59% general fund
2006 split: 64% highway fund / 36% general fund

The Maine legislature has gone part way in implementing the study's conclusions. In FY-2012 and FY-2012 the state funds appropriated to the Maine State Police was essentially split 50-50 between the dedicated state highway fund and the state general fund compared to the 65-35 split in 2006.

In Vermont's FY-2013 budget, of the total state funds appropriated to the State Police, the split was 55.7% transportation funds and 44.3% general funds. Having received no data from the State Police, it is impossible to assess the relevance of OPEGA's analysis of Maine's State Police budget. Two factors, however, suggest that the final result of this study should roughly correlate with OPEGA's analysis. First, the Vermont and Maine State Police appear to perform many of the same functions, i.e. both are law enforcement agencies with broad responsibilities ranging from homicide investigations to the provision of state wide crime lab services in addition to traffic law enforcement (although differences in certain agency functions could be significant). Second, the Maine standard of "traffic law enforcement" appears to roughly equivalent to the standard of transportation system safety proposed to be used in this study. With those caveats, it is interesting to note that OPEGA's analysis of the Maine State Police budget concluded that between 17% and 34% of the agency's state funded activities were attributable to traffic law enforcement and thus eligible to be funded with highway funds.

<u>Other States</u>

A comparison to other states is problematic and can be misleading because (1) the functions of the state police varies significantly from state to state and (2) the transportation based taxes and fees that support state police agencies can be difficult to identify. Illustrative examples are discussed below.

In Colorado, Montana, Alabama, Kentucky, Louisiana and Iowa, the state constitutions restrict the use of fuel taxes and other vehicle related fees to specifically enumerated uses which in different formulations include the enforcement of traffic safety laws. In the FY-2013 Colorado state budget, the text notes that the state highway users trust fund provided 76% of the funding the Colorado State Patrol. As the name implies, however, the functions of the Colorado State Patrol are more limited than the functions of more general purpose state police agencies like the Vermont State Police. More specifically, whereas the Vermont State Police includes a Criminal Investigation Unit, in Colorado, the equivalent Bureau of Investigation is a separate division within the state Department of Public Safety. A proper comparison would require a complete breakdown of the budgets and funding sources of the different functional units of the Colorado Department of Public Safety and their re-aggregation to match the functions performed by the Vermont State Police. (Link Colorado Legislature FY13 State Budget)

Montana and Alabama present the same problem, each having a highway patrol and a separate criminal investigation unit within the state department of public safety. (Links Montana Governor's FY13 budget Judicial Branch & Law Enforcement and Alabama FY13 Budget).

Kentucky and Louisiana present different types of problem. In Kentucky as in a number of other states, the state police is responsible for commercial vehicle law enforcement whereas in Vermont, the DMV has a special unit devoted to commercial vehicle law enforcement. In Louisiana, 24% of the state funding of the state police comes from "fees and self-generated revenues" which includes the revenue from traffic fines whereas in Vermont traffic fine revenue flows through the transportation fund.

A special case is presented by Iowa. While the Iowa state constitution authorizes the expenditure of transportation taxes on fees on the "supervision of public highways" the Legislative Services Agency of the Iowa legislature describes the funding of the Iowa State Patrol (i.e. more of a highway patrol than a multi-functional state police) as follows: "Between FY 1982 and FY 1995, the State Patrol was funded directly from the Road Use Tax Fund. From FY 1996 to FY 1999, the State Patrol was funded from motor vehicle use tax receipts and in part from General Fund appropriations. Since FY 2000, the State Patrol has been funded from the State General Fund." (Link Iowa State Patrol).

These caveats aside, the following generalizations can be made:

- Among all the states that have a dedicated transportation fund (defined in different ways), whether established by the state constitution or by statute, in the majority of such states the operational costs of traffic safety law enforcement is an eligible expense of the dedicated funds;

- In such states, the "State Police" or "State Highway Patrol" is recognized as being the primary state agency responsible for the enforcement of traffic safety laws and thus eligible to be funded by dedicated "transportation fund" revenues.

- In such states, the proportion of the state funds appropriated to the State Police or State Highway Patrol from dedicated "transportation fund" revenues is currently and historically been within a wide range with the decisive factors being, at different times and in different degrees of influence, (1) a commitment to the user fee principle and (2) the growth rates and health of the state's different funds relative to perceived needs.

VERMONT

T.I

Agency of Transportation

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DEPARTMENTAL MEMORANDUM **DATE:** November 2012

TO: Senator Ann Cummings, Chair, and Members of Joint Fiscal Committee

FROM: Robert D. Ide, Commissioner

SUBJECT: I Am Vermont Strong Plate Report

The department shall report its accounting of fund receipts and disbursements, plate inventory, and uncollected payments for plates distributed to the joint fiscal committee at its November 2012 meeting.

As required by bill S.249, attached is the "I Am Vermont Strong" Plate Report.

If you have any questions or need further information, please contact me.

BACKGROUND

Tropical Storm Irene's visit to Vermont brought loss and damage unlike anything we have experienced in recent memory. The raging waters claimed six lives and left behind mind-boggling destruction to homes, highways, property, and land. The public support and outreach immediately following the storm was tremendous but by the fall of 2011, the need for continued assistance was still enormous and that need is ongoing today.

The Vermont Disaster Relief Fund was created following the 2011 spring flooding. When Irene struck Vermont in August, Gov. Shumlin formalized and established a governing body for the fund, which is the primary mechanism for providing disaster assistance to individuals.

The idea for the VTStrong plates was a spinoff from the "I Am Vermont Strong" movement that was started by Lyz Tomsuden and Eric Mallete of Rutland, VT. Originally "I am Vermont Strong" started as a Facebook photo that went viral. Vermonters, and even people from out of state, loved the message so much that they started requesting t-shirts by the hundreds. As Governor Shumlin said following the bill signing, "The 'I Am Vermont Strong' plate is a symbol of our commitment -- financial and personal -- to help every family find permanent housing and every Vermonter get back to work." Money raised by the sales is distributed to the Vermont Disaster Relief Fund (VDRF) and the Vermont Foodbank according to a formula established in the enabling legislation to help people impacted by Tropical Storm Irene.

The Department of Motor Vehicles and its many partners continue to be very successful promoting and selling the 'I Am Vermont Strong' plates. As of October 31, 2012, we have received payment for 33,111 plates.

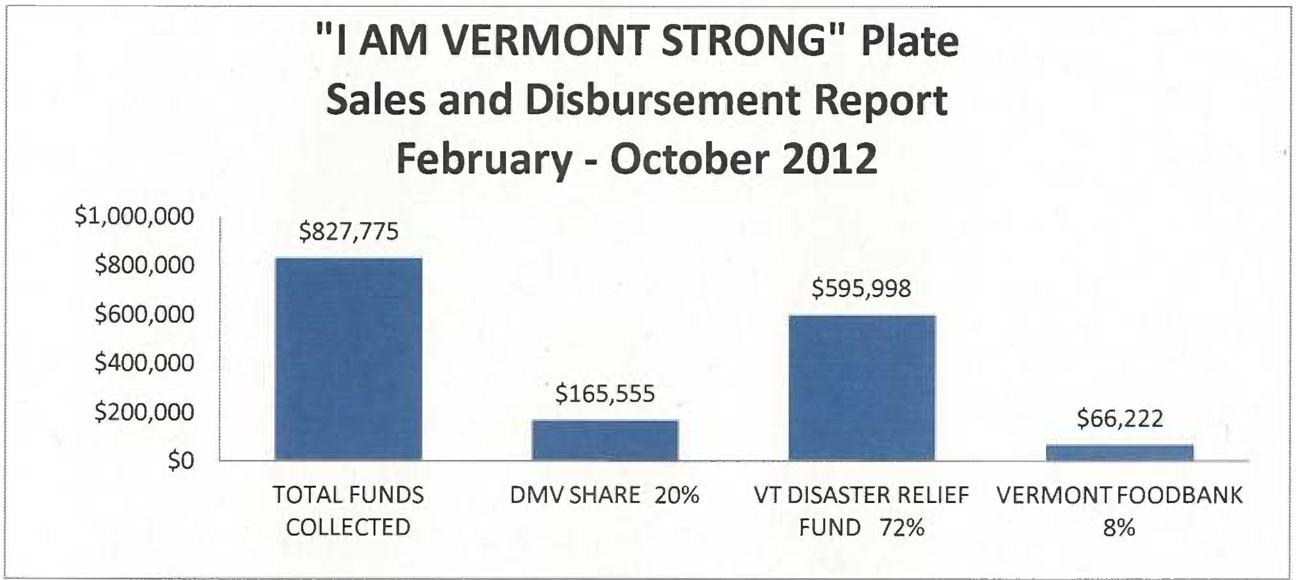
FUND DISBURSEMENT

During the period of March through October 2012, the Vermont Department of Motor Vehicles has distributed:

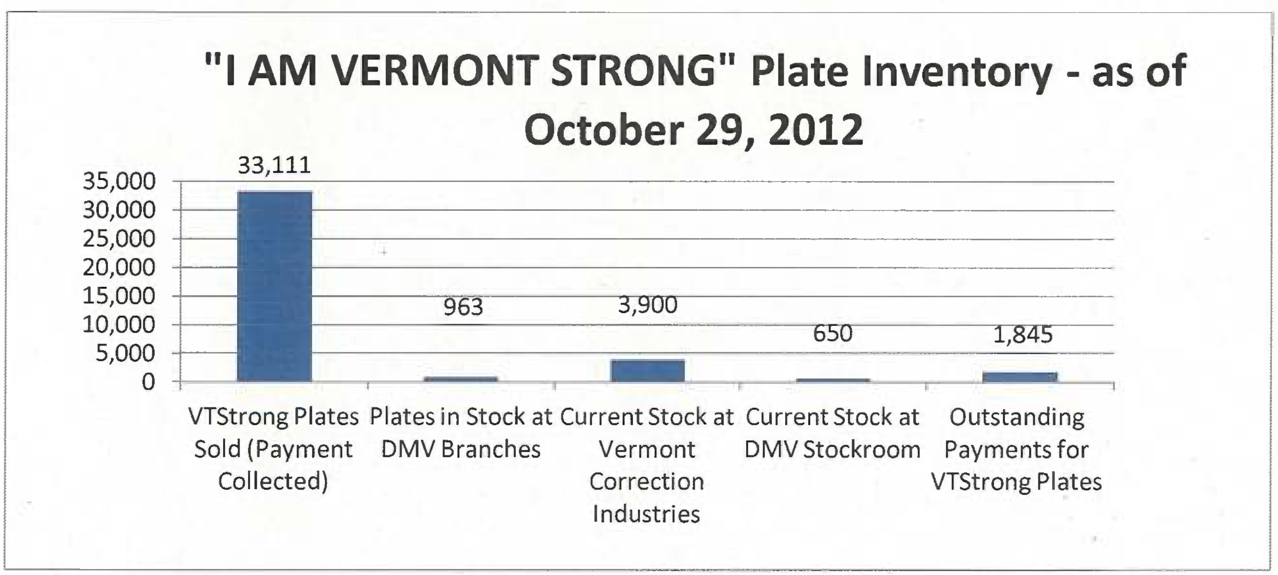
- $595,998 to the Vermont Disaster Relief Fund
- $66,222 to the Vermont Foodbank.

These contributions have enabled these entities to help Vermonters in the following manner:

- VT Disaster Relief Fund reports:
  - The VTStrong plate is the 3rd highest donor to the VDRF following Tony Pomerleau and the Vermont Public Radio special telethon.
  - The average grant is $12,000 and the VTStrong contributions have been used to assist approximately 49 Vermont families.
- John Sayles, the Executive Officer of the Vermont Foodbank, reports the Foodbank has been able to provide "397,332 meals to help our neighbors in need."



Funds are disbursed to VT Disaster Relief Fund and Vermont Foodbank once a month before the 15th of each month.



T.II.

Act 153: Section 39

Alternative Fuel Vehicle User Fee Options

Final Report

11/5/2012

Prepared for

VTrans Working to Get You There
Vermont Agency of Transportation

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Table of Contents

1. Executive Summary

This report explores transportation infrastructure user fee options for alternative fuel vehicles in Vermont, focusing primarily on electric vehicles, but with some discussion of compressed natural gas (CNG) vehicles. While CNG used for transportation is already covered by existing Vermont law (see Section 2) we considered it in tandem with electricity because other fee systems may be of interest to policy makers. The arrival of electric vehicles on Vermont roads presents policy makers with competing goals. On the one hand there are policy goals, such as those described in the 2011 Comprehensive Energy Plan, that support and encourage adoption of electric vehicles in Vermont while on the other hand the need to continue to fund the transportation system requires some assessment of fees for all users of the system. In addition the diversity of travel behavior of urban, suburban, and rural Vermonters was considered in light of concerns regarding equity of any option to assess user fees.

The primary options explored in this report include:

1. **Flat annual registration fee on electric and CNG vehicles**: this offers administrative ease but limited equity and no opportunity for optimizing demand management. A fee of $146 would achieve approximate revenue neutrality; this is the amount an average conventional vehicle contributes annually to the state transportation fund via the gas tax.
2. **Volumetric taxes on CNG and electricity**: these fees can be assessed in two ways: a way that is revenue neutral (replaces estimated revenue derived from a conventional vehicle), or a way based on energy content (gallon gasoline equivalent, gge). A gge fee system based on $/kWh or $/cubic feet CNG may not provide revenue equivalency, although it is currently how alternative fuels such as CNG are taxed at the federal level. Revenue neutrality would require a $0.036 per kWh rate for electricity and an 18% sales tax rate or a $0.277/ccf for CNG.
3. **Vehicle miles traveled fee**: this fee is assessed to each vehicle based on the number of miles driven annually. This system offers equity to users (the more you use the road system, the more you pay), but may be administratively expensive to implement and has raised privacy concerns. A spatially explicit VMT-based system further offers opportunity to scale pricing to discourage driving in congested areas at peak times. Revenue neutrality would require a per mile VMT fee of $0.011 per mile.

The options presented were assessed according to three criteria decided upon by the Section 39 Study Group:

1. Does the option provide the state a stable revenue stream?
2. Is the option practical to implement and administer, and easy for users to understand and accept?
3. Is the option consistent with state energy and economic goals? The state energy goals that we used as assessment criteria are those laid out in the state Comprehensive Energy Plan (CEP).

There is no infrastructure funding mechanism yet in place for electric vehicles. According to DMV registration data, as of October 3 there are a total of 200 registered plug-in electric vehicles on the road in Vermont: 120 electric vehicles (including plug-in hybrid, all electric and after-market conversion vehicles), 62 neighborhood electric vehicles, and 18 electric motorcycles. If these 120 vehicles replaced conventional gasoline powered vehicles and traveled the Vermont average mileage they represent a loss of less than $20,000 in gasoline tax revenue. Loss of gasoline tax revenue from these vehicles is expected to grow with increasing electric and plug-in electric hybrid vehicle adoption. The state's Comprehensive Energy Plan sets a goal of 25% of the vehicle fleet being powered by renewable energy by 2030. Assuming renewable electricity is the source of transportation energy, this would result in 142,975 all electric vehicles on the road in 2030 which would represent a loss of nearly $21 million of gasoline tax at current gasoline prices and average vehicle efficiency.

One concept this report references is the use of existing electric rate setting and fee collection mechanisms to assess transportation energy charges from electric vehicles based on their energy use. This would require some type of metering as well as routing of funds from the local electric utility to the Transportation Fund. Today's electric powered vehicles have a strong correlation between electricity use and vehicle miles traveled and thus electric energy use could serve as a good proxy for transportation system use. In addition, collecting transportation user fees from electric use, combined with Advanced Meter Infrastructure (AMI) would allow for various price signals, including time of use rates, and efficiency charges to be levied. CNG sold for transportation is already taxed via the state sales tax and the state is developing protocols to deposit these revenues into the transportation fund by July 2013.

The timing of policy implementation is an important consideration. Policies must provide adequate revenue while not discouraging early adoption of alternative vehicle technologies that the state ultimately hopes to promote as outlined in the Comprehensive Energy Plan. We propose a number of milestones in the report that may serve as appropriate times to implement fees on alternative fuel vehicle. Implementation of a flat registration fee for electric vehicles could presumably be implemented within one to two years, while a VMT-based system would require multiple years of administrative preparation and policy changes.

Other states are grappling with similar issues and are exploring comparable fee options, including registration fees for CNG vehicles and EVs, and VMT-based systems. There is discussion within the transportation community that it is time to consider alternative funding structures to the current motor fuel tax mechanism, which is increasingly failing to provide adequate revenue to fund and maintain our transportation system. Further, as the range of fuel efficiency within conventional vehicles and the overall operating efficiency of vehicles of all types increases, using fuel or energy use as a proxy for overall system use (i.e., miles driven), as we currently do with gasoline and diesel taxes, is less and less appropriate.

2. Study Scope

The scope of this study was determined by Act 153 Section 39 as described below:

Act 153 (2012 Transportation Program) Section 39: ALTERNATIVE FUEL VEHICLES; USER PAY

Sec. 39 *The secretary of transportation or designee, in consultation with the joint fiscal office and the commissioner of motor vehicles, commissioner of taxes, and commissioner of public service or their designees, shall analyze options for user fees and fee collection mechanisms for motor vehicles that use energy sources not currently taxed so as to contribute to the transportation fund. The secretary shall submit a report of his or her findings, and of options for user fees and fee collection mechanisms, to the joint transportation oversight committee and the joint fiscal committee prior to the joint fiscal committee's November 2012 meeting.*

The bill states that the scope of the study should apply to all motor vehicles using energy sources not currently contributing to the transportation fund. Technically, this applies only to electric vehicles because natural gas sold for transportation is actually taxed under Vermont Statute 23:

- Vermont's statutes 23 VSA Section 3173 states, "For the purpose of this subchapter, gasoline or other motor fuel shall be defined to mean any type of fuel, by whatever name it may be called used in an internal combustion engine to generate power to propel a motor vehicle upon a highways."

And, 32 VSA Section 9741 was amended this past session to state,

- "(7) Sales of motor fuels taxed or exempted under 23 VSA chapter 28 provided, however, that aviation jet fuel and natural gas used to propel a motor vehicle shall be taxed under this chapter with the proceeds to be allocated to the transportation fund in accordance with 19 VSA section 11"

The mechanism to direct funds from the sale of natural gas for transportation to the transportation fund takes effect on July 1, 2013. The bulk of this report is devoted to fee options for electric vehicles, for which there is no system in place, but there is also discussion of natural gas vehicles, for which there is a law but no enforcement at this time.

In its desire to both encourage the use of AFVs while also ensuring that these vehicles contribute to the upkeep of the transportation system, the State faces a dilemma. While instituting new fees on AFVs, particularly EVs, which do not currently contribute to the transportation fund, could be viewed as discouraging further adoption of these vehicles, the significant savings EV owners receive in the price differential between electricity rates and the cost of fossil fuel is still a strong incentive for consumers to purchase EV's. The state's Comprehensive Energy Plan puts forth aggressive goals of reducing fossil fuel use, decreasing overall energy use and increasing the use of renewable energy. Within the transportation sector, achievement of these goals must be balanced with sustainable funding of the transportation network, which has traditionally been funded through user-pay fees consisting of the gasoline tax, the purchase and use tax and Department of Motor Vehicle (DMV) fees. Under the current taxation policy, EVs would only pay the purchase and use and DMV fees of the State's user fee program.

3. Background: Discussion of Electric Vehicle Models and Current Penetration Rates in the Vermont Fleet

3.1 Description of Electric Vehicles on the Market

There are a variety of electric vehicles on the market and the number of available models is expected to grow rapidly in the next few years. Available vehicle types include hybrid vehicles, plug-in vehicles, and all-electric vehicles. In this report we will use the term 'electric vehicle' to refer to any vehicle that plugs in (thus, plug-in hybrids and all-electric vehicles).

Hybrid Vehicles

Hybrids, such as the Toyota Prius, can power the vehicle using the engine, electric motor, or both. These vehicles do not plug-in, thus all power that propels the vehicle ultimately comes from gasoline. The electric motor in these vehicles uses energy stored in batteries and is charged by the engine and through regenerative breaking. These vehicles have the same range as conventional vehicles although generally with much higher fuel efficiency.

Plug-in Hybrid Vehicles

Plug-in Hybrids, such as the Toyota Prius Plug-in and Chevy Volt have both an internal combustion engine and additional energy storage capacity that recharges from the electric grid and allows the vehicle to drive on electricity alone. The all-electric range of the Toyota Prius Plug-in is 11 miles and that of the Volt is 35 miles. Although Vermonters certainly commonly travel farther than the electric ranges of these vehicles, with availability of adequate charging infrastructure a large proportion of Vermonter's vehicle travel could be powered by electricity: approximately 78% of one-way vehicle trips in Vermont are less than 11 miles and approximately 95% of are less than 40 miles.

All Electric Vehicles

All Electric Vehicles include any vehicle driven solely by an electric motor. These vehicles do not use any gasoline. Models currently available in Vermont include the Nissan Leaf and the Mitsubishi i-MiEV. Forthcoming models include the Ford Focus Electric and the Honda Fit EV. The range of the Leaf and i-MiEV is about 80-100 miles, depending on driving style, elevation and temperature.

Projections of electric vehicle penetration

Projecting future rates of fleet penetration of electric vehicles is very difficult given the rapid rate of technological change, uncertainty surrounding available government incentives, volatility of petroleum prices, and the current price differential between electric and conventional vehicles. However, automobile manufacturers have made a commitment to substantial increases in EV production, signaling their belief that this market will prove lucrative and expand quickly.

When Vermont adopts the changes to the California car standards, including the Zero Emission Vehicle (ZEV) mandate, it is estimated that by 2025 15.4% of all vehicles sold will be required to be ZEV. Using the assumption California has considered with Vermont's motor vehicle sales this would result in 850 new electric vehicles placed in service in 2025, or a total of 5,000 electric vehicles placed in service between 2012 and 2025.

There is great speculation surrounding the rate at which EVs will penetrate the state **and the nation's** fleet. **Widespread electrification of Vermont's fleet is one of the primary ways for the transportation sector in Vermont to reach the goals laid out in the state's Comprehensive** Energy Plan (25% renewable energy use by 2030 and 90% renewable energy use by 2050). Several Original Equipment Manufacturers (OEMs) have set similarly ambitious targets as shown in Table 1 below.

Table 1. Automobile manufacturer current EV model offerings and 2020 sales goals.

OEM	Current Electric Offerings	Soon to be released	Manufacturer Sales Targets
BMW	ActiveE Fleet	i3, i8	
Coda	Coda Electric (AEV)		N/A (all electric)
Fiat		500 (2013)	
Fisker	Karma (PHEV)		N/A (all electric)
Chrysler	Smart ED	Town & Country minivan (test fleet out now)	
Ford	Focus E (AEV)	Fusion, Energi, C-Max Hybrid,	10-25% of 2020 sales electric
GM	Chevy Volt (PHEV)		10% of 2020 sales electric, hybrid
Mercedes		B class E cell	
Mitsubishi	i-MiEV (AEV)		20% electric and hybrid by 2020
Nissan	Leaf (AEV)		10% of 2020 sales electric
Tesla	Roadster, Model S (AEV)		N/A (all electric)
Toyota	Prius Plug-In		20-30% of 2020 sales electric and hybrid

Electric Vehicle Fuel Cost Comparison

Current electric vehicles tend to be more expensive to purchase than Internal Combustion Engine (ICE) counterparts due to the new technology and relatively low sales. EV batteries are particularly expensive components which are expected to decrease in price as greater economies of scale are made possible with rising sales and enhanced technology.

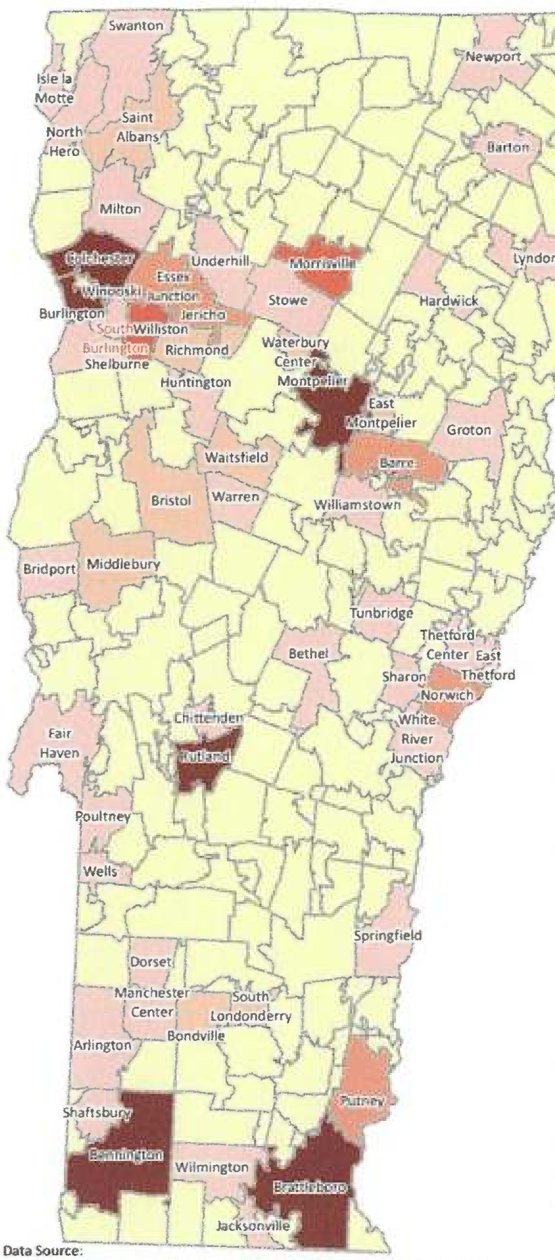
However, EV operating costs associated with electricity purchases are much lower than gasoline vehicles and can provide substantial savings over the life of the vehicle. For example, a Vermonter with an average vehicle and travel needs will require about 530 gallons of gasoline a year, which amounts to $2,035 in fuel costs annually at $3.85/gallon. The average electric vehicle would require 4,060 kWh of electricity to meet the same travel needs at an annual cost of $490 using an average $0.15kWh rate. This is a savings of $1,545 over a gasoline vehicle. Additional savings may be realized through reduced maintenance costs since EVs have lower upkeep expenses. The U.S. Department of Energy Alternative Fuel Data Center estimates that the all-electric Nissan Leaf will cost $0.22/mile to operate during the first year of ownership (inclusive of maintenance, energy and insurance) while a conventional Toyota Corolla costs $0.32/mile. Individual savings will vary depending on mileage driven, vehicle efficiency and other factors.

3.2 Current Status of Electric Vehicles in Vermont and Future Scenarios

According to DMV registration records, we estimate that there are currently 120 electric autos (EVs) in use in Vermont. This estimate includes both commercially available models and after-market conversions. **There are an additional 62 neighborhood electric vehicles or 'GEMs'. These are vehicles are** that are street legal and reach a maximum speed of 30 mph. GEMs are commonly used on college campuses and at golf courses and resorts. In addition there are 18 electric motorcycles registered in the state. The map below suggests that the distribution of EVs is diffuse throughout the state, with vehicles registered in a total of 66 towns. **EV's are now registered in nearly a quarter of Vermont municipalities.** Between mid-July 2012 and October 3 there was a 40% increase in the number of EVs registered in Vermont. The 120 EVs currently registered in the state represent less than $20,000 annually in lost gasoline tax revenue.

Electric Vehicles Registered in Vermont

As of October 3, 2012



Legend

Number of Passenger Car Plug-in EVs in Zipcode

- 1
- 2
- 3
- 4
- 5 - 8

Make & Model	Number Registered Statewide
Passenger Cars	
Chevrolet Volt	41
Toyota Prius Plug-in	35
Tesla Roadster	7
Nissan Leaf	10
Mitsubishi i-MiEV	3
Ford Focus Electric	1
Other (e.g., after market conversion)	23
Total Passenger Cars	**120**
Other Electric Vehicles *(not shown on map)*	
Neighborhood Electric Vehicles (GEMs)	62
Electric Motorcycles	18
Total Plug-in Vehicles	**200**

Data Source:
Vermont Department of Motor Vehicles vehicle registration database as of 10/03/2012. EVs distinguished by fuel type, model and/or VIN.

10/10/2012

Figure 1. Map of Electric Vehicle Distribution in Vermont by zip code as of October 3, 2012.

A similar analysis of compressed natural gas (CNG) vehicles was not possible due to an inability to reliably identify these vehicles by fuel type in the DMV dataset. A more general assessment of CNG vehicles operating in Vermont is included in section 4.1.3 below.

Comprehensive Energy Plan

Vermont's Comprehensive Energy Plan (CEP) calls for 90% renewable energy use across all sectors by 2050. In addition, an objective of the CEP is to have 25% of vehicles registered in the state powered by renewable sources by 2030. Meeting these goals in the transportation sector through the use of renewable electricity alone would correspond to 142,975 electric vehicles on the road in 2030, representing a nearly $21 million in lost state gasoline tax revenue at current gasoline prices and average vehicle efficiency. By 2050 meeting the CEP goals through renewable electricity would correspond to 514,710 electric vehicles on the road, and more than $75 million in lost gasoline tax revenue.

Achievement of the CEP goals for the transportation sector will most likely require a not yet defined incentive to reduce the upfront cost of EVs for consumers and encourage increased rates of adoption. Further study of potential incentive programs is required to best implement this strategy.

4. Discussion of User Fee Options and Criteria for Assessment

The primary goal of this study is to identify options by which fees may be collected from users of alternative fuel vehicles for contribution to the state transportation fund. In the table below we discuss options identified by the Section 39 Study Group. Only those options that offered some potential of revenue equivalency were included in the final table. In this context revenue equivalency refers to the capability of a fee to replenish the gas tax lost by the replacement in the fleet of a conventional vehicle with an alternative fuel vehicle. The options presented are rated according to three criteria decided by the group:

1. Does the option provide the state a stable revenue stream?
2. Is the option practical to implement and administer, and easy for users to understand and accept?
3. Is the option consistent with state energy and economic goals? The state energy goals that we used as assessment criteria are those laid out in the state Comprehensive Energy Plan (CEP).

Broadly, the CEP goals for the transportation sector aim to encourage use of alternative fuel vehicles and renewable sources of energy and reduce vehicle miles traveled in the state. Specific CEP Goals relevant to this study include:

a. Reduce petroleum consumption and accelerate the switch to renewable fuels:
    i. Ensure that 25% of all vehicles registered in Vermont are powered by renewable sources by 2030
b. Reduce energy use in the transportation sector
    i. Keep VMT annual growth rate to 1.5% or less for that portion controlled by the state
    ii. Keep VMT per capita level with the 2011 base year, or lower
c. Address transportation funding (all options considered in the table below fulfill this goal, to some extent)
    i. **Establish revenue sources to support Vermont's entire tra**nsportation system in a state of good repair

Economic criteria considered in assessing these options include:

a. Fairly allocates the cost of maintaining the transportation system among users
b. Would not place Vermont businesses at a competitive disadvantage compared to other states

Table 4 on the following pages summarizes fee options considered by the Section 39 Study Group. Detailed descriptions of the options are included subsequent to the table.

Table 4. Potential User Fee Options and Criteria Identified by the Section 39 Study Group

	Criteria			
Options by Fuel Type	**Stable Revenue Generation**	**Practical and Acceptable to Implement and Easy to Understand**	**Consistent with State Economic and Energy Policy**	**Rate required to achieve revenue neutrality**[1]
Registration fee for Electric Vehicles	*Yes: makes up for lost gas tax revenue*	*Yes: easy for users to understand and the state to implement*	*Neither discourages nor encourages AFV use*	To replace lost gas tax revenue: $146/annually per vehicle
AFV License Plate	*Yes: provides additional source of revenue*	*Yes: easy for users to understand and the state to implement*	*Neither discourages nor encourages AFV use*	As a one-time fee, this would provide additional revenue, not achieve revenue neutrality. If charged annually at $146/vehicle, it would achieve neutrality, similar to the registration fee above.
Vehicle Miles Traveled fee	*Yes*	*If done on a simple per mile basis, compliance with the fee structure will be easy for users.*	*Yes:* • *Fairly allocates the cost of maintaining transportation infrastructure* • *Encourages VMT reduction* • *Encourages reduced energy use in the transportation sector*	$0.013/mile flat rate would achieve revenue neutrality; Other states have proposed fees ranging from $0.17-$0.24/mile which include additional time of use and congestion fees

[1] All rates assume revenue neutrality: on a per vehicle basis, the revenue provided by this fuel type is equivalent to the average amount of gas tax raised. See appendix for all relevant calculations.

	Criteria			
Options by Fuel Type	**Stable Revenue Generation**	**Practical and Acceptable to Implement and Easy to Understand**	**Consistent with State Economic and Energy Policy**	**Rate required to achieve revenue neutrality**[1]
Volumetric taxes				
Gasoline and Diesel, current rates	*No: declining*	*Yes*	*Yes:* • *Fairly allocates the cost of maintaining the transportation system to gasoline powered vehicle drivers on the system.* • *Encourages reduced petroleum use*	Gasoline: \$0.20 + 2% average quarterly retail price/gallon = \$0.265 / gallon at current rate Diesel: \$0.29 /gallon
Natural Gas (VT sales tax)	*Yes*	*Yes:* *This fee mechanism is both easy to understand and implement. By law, the revenue generated from this sales tax should be routed to the transportation fund.*	*Neither encourages nor discourages AFV use. Appropriate routing of revenue generated to the transportation fund will support the CEP goal to adequately fund the state's transportation system*	Neutrality would require:18% at current prices, or implementation of a new transportation tax, in addition to the current sales tax of 6% or an excise tax of \$0.277/100 ccf
Fee on electricity used for transportation	*Yes*	*Yes:* *Although implementation of a fee system based on kWh usage may require additional metering.*	*Yes:* • *Encourages VMT reduction by being directly tied to use*	\$0.036/kWh
Alternative Fuels Matrix Conversion (tax these fuels at the same rate as gasoline, based on gasoline gallon equivalents)	*Yes and No:* *This option only achieves adequate revenue for natural gas, not electricity, due to the higher efficiency of EVs.*	*Yes:* *Taxes collected from sales of CNG would need to be routed to the transportation fund.*	*Yes: encourages use of AFVs through reduced tax rate on EVs*	Natural gas: \$0.218/ccf Electricity: \$0.008/kWh

4.1 Description of Options[2]

4.1.1 Electric Vehicle Registration Fee

At the rates currently charged in other states ($25-100 annually), an additional electric vehicle registration fee would probably not adequately replace current fuel tax revenue which is approximately $146 per vehicle annually. A registration fee would be administratively easy and inexpensive to administer but could be viewed as less equitable than other options, because it is not linked in any way to use (vehicle miles traveled) or vehicle efficiency. This fee may be an ideal short-term means of ensuring that electric vehicles (and possibly other AFVs) contribute to the state transportation fund while not overly discouraging adoption of these vehicles.

We suggest that the most equitable and revenue neutral way to calculate an appropriate fee level would be to determine the mean amount of gas tax paid annually by the average Vermont driver using average rates of annual vehicle miles traveled, fuel economy, gas prices and gas taxes in the state: $146.

Thus, an annual fee of $146 levied on EV users at the time of annual registration would replace lost revenue while also ensuring that these users contribute approximately the same amount to system maintenance as the average driver in the state.

Some states already charge a flat registration fee for AVFs, instead of a fuel sales or excise tax. Generally these are for natural gas vehicles rather than electric vehicles, and include Oklahoma ($50-150 annually, depending on vehicle weight) and Colorado ($70 annually). Illinois offers EVs a discounted registration fee of $18 annually. Washington State requires EV owners to pay an additional $100 annually to make up for lost gasoline tax revenue. Electric ehicles registered out of state would not contribute to the Vermont transportation fund in this case, despite their use of the system.

4.1.2 Electric Vehicle License Plate

Requiring electric vehicles to purchase a specific license plate for a fee provides a one-time source of revenue from these vehicles. On its own, this fee would not replace lost gas tax annually, but could provide additional revenue, in addition to alerting emergency personnel that the vehicle is an EV in the event of a vehicle crash. The emergency protocol and fire hazards associated with a crash involving an EV differ from those of a conventional vehicle and presently vehicle type may not be obvious to emergency responders. The major difference is the presence of high voltage electrical systems contained in electric and hybrid vehicles. The National Fire Protection Association has a number of trainings available for first responders to broaden and deepen an understanding of the differences between vehicle types especially when it concerns flammable liquids and high-voltage concerns at an incident scene.

4.1 .3 Volumetric taxes

Compressed Natural Gas

At present, natural gas sales for transportation are taxed at the Vermont sales tax rate of 6% and providers are obliged to contribute this amount to the transportation fund. There are currently three

[2] See Appendix for all relevant calculations.

compressed natural gas (CNG) filling stations in Vermont, maintained by Burlington Department of Public Works, Vermont Gas Systems, and Casella Waste Management. These stations are used primarily by fleets such as the University of Vermont and Vermont Gas. In 2010, a total of 3.75 million cubic feet of CNG was sold at these stations, the equivalent of over 20,520 gallons of gasoline or 19,500 gallons of diesel. Although not all CNG sold at these stations is taxable, at a rate of 6%, the cubic feet sold in 2010 would have generated $1,731 at a pre-tax price of $1.11/100 ccf[3]. Taxed on a gge basis at the current tax rate, sales of this CNG, if routed to the state transportation fund, would have generated $5,684.

The relative fuel density and efficiency of CNG and conventional vehicles are comparable, thus, replacing the lost gas tax on a gge (MMBtu) basis in the case of natural gas vehicles will accomplish approximate revenue neutrality. However, the current 6% sales tax is lower than gasoline tax (~7.75% at current retail prices).

Further, due to the lower cost of CNG relative to gasoline, a higher tax rate would be required to achieve revenue neutrality: 18% at current prices. It may be administratively easier to implement a new 12% transportation tax on CNG to achieve revenue neutrality, rather than increasing the current sales tax. If an excise tax were to be assessed for CNG, a rate of $0.277/100 ccf would be required for revenue neutrality, the same amount as that levied on a gallon of gasoline.

Electricity

There is no transportation fee currently levied on electric vehicles. Taxing these vehicles at a rate based on the energy equivalent of gasoline (gasoline gallon equivalent or gge) would not provide adequate revenue due to the higher operating efficiency of electric vehicles. However, a revenue neutral amount could be determined assuming EV vehicles will exhibit travel patterns similar to conventional vehicles and be driven approximately 12,700 miles annually (annual VMT per vehicle in Vermont, based on FHWA estimates of statewide VMT and DMV records of total number of registered vehicles in the state)[4]. An important consideration when setting equitable rates for EV users is that these vehicles may not be driven in the same way that conventional vehicles are. Due to range limitations these vehicles may be driven less. Rapid advances in EV technology could significantly increase the range of vehicles and increase the potential for VMT due to lower vehicle operating costs.

We estimate that a rate of $0.036/kWh would provide $146 to the transportation fund annually, per vehicle, approximately the same amount derived from conventional vehicles via the gasoline tax.

To our knowledge, Pennsylvania is the only state that has implemented a tax specifically on the electricity to power vehicles (at a rate of $0.0093/kWh). These compare to an average Vermont residential electric rate of $0.15/kWh

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[3] EIA estimate of average commercial price of natural gas in Vermont in 2010 (EIA reports the post-tax price of 1.18/100 ccf)

[4] However, based on 2009 survey data from the Federal Highway Administration (http://nhts.ornl.gov), we estimate that the average vehicle in Vermont drives closer to 11,575 miles annually and that approximately 10% of the annual VMT driven in Vermont is driven by out of state vehicles.

Sub-metering or technological developments may be required to differentiate energy used for transportation from that used for other residential and commercial purposes. Such metering may be facilitated with widespread deployment of Smart Grid technology in the state. The revenue generated from the proposed EV user fee would need to be routed from the local electric utility to the transportation fund. At present all electric rates in Vermont, include an electricity efficiency charge or EEC. The EEC rates vary as follows for customers without Demand Charges:

- Residential: $0.00931/kWh
- Commercial: $0.00796/kWh
- Industrial: $0.00541/kWh

This charge is used to fund efficiency programs that ultimately reduce overall demand and rates for all ratepayers, statewide. This charge is routed from local utilities to regulators, to a statewide energy efficiency utility (EEU), Efficiency Vermont, which administers efficiency programs in support of the **state's statutory framework to provide electricity** service on a least-cost basis. Current electric vehicle owners are paying this rate. Assuming 10,000 miles driven annually (less than a gasoline powered vehicle) and an efficiency of 0.32 kWh/mile, each electric vehicle charging at home is generating almost $30 annually in EEC. The current 120 electric vehicles are thus generating nearly $4,000 in EEC funds. 142,975 vehicles (the 2030 CEP goal) would generate nearly $4.3 million in EEC funds.

Electric vehicles provide the opportunity for creation of a similar efficiency charge to be devoted to transportation efficiency projects (demand management programs). In the case of electric vehicles, funds raised from fees on electricity used for transportation would be routed through the local utility, to regulators, and then to the state agency of transportation, where the bulk of collected fees would be dedicated to system maintenance (replacing funds raised via the gas tax), and a portion would be dedicated to transportation demand management (TDM) programs to increase overall system efficiency. This would be quite similar to the current system of collecting gasoline taxes and using a portion of total transportation fund revenue for TDM programs like Go Vermont! and transit and other non-highway infrastructure.

What would be different is the ability to implement Time of Use rates and other price signals that could be used to fund TDM programs and infrastructure. Time of Use (TOU) rates refers the time that the electricity is drawn down from the grid. TOU rates are an understood and accepted utility practice. One means of administering such programs would be through establishment of a transportation efficiency utility, either housed within the Agency of Transportation, or as a separate entity, similar to Efficiency Vermont. These efficiency programs would incentivize non-SOV modes of travel, much the same that an EEU incentivizes upgrades of buildings to reduce electricity demand. Further, transportation efficiency and TDM measures could include capital investments in transit and bicycle and pedestrian facilities to further encourage and adequately fund other modes of transport. **Figure 4** provides a diagram of the flow of funds from EV users to VTrans and a state transportation efficiency program.

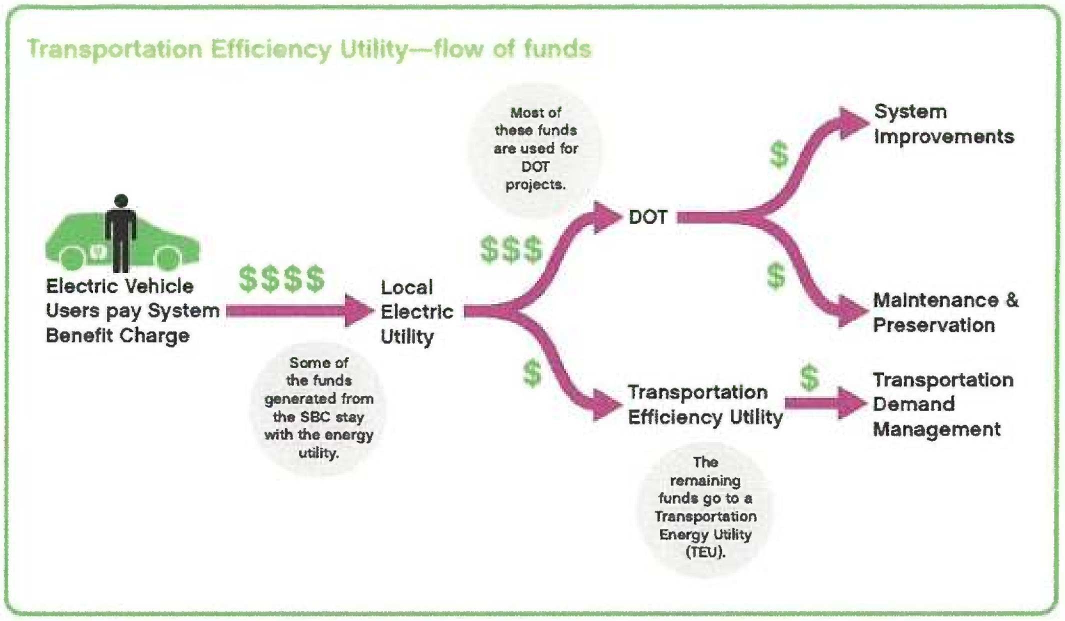

Figure 4. Transportation Efficiency Utility Process. Arrows indicate potential flow of funds.

Along somewhat similar lines, a number of cities around the country have recently implemented transportation utility fees: fees that are assessed on a per building basis, rather than per vehicle (discussed in further detail in Section 5.2). These fees are not specific to alternative fuel vehicles, but treat the transportation system more as a public good, of which we are all users. There are many analogies between the transportation system and regulated public utilities.

Alternative Fuels Matrix Conversion

By converting the energy density of power sources to gasoline gallon equivalents (gge), a common form to determine the equivalent tax rates among these energy sources, can be used. For instance, 1 gallon of **gasoline contains 114,000 Btu's and is** taxed at approximately $0.277/gallon. One gallon of gasoline is equivalent to 33.41 kWh, which under this system could be taxed at a rate of $0.008/kWh. One gallon of gasoline is also equivalent to 1.14 ccf CNG, which would be taxed at $0.238/ccf. Federal transportation tax rates on CNG are set using this methodology, equating to $0.043/gge, and generate funds that by law should be routed to the federal highway trust fund.

Depending on vehicle efficiencies, this system may have implications for revenue neutrality and result in operators of alternative fuel vehicles contributing considerably less to transportation funds than equivalent conventional vehicles. This system is equitable if using a metric of energy content (essentially $/Btu) but not necessarily when using a metric of system use (miles driven). Electric vehicles have a considerably greater operating efficiency on a per-BTU-basis, thus these vehicles would pay approximately 3 times less into the transportation fund than the average conventional vehicle because an electric motor is three times more efficient than an internal combustion engine. This 'discount' should be factored in when considering revenue implications of such a system and could also be considered an incentive to encourage further EV adoption.

On a BTU basis, the efficiency of NGVs is similar to that of conventional gasoline vehicles. One of the criteria to consider when assessing user fee options is whether the fee covers the cost of the system. While CNG and electric vehicles may contribute less than conventional vehicles if a gge fee structure is adopted, these vehicles also emit fewer tailpipe emissions, effectively reducing the air quality costs associated with motor vehicle use.

4.1.3 Vehicle Miles Traveled (VMT)-based fee

A user fee based on vehicle miles traveled presents perhaps the most equitable option, by many criteria, as well as providing the greatest opportunity for optimized demand management. This option is a long term solution that would require significant policy changes before implementation. A number of states have studied and are considering this option (described in Section 5.2). A VMT-based fee would provide users clear incentive to drive less (although not necessarily a more fuel efficient vehicle). Further, use of on-board GPS units could track where and when vehicles are in use, and apply mileage fees accordingly-effectively charging people more to drive at peak hours in congested areas.

We estimate that a VMT fee of $0.013 per mile would achieve revenue neutrality, based on average vehicle miles traveled in the state and average fuel efficiency.

A change to a VMT-based fee system would be a massive shift in how our transportation system is funded merits consideration of a number of issues. For instance, a fee system based only on miles traveled provides little incentive for use of fuel efficient vehicles. A sliding scale of registration fees could counteract this, based on vehicle fuel or operating efficiency. In addition, in the absence of a national or regional VMT-based system, vehicles registered out of state would not contribute to the Vermont transportation fund, despite their use of the system.

Most simply, a VMT tax could be administered using odometer readings, a system that would offer fewer price levers to encourage demand management techniques but may present fewer privacy concerns and greater ease of administration. Currently annual odometer readings are collected as part of the annual vehicle air quality inspections. However, this data has not to date been entered into any database or analyzed. In the case of AFV's, if these vehicles are driven less than conventional vehicles (for instance due to limited range in the case of EVs), then the proposed VMT-fee may not achieve revenue neutrality.

A more sophisticated system presents clear pros and cons: there are privacy concerns around use of GPS units and implementation and maintenance of such a system would be administratively costly. Further, an overly complicated pricing structure may confuse users and affect travel behavior less than anticipated. However, this is one the few options explored here that offers clear mechanisms for optimized demand management and was a highly recommended option by the National Surface Transportation Infrastructure Financing Commission in the 2009 report 'Paying Our Way.' This option is generally thought to have little public support (although participants in an Oregon pilot study were supportive upon completion of the study) and has not been endorsed by the Obama administration or

Congress. A more sophisticated VMT fee system (one utilizing time of day and location-based rates) could be developed with the goal of revenue equivalency using estimates of vehicle travel derived from the statewide model.

In the case of EVs, a VMT-based fee system may be easier to implement because many of these vehicles are already equipped with electronic/wireless communication onboard devices that record miles traveled and energy used and are able to communicate with external devices (e.g., smart phones). Thus, data collection from these vehicles could be administratively simpler than conventional vehicles.

4.2 Timing of policies

The timing of policy implementation is an important consideration. Policies must provide adequate revenue while not discouraging early adoption of alternative vehicle technologies that the state ultimately hopes to promote as outlined in the Comprehensive Energy Plan.
Proposed milestones that may serve as appropriate times to phase in fees on alternative fuel vehicles include:

- When EVs comprise a given percentage of new and used vehicle purchases
- When smart grid is available statewide and we can reliably track energy use of EVs and the amount of electricity powering transportation
- When transportation accounts for a given percentage of electricity demand
- When the 2030 Comprehensive Energy Plan goals of 25% of fleet is EVs are met
- When gasoline tax revenues fall by a given percentage or amount

Another suggestion that came up during discussion with the Section 39 Study Group was the blending of fee options, depending on the fuel type. For instance, implementing either a VMT or volumetric tax on current EV users. If the hope is to ultimately switch to a VMT-based fee system, it may be logistically easiest to to begin this system first with a small group of EV users. It is possible that a VMT-based system linked with the current efficiency charge for electricity to promote efficient transportation (TDM programs and infrastructure) could advance multiple state policy goals including revenue neutrality with the current gasoline tax as well as providing earmarked funds for transportation efficiency. In addition, a blended fee option could result in no one system bearing the full cost of the system, potentially improving acceptance of new fee systems.

Alternatively, the group suggested instituting a flat fee upon registration for EV users, and then offering users the option of opting out of the fee for the first year that they own their vehicle if they agreed to be a part of a study. This study would allow travel data on EV use and charging patterns to be gathered. At present we do not know if these vehicles exhibit different travel patterns than conventional vehicles, nor how their widespread use may impact electricity demand. Real-world data would be valuable in this respect and allow for more nuanced planning and preparation for these vehicles.

A flat EV registration fee could be implemented easily within the next year or so. The fee suggested ($146) is presumably not large enough to actively discourage potential EV adopters when included as part of the total operating cost since EV owners save thousands of dollars annually by not purchasing gasoline and from greatly reduced maintenance costs.

5. Other Background Information and Considerations

5.1 Transportation System Users and Least Cost Options

As we move away from conventional vehicles for our travel and struggle to maintain stable and adequate revenue for our transportation system, it may be an appropriate time to reconsider our transportation funding architecture. Brooks et al. (2012) note the difficulty in differentiating CNG and electricity used for transportation from that used for residential (and commercial) purposes. Although this may change with Smart Grid technology and separate meters for EV charging, it raises the questions of 1) how and if utilities should tax these energy sources differently for transportation such that users can contribute to transportation funds? And 2) is it time to change how we raise revenue for transportation?

In addition to this report the legislature in Section 40 of Act 153 required a study of; estimated transportation and TIB fund revenues over the next five years, estimate the gap between costs and projected revenues over the next five years and evaluate potential new state revenue sources, including a vehicle miles traveled tax.

At present, a 'user' (and thus primary funder) of the transportation system generally refers to drivers and riders of public transit. Pedestrians and bicyclists are also users whose needs are considered, although these users do not have any direct means of contributing to the system. Although we have historically funded our transportation system primarily through a user pay system, we have also collectively acknowledged the necessity of a functioning system and the importance of mobility, that is, the ability to get where one needs to go to access services and be an active member of one's community, regardless of disabilities, age, income, and vehicle ownership. Given current declines in licensing rates among teenagers, we should be especially conscious of providing access to non-drivers.

In considering new and equitable ways to sustainably fund our transportation system, it may be time to reconsider what a user of the system is, and whether we should continue with the current definition of a user-pay system. Because a wider swath of society than drivers benefits from a functioning transportation system, some have suggested that it is time to view a functioning transportation system as public good, much the same way we do a functioning electric grid, education system, etc. (e.g. Rahn 2012). Funds to maintain these societal benefits often come from the general fund because they are assumed to benefit all members of society, not just users. A similar case could be made for transportation because we all rely on the roads to allow reliable transport of our food, mail, goods, and emergency vehicles, regardless of whether we ourselves drive.

An alternative approach to transportation planning and funding is least cost transportation planning (LCTP), an approach discussed at length in Vermont's 1998 Comprehensive Energy Plan. Under an LCTP approach, the public's transportation needs are met by means that pose the lowest overall cost to society. LCTP is inspired by Least Cost Integrated Planning, the approach that energy utilities use to meet energy needs via the lowest present value *full life cycle cost*. Under an LCTP approach to transportation planning and funding, we are all users of the system and an accounting for true costs of projects and the system as a whole is crucial to facilitating optimized decision-making and resource allocation.

As the range of fuel efficiency within conventional vehicles and the overall operating efficiency of vehicles of all types increases, using fuel or energy use as a proxy for overall system use (i.e., miles driven) is less and less viable. From **Table 6** we see that five popular models driving the same number of miles differ by as much as 100% in the amount that they contribute annually to the transportation fund: from $70 for the Toyota Prius to $195 for the Ford F-150 pick-up. The wide range in vehicle fuel efficiencies now available highlights the breakdown of fuel use as a proxy for miles driven or system use. At present there is less variability in the efficiency of available electric vehicles (especially among all electric vehicles, rather than plug-in hybrid electric vehicles) and as a result, a considerably smaller range of estimated contribution to the transportation fund, assuming a per kWh charge was implemented (**Table 7**).

Table 6. Estimates of fuel efficiency and annual amount paid in gas tax by different vehicle types (assumes statewide average of annual VMT, 12,700 miles)

Vehicle Model	Miles per gallon	Annual Amt. Paid in Gas Tax ($)	Miles/MMBtu
Honda Fit (compact)	30	$117	263
Toyota Camry (sedan)	25	$141	219
Ford Explorer (SUV)	20	$176	175
Ford F-150 (pick-up)	18	$195	158
Toyota Prius (hybrid)	50	$70	439

Table 7. Estimated operating efficiency and annual amount paid into the state transportation fund by electric and plug-in hybrid electric vehicle available in Vermont (assumes statewide average of annual VMT, 12,700 miles[5]). Gas tax revenue for plug-in hybrid vehicles includes that generated from gasoline and electricity purchases. Electricity transportation fee is \$0.036/kWh, a rate which should achieve approximate revenue equivalency with the average conventional vehicle.

Vehicle Model	Miles/kWh (and miles per gallon for plug-in hybrids)	Annual Amt. Paid into Transportation Fund (proposed)	Miles/MMBtu
Mitsubishi i-MiEV	3.3	\$138	1,050
Nissan Leaf	2.9	\$158	922
Chevy Volt (70% of miles powered by electricity)[6]	2.8 miles /kWh, 37 mpg	\$125	720
Toyota Prius Plug-in (20% of miles powered by electricity)[5]	3.4 miles/kWh, 50 mpg	\$83	952

5.2 Activities in Other States

The Energy Information Administration predicts that by 2035, 49% of new vehicle sales in the U.S. will be of alternative fuel vehicles. According to the National Conference of State Legislators (2012), currently, 27 states have some form of tax on alternative fuels (ethanol, CNG, biodiesel, electricity) and 23 of these dedicate some of this tax to transportation projects. Nine states impose a flat, annual fee on alternative fuel vehicles, and five states allow people the choice of a fuel tax or annual fee. New Hampshire is currently conducting a study of funding options for alternative fuel vehicles (focused on CNG and electric vehicles), similar to this study. Although still underway, an annual registration fee, based on an estimate of average lost tax revenue per vehicle, was an option garnering support from the NH study group, due to administrative ease.

A number of states are considering VMT-based fees to fund transportation projects, but only Illinois has implemented such a system to date, and only for trucks. Arizona, Massachusetts, Mississippi, and Oregon are all considering bills to establish a VMT-based fee for EVs and 18 states have undertaken some type of pilot project (many under a DOT-funded project). A total of eight states (California, Colorado, Hawaii, Indiana, Massachusetts, Texas, Virginia, and Washington) have either begun or authorized a VMT-based pilot program or study. Only Oregon has conducted such a study, to date. The University of Iowa Public Policy Center has been conducting a four year study of mileage-based road user charges nationwide and has collected data from vehicles in at least 12 states thus far.

As of September 2011, Pennsylvania was the only state with a tax specifically on electricity to power vehicles (\$0.0093/kWh; based on gge), although enforcement may be difficult as there is no

[5] However, based on 2009 survey data from the Federal Highway Administration (http://nhts.ornl.gov), we estimate that the average vehicle in Vermont drives closer to 11,575 miles annually and that approximately 10% of the annual VMT driven in Vermont is driven by out of state vehicles.

[6] Based on Vermonter daily travel derived from the 2009 National Household Travel Survey for Vermont (see UVM TRC Fact Sheet 'Can Electric Vehicles Meet Vermont's Travel Demand?' http://www.uvm.edu/~transctr/pdf/factsheet7.pdf)

requirement for separate metering of EV electric use. Compliance with the law requires EV owners to self-report their vehicle charging electricity usage. Separate metering of electricity used for transportation is occurring, however. The utility Alabama Power offers a Plug-in Electric Vehicle (PEV) Charging Rate Incentive that provides businesses an electric vehicle Time-of-Use rate for electricity purchased to charge EVs used for non-residential purposes. The electricity used for vehicle charging is metered separately from all other electricity use.

Many utilities around the country have implemented time of use (TOU) charging, irrespective of whether the power is used for transportation or other purposes. Data on EV charging patterns collected by the Idaho National Lab (2012) suggests that EV users respond to these rate differentials, charging randomly in the absence of a TOU rate structure, while in those areas with TOU charging, the bulk of charging occurred off peak. As of June 2012, 22 electric utilities in 11 states had enacted specific rates or tariffs for charging of electric vehicles, all of which have different rates for peak and off-peak hours (Northeast Group 2012). However, no portion of these tariffs is currently routed to transportation project funding.

Other alternative fuel fee systems in use on other states are listed in **Table 8** (as described on the DOE Alternative Fuels **Data Center website and the report "Sharing the Road, Sharing the Cost", 2012).**

Table 8. Alternative Fuel Fee Systems Currently in Use, by State

State	Fee
Alabama	Liquefied petroleum (LPG) and CNG vehicles are subject to an annual fee based on weight and out of state CNG vehicles must pay the current state fuel tax.
Arkansas	Alternative fuel vehicles are subject to an excise tax, determined on a gasoline gallon equivalent basis. The tax rate for each fuel type is based on the number of motor vehicles licensed in the state that use the specific fuel, not including vehicles the federal government owns or leases
Nebraska	Alternative fuel vehicle operators must purchase a user permit; CNG and LPG fuel sold for transportation are subject to an excise tax of %0.075/gallon
New Mexico	Alternative fuels are subject to a $0.12 per gallon equivalent or operators may pay an annual fee based on vehicle weight (these fees range from $60 to $1,100).
Pennsylvania	Alternative fuels and energy are taxed on a GGE basis. This amounts to a charge of $0.0093/kWh on electricity used to power electric vehicles.
South Carolina	Alternative fuels are exempt for state sales and use tax but subject to a state fuels tax
Washington	CNG and LPG vehicle owners pay an annual fee based on vehicle weight in lieu of a fuel tax (these fees range from $45-250).
Vermont	Vermont's statutes 23 VSA Section 3173 states "For the purpose of this subchapter, gasoline or other motor fuel shall be defined to mean any type of fuel, by whatever name it may be called used in an internal combustion engine to generate power to propel a motor vehicle upon a highways." 32 VSA Section 9741 was amended this past session to state, "(7) Sales of motor fuels taxed or exempted under 23 VSA chapter 28 provided, however, that aviation jet fuel and natural gas used to propel a motor vehicle shall be taxed under this chapter with the proceeds to be allocated to the transportation fund in accordance with 19 VSA section 11"

In addition, the Transportation Utility Fee system used in Oregon and Austin, TX, is not specific to AFVs but may be of particular interest as the transportation sector becomes electrified. These fees are administered by building, similar to other utility charges (water, electricity, natural gas) and are fuel or energy 'neutral', affecting all vehicle types the same because the fee is assigned to the building. Generally, a transportation utility fee estimates the number of trips generated by a particular building type (commercial, residential, square footage, number of employees/household members, etc.) in a given location, and calculates a level of system use. TUFs are currently used in at least 26 cities in 7 states (most commonly in Oregon). Some of these cities offer utility fee discounts to the elderly, low income residents and those with no vehicle.

5.3 Activities in Other Countries

We did not find literature to suggest that other countries (e.g., those in Europe, Australia) have taken (or proposed) action to prepare for potential losses in fuel taxes as use of alternative fuels increases. We also reviewed more general transportation finance at the national level in a number of EU states and Australia. In contrast to the U.S., transportation in most of these nations is less tightly tied to a user-pay system. Some revenue generated through high fuel taxes is re-routed to the general fund (as was the case in the U.S. in previous years when some of the federal gasoline and diesel tax revenue went toward deficit reduction) and in many cases funding for transportation projects (rail, road, transit), comes out of the general fund. Both Australia and Germany are either transitioning or considering a transition to a user-pay system. EU member Estonia, which has made a strong commitment to fleet electrification, funds most transportation projects through the general fund, not transportation user fees or fuel taxes.

Higher fuel and other transportation taxes fund not just transportation but programs in other sectors such as healthcare and education. On average, in Europe, transportation taxes total 142% of the total spent on roads. Similarly, Canadian gas taxes totaled $11.7 billion in government revenue in 2008, while the country's total transportation expenditures in that year were only $4.1 billion (AASHTO 2011).

In France, the effects on government revenue streams of a switch away from conventional vehicles to EVs is unclear but potentially less substantial than in the United States. Leurent and Windisch 2012 estimate that the revenue collected from an EV over the course of the vehicles lifetime will be 16% less than that collected from a conventional vehicle, accounting for the current tax credit of 5,000 Euros. In the absence of this credit, revenue collected from these vehicle types is approximately equivalent. Although fuel taxes are higher than those on electricity, both vehicles are subject to a value added tax (which generates sizable revenue in the case of currently more expensive EVs), as well as a variety of other taxes. However, Van Dender & Crist (2010) note that while overall tax revenue generated by EVs and conventional vehicles may not differ widely, the fuel tax is administratively much easier and cheaper to collect than other taxes, thus replacement taxes may be more expensive to collect. Several European countries also charge annual registration or vehicle sales fees based on greenhouse gas emissions.

6. Conclusion

The long-term viability of Vermont's transportation infrastructure will require ongoing support from user fees collected from system users and beneficiaries. As the energy powering our transportation system diversifies, new funding mechanisms will be required. Here we present a number of funding options for the consideration of lawmakers and transportation planning officials such that revenue neutrality or equivalency with the current system can be achieved. These options must be considered within the context of multiple, sometimes contradictory or competing goals of state government. Vermont has goals to substantially reduce fossil fuel use and encourage transition to alternative fuel vehicles, while also recognizing the need to fully and safely fund the transportation system in an equitable and sustainable way. Because primary funding for the transportation system is derived from the gasoline and diesel taxes and depends upon continued use of fossil fuel use at current rates, these goals and funding mechanisms require re-examination. The options discussed in this report will be submitted to the Vermont Joint Fiscal Committee in November 2012 for their consideration.

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Appendix

Fee Calculations to Achieve Revenue Neutrality

Electric Vehicle flat registration fee

At an average annual VMT of 12,700 per vehicle, an average vehicle fuel efficiency of 24 miles/gallon, the current gasoline tax ($0.20/gallon + 2% retail price), and a cost of $3.85/gallon, the average driver contributes ~$146 to the transportation fund via the gas tax.

(12,700[7] average annual vehicles miles traveled per vehicle) / (mean vehicle fuel efficiency of 24 mpg) = 529 gallons purchased annually

(529 gallons) x ($0.20 tax/gallon) + (2% tax on retail sale price/gallon x $3.85/gallon) =

$146 *estimated lost gas tax per vehicle*

Compressed Natural Gas Sales Tax (or additional Transportation Tax) and Excise Tax

Gasoline is currently taxed at a rate of 7.75%/gallon (although this tax is volumetric and not entirely linked to inflation, so it varies with the price of gasoline), higher than the 6% sales tax levied on natural gas. Further, due to the lower price of natural gas ($3.85/gallon for gasoline vs. $1.64/100 ccf for natural gas) a higher sales tax would be required to achieve revenue neutrality. To generate $0.277 / 100 ccf (roughly the equivalent of 1 gallon of gasoline), at current pre-sales tax CNG prices, the total tax rate would need to be 18%:

$0.277/ $1.54 /100 ccf= 18.0%

As mentioned in the report, this additional 12% tax could be levied in the form of an additional **'transportation tax'**, rather than by increasing the sales tax. Regardless, a tax rate of 18% would be required at current CNG prices.

One gallon of gasoline contains 0.114 MMBtu and 100 ccf CNG contains 0.100 MMBtu. On a MMBtu or energy content basis, the price of these two fuel types is $33.77/MMBtu for gasoline and $20.51 for compressed natural gas.

To achieve revenue neutrality through an excise tax on CNG, an equivalent tax rate to the current gasoline tax rate should be used:

$0.277/100 ccf

[7] However, based on 2009 survey data from the Federal Highway Administration (http://nhts.ornl.gov), we estimate that the average vehicle in Vermont drives closer to 11,575 miles annually and that approximately 10% of the annual VMT driven in Vermont is driven by out of state vehicles.

Electric Vehicle

A user fee of \$0.036/kWh would generate approximately the same amount of revenue per vehicle as the current gas tax (\$0.277/gallon, \$146/vehicle annually), assuming an annual VMT of 12,700 miles, and electric vehicle efficiency of 0.32 kWh/mile and a conventional vehicle efficiency of 24 miles per gallon.

(0.32 kWh/mile) * (12,700 miles /year) = 4,064 kWh /year

(\$146 / year) /(4064 kWh/year) = \$0.036/kWh

Alternative Fuels Matrix

In an alternative fuels matrix, fuels other than conventional gasoline are converted to a gasoline gallon equivalent (gge) based on energy content and are then taxed at the same rate as gasoline. One gallon of gasoline contains 0.114 MM**Btu's and is taxed at a** rate of \$0.277 /gallon in Vermont. Energetically, one gallon of gasoline is equivalent to 33.41 kWh, which under this system would be taxed at a rate of \$0.008/kWh:

(1 gallon gasoline/ 33.41 kWh) * (\$0.277/gallon) = \$0.008/kWh

One gallon of gasoline is energetically equivalent to 126.7 ccf CNG, which on a gge basis would be taxed at a rate of \$0.218/ 100 ccf:

(1 gallon gasoline / 126.7 ccf CNG) * (0.277/gallon) = 0.218 ¢ / 100 ccf

Federal transportation tax rates on CNG are set using this methodology, generating funds that by law should be routed to the federal highway trust fund.

Vehicle Miles Traveled-based Fee

\$0.013/mile flat rate would achieve revenue neutrality:

\$146 / 12,700 annual miles driven/vehicle = \$0.011/mile

However, based on 2009 survey data from the Federal Highway Administration (http://nhts.ornl.gov), we estimate that the average vehicle in Vermont drives closer to 11,575 miles annually and that approximately 10% of the annual VMT driven in Vermont is driven by out of state vehicles. An odometer-based VMT system for Vermont would have no means of taxing vehicles not registered in the state. *Revenue neutrality to make-up for this discrepancy would require a VMT fee of \$0.013/mile.*

Other states have proposed fees ranging from \$0.17-\$0.24/mile which include additional time of use and congestion fees

Section 39 Study Group Membership

Members

The Secretary of Transportation or designee - Chris Cole
Joint Fiscal Office - Steve Klein and Neil Schickner
Commissioner of Motor Vehicles - Rob Ide
Commissioner of Taxes - Jeffrey Dooley
Commissioner of Public Service or designee - Asa Hopkins

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